(Please scan this QR code to view the DRHP)

Draft Red Herring Prospectus
Dated December 29, 2022
Please read section 32 of the Companies Act
(This DRHP will be updated upon filing with the RoC)
100% Book Built Offer

RISHABH INSTRUMENTS LIMITED
CORPORATE IDENTITY NUMBER: U31100MH1982PLC028406

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
A-54, MIDC, Opposite, MIDC Bus Depot, Andheri (East) Mumbai 400 093, Maharashtra, India	F-31, MIDC, Satpur, Nashik 422 007, Maharashtra, India	Ajinkya Joglekar, Company Secretary and Compliance Officer	cs@rishabh.co.in +91 253 220 2183	www.rishabh.co.in

OUR PROMOTER: NARENDRA JOHARIMAL GOLIYA
DETAILS OF THE OFFER TO PUBLIC

Type	Fresh Issue	Offer for Sale	Total Offer	Eligibility and share reservation
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 750.00 million	Up to 9,417,500 Equity Shares aggregating up to ₹ [●] million	Up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 437. For details of share reservation among QIBs, NIIs and RIIs, see "***Offer Structure***" on page 455.

DETAILS OF THE OFFER FOR SALE

Name of Selling Shareholder	Type	No. of Equity Shares offered	WACA per Equity Share[(1)](in ₹)
Asha Narendra Goliya[(2)]	Promoter Group	Up to 2,500,000	0.10
Rishabh Narendra Goliya[(2)]	Promoter Group	Up to 400,000	0.03
Narendra Rishabh Goliya (HUF)[(3)]	Promoter Group	Up to 517,500	0.13
SACEF Holdings II	Investor	Up to 6,000,000[(4)]	87.05[*]

(1) *As certified by Shah & Mantri, Chartered Accountants, pursuant to their certificate dated December 29, 2022.*
(2) *Jointly held Equity Shares with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(3) *Through its karta, Narendra Joharimal Goliya.*
(4) *Includes Equity Shares which will be issued upon conversion of the CCPS held by SACEF Holdings II. As on the date of this DRHP, SACEF Holdings II holds 3,606,110 CCPS which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*
* *The CCPS held by SACEF Holdings II will be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. Accordingly, the weighted average cost of acquisition per Equity Share by SACEF Holdings II will be recomputed prior to filing of the Red Herring Prospectus with the RoC.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of our Equity Share is ₹ 10 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Floor Price, Cap Price and the Offer Price (as determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 132) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the SEBI, nor does the SEBI guarantee the accuracy or adequacy of the contents of this DRHP. Specific attention of the investors is invited to "***Risk Factors***" on page 27.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this DRHP contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this DRHP is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this DRHP as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Selling Shareholder in this DRHP solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. None of the Selling Shareholders assumes any responsibility for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholder or any other person.

LISTING

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

BOOK RUNNING LEAD MANAGERS

DAM CAPITAL	**DAM Capital Advisors Limited**	**Contact person**: Gunjan Jain	**E-mail**: rishabh.ipo@damcapital.in **Tel**: +91 22 4202 2500
MIRAE ASSET Capital Markets	**Mirae Asset Capital Markets (India) Private Limited**	**Contact person**: Rohan Menon	**E-mail**: rishabh.ipo@miraeassetcm.com **Tel**: +91 22 6266 1300
MOTILAL OSWAL Investment Banking	**Motilal Oswal Investment Advisors Limited**	**Contact person**: Kirti Kanoria/ Ritu Sharma	**E-mail**: rishabh.ipo@motilaloswal.com **Tel**: +91 22 7193 4380

REGISTRAR TO THE OFFER

KFin Technologies Limited (*Formerly KFin Technologies Private Limited*)	**Contact Person**: M Murali Krishna	**Tel**: +91 40 6716 2222; **E-mail**: rishabh.ipo@kfintech.com

BID/OFFER PERIOD

Anchor Investor Bidding Date[(1)]	[●]	Bid/Offer Opens On[(1)]	[●]	Bid/Offer Closes On[(2)]	[●]

(1) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.*
(2) *Our Company, in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated December 29, 2022
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC*)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

RISHABH INSTRUMENTS LIMITED

Our Company was incorporated as "Rishabh Instruments Private Limited", a private limited company, under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 6, 1982, granted by the Registrar of Companies, Maharashtra at Mumbai ("**ROC**"). Pursuant to the conversion of our Company into a public limited company and as approved by our Board on September 8, 2022, and a special resolution passed by our Shareholders at the extra-ordinary general meeting on September 13, 2022, the name of our Company was changed to "Rishabh Instruments Limited" and the RoC issued a fresh certificate of incorporation on September 22, 2022. For details of change in the Registered Office, see "***History and Certain Corporate Matters – Changes in the Registered Office***" on page 272.

Registered Office: A-54, MIDC, Opposite MIDC Bus Depot, Andheri (East) Mumbai 400 093, Maharashtra, India; **Tel:** +91 22 282 54047
Corporate Office: F-31, MIDC, Satpur, Nashik 422 007, Maharashtra, India; **Tel:** +91 253 220 2183
Contact Person: Ajinkya Joglekar, Company Secretary and Compliance Officer; **Tel:** +91 253 220 2183
E-mail: cs@rishabh.co.in; **Website**: www.rishabh.co.in; **Corporate Identity Number:** U31100MH1982PLC028406

OUR PROMOTER: NARENDRA JOHARIMAL GOLIYA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF RISHABH INSTRUMENTS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION, COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 750.00 MILLION AND AN OFFER FOR SALE OF UP TO 9,417,500 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 2,500,000 EQUITY SHARES BY ASHA NARENDRA GOLIYA* AGGREGATING UP TO ₹ [●], UP TO 400,000 EQUITY SHARES BY RISHABH NARENDRA GOLIYA* AGGREGATING UP TO ₹ [●] MILLION, UP TO 517,500 EQUITY SHARES BY NARENDRA RISHABH GOLIYA (HUF)# AGGREGATING UP TO ₹ [●] MILLION AND UP TO 6,000,000 EQUITY SHARES BY SACEF HOLDINGS II AGGREGATING UP TO ₹ [●] MILLION (TOGETHER, THE "SELLING SHAREHOLDERS") (THE "OFFER"). THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES OF OUR COMPANY, INCLUDING CONVERTIBLE SECURITIES WHICH WILL BE CONVERTIBLE INTO EQUITY SHARES ("SPECIFIED SECURITIES"), THROUGH A RIGHTS ISSUE TO EXISTING SHAREHOLDERS, PRIVATE PLACEMENT, PREFERENTIAL OFFER AND/OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 150.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). IN THE EVENT CONVERTIBLE SECURITIES ARE ISSUED IN THE PRE-IPO PLACEMENT, SUCH SECURITIES SHALL BE CONVERTED INTO EQUITY SHARES PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. UPON ALLOTMENT OF SPECIFIED SECURITIES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT AND AFTER COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED UNDER THE COMPANIES ACT, 2013, OUR COMPANY SHALL UTILISE THE PROCEEDS FROM SUCH PRE-IPO PLACEMENT TOWARDS ONE OR MORE OF THE OBJECTS OF THE OFFER.

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

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company and Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" on page 458.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Share is ₹ 10 each. The Offer Price/Floor Price/Cap Price, as determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations and as stated in "***Basis for Offer Price***" on page 132, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 27.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. None of the Selling Shareholders assumes any responsibility for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholder or any other person.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 497.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
DAM Capital Advisors Limited One BKC, Tower C, 15th Floor Unit No. 1511, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4202 2500 **E-mail:** rishabh.ipo@damcapital.in **Investor Grievance E-mail:** complaint@damcapital.in **Website:** www.damcapital.in **Contact Person:** Gunjan Jain **SEBI Registration No.:** MB/INM000011336	**Mirae Asset Capital Markets (India) Private Limited** 1st Floor, Tower 4, Equinox Business Park LBS Marg, Off BKC, Kurla (West) Mumbai 400 070, Maharashtra, India **Tel:** +91 22 6266 1300 **E-mail:** rishabh.ipo@miraeassetcm.com **Website:** https://cm.miraeasset.co.in/ **Investor grievance e-mail:** mbinvestors@miraeassetcm.com **Contact person:** Rohan Menon **SEBI registration no.:** INM000012485	**Motilal Oswal Investment Advisors Limited** 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 7193 4380 **E-mail:** rishabh.ipo@motilaloswal.com **Website:** www.motilaloswalgroup.com **Investor grievance e-mail:** moiaplredressal@motilaloswal.com **Contact person:** Kirti Kanoria/ Ritu Sharma **SEBI registration no.:** INM000011005	**KFin Technologies Limited (*Formerly KFin Technologies Private Limited*)** Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddy 500 032 Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** rishabh.ipo@kfintech.com **Website:** www.kfintech.com **Investor Grievance E-mail:** einward.ris@kfintech.com **Contact Person:** M Murali Krishna **SEBI Registration No:** INR000000221 **CIN:** U72400TG2017PLC117649

BID/ OFFER PROGRAMME

Anchor Investor Bidding Date(1)	[●]	Bid/ Offer opens on(1)	[●]	Bid/ Offer closes on(2)	[●]

(1) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.*
(2) *Our Company, in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
* *Jointly held Equity Shares with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
** *Includes Equity Shares which will be issued upon conversion of the CCPS held by SACEF Holdings II. As on the date of this Draft Red Herring Prospectus, SACEF Holdings II holds 3,606,110 CCPS, which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*
\# *Through its karta, Narendra Joharimal Goliya.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

*Unless the context otherwise indicates, all references to "**the Company**" and "**our Company**", are references to Rishabh Instruments Limited, a company incorporated under the Companies Act, 1956, and having its registered office at A-54, MIDC, Opposite MIDC Bus Depot, Andheri (East) Mumbai 400 093, Maharashtra, India. Furthermore, unless the context otherwise indicates, all references to the terms, "**we**", "**us**" **and** "**our**" are to our Company and our Subsidiaries (as defined below) on a consolidated basis. However, for the purpose of the Restated Consolidated Financial Information, all references to such terms includes our Company, our Subsidiaries and our Associate which existed as at and during the six months ended September 30, 2022, and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020.*

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

*Notwithstanding the foregoing, terms in "**Statement of Possible Special Tax Benefits**", "**Industry Overview**", "**Key Industry Regulations and Policies in India**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**" and "**Main Provisions of the Articles of Association**", on pages 138, 158, 268, 303, 425 and 477, respectively, will have the meaning ascribed to such terms in those respective sections.*

Company Related Terms

Term	Description
APM	Analog Panel Meters
Articles of Association / AoA / Articles	Articles of association of our Company, as amended
Associate	Przedsiębiorstwo Wdrożeniowe INMEL Spółka z ograniczoną odpowiedzialnością
Audit Committee	The audit committee of our Board, as described in "***Our Management***" on page 280
Auditors / Statutory Auditors	Statutory auditors of our Company, namely, M/s M S K A & Associates
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof
CCPS	Compulsorily convertible preference shares of our Company of face value of ₹ 30 each and carrying a dividend rate of 0.001% per annum
Chairman and Managing Director	The chairman and managing director of our Company, namely Narendra Joharimal Goliya
Chief Financial Officer	The chief financial officer of our Company, namely Vishal Prabhakar Kulkarni
China Manufacturing Facility	The manufacturing facility located at 4th Floor, D Area, No. 22 Building No. 258, Yinlong Road, Jiading District, Shanghai, China
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Ajinkya Joglekar
Corporate Office	The corporate office of our Company situated at F-31, MIDC, Satpur, Nashik 422 007, Maharashtra, India
CSR Committee	The corporate social responsibility committee of our Board, as described in "***Our Management***" on page 280
Dhruv Enterprises	Dhruv Enterprises Limited
Director(s)	Director(s) on the Board
ESL or Energy Solution Labs	EnergySolution Labs Private Limited
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
ESOP Plan	Collectively, ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B
ESOP 2016	ESOP 2016 , as amended, which is an employee stock option plan of our Company
ESOP 2022 Scheme A	RIL Employees Stock Option Plan 2022 – Scheme A read with the RIL Employee Stock Option Plan 2022 of our Company
ESOP 2022 Scheme B	RIL Employees Stock Option Plan 2022 - Scheme B read with the RIL Employee Stock Option Plan 2022 of our Company

Term	Description
Executive Director	Executive Director of our Company and as disclosed in "***Our Management***" on page 280
Expansion Project	The proposed expansion of the Nashik Manufacturing Facility I as disclosed in "***Objects of the Offer***" on page 69
Frost & Sullivan / F&S	Frost & Sullivan (India) Private Limited
F&S Report	The report titled "*Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India*" dated December 14, 2022
Group Companies	Our group companies identified in accordance with SEBI ICDR Regulations and in accordance with our Materiality Policy, as identified in "***Group Companies***" on page 300
Independent Directors	Non-executive independent directors of our Company and as disclosed in "***Our Management***" on page 280
Investor Selling Shareholder	SACEF
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and/or Companies Act, 2013, as applicable, and as disclosed in "***Our Management***" on page 280
Lumel	Collectively, Lumel Alucast, Lumel SA and Lumel Slask
Lumel Alucast	Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością
Lumel SA	Lumel Spółka Akcyjna
Lumel Slask	Lumel Śląsk Spółka Z Ograniczoną Odpowiedzialnością
Manufacturing Facilities	Collectively, Nashik Manufacturing Facilities, Poland Manufacturing Facilities and China Manufacturing Facility
Material Subsidiaries	Lumel SA and Lumel Alucast
Materiality Policy	The policy adopted by our Board in its meeting dated December 19, 2022, for identification of Group Companies, material outstanding litigation and material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
Nashik Manufacturing Facility I	The manufacturing facility located at F-31, Satpur, MIDC, Nashik 422 007, Maharashtra, India
Nashik Manufacturing Facility II	The manufacturing facility located at C-6, Satpur, NICE, Nashik 422 007, Maharashtra, India
Nashik Manufacturing Facilities	Collectively, Nashik Manufacturing Facility I and Nashik Manufacturing Facility II
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management***" on page 280
Non-Executive Directors	Non-executive directors of our Company and as disclosed in "***Our Management***" on page 280
Non-Executive Nominee Directors	Non-executive nominee directors of our Company and as disclosed in "***Our Management***" on page 280
Poland Manufacturing Facility I	The manufacturing facility located at Slubicka 4, 65-127 Zielona Gora, Poland
Poland Manufacturing Facility II	The manufacturing facility located at Slubicka 1, 65-127 Zielona Gora, Poland
Poland Manufacturing Facilities	Collectively, Poland Manufacturing Facility I and Poland Manufacturing Facility II
Promoter	Narendra Joharimal Goliya
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoter and Promoter Group***" beginning on page 297
Registered Office	The registered office of our Company located at A-54, MIDC, Opposite MIDC Bus Depot, Andheri (East) Mumbai 400 093, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	Restated consolidated financial information of our Company, its Subsidiaries and its Associate as of and for the six months ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated consolidated statement of assets and liabilities as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income) for the six months ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows along with the Statement of Significant Accounting Policies and other explanatory information for the six months ended September 30, 2022 and for the years ended March 31, 2022, 2021 and 2020, which have been prepared specifically for

Term	Description
	inclusion in this Draft Red Herring Prospectus in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management***" on page 280
SACEF / Investor	SACEF Holdings II
Selling Shareholders	Collectively, Asha Narendra Goliya, Rishabh Narendra Goliya, Narendra Rishabh Goliya (HUF) and SACEF
SHA/Shareholders' Agreement	Shareholders' agreement dated September 16, 2013, executed between SHA Parties and as amended by the amendment and waiver agreement dated September 8, 2022 ("***SHA Amendment and Waiver Agreement***"). For details, "***History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements – Shareholders' Agreement***" on page 275
SHA Parties	Collectively, our Company, our Promoter, Asha Narendra Goliya, Rishabh Narendra Goliya, Narendra Rishabh Goliya (HUF), Anushree Goliya and SACEF
Shanghai VA	Shanghai VA Instrument Co. Ltd.
Shareholder(s)	The holders of equity shares of our Company, from time to time
Sifam UK	Sifam Tinsley Instrumentation Limited
Sifam USA	Sifam Tinsley Instrumentation Inc.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management***" on page 280
Subsidiaries	The subsidiaries of our Company, as described in "***History and Certain Corporate Matters***" on page 272

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the transfer of the Offered Shares pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and Selling Shareholders in consultation with the BRLMs on the Anchor Investor Bidding Date.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and Selling Shareholders in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-

Term	Description
	third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, the Refund Bank, the Public Offer Account Bank and the Sponsor Bank(s).
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 458.
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term '**Bidding**' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of Retail Individual Investors Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), and in case of any revision, the extended Bid/Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and Sponsor Bank(s), as required under the SEBI ICDR Regulations. Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), and in case of any revision, the extended Bid/ Offer Period also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and Sponsor Bank(s), as required under the SEBI ICDR Regulations.

Term	Description
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Bidder / Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer, being DAM Capital, Mirae Asset and Motilal Oswal.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker, provided that the UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, among other things, appointment of the Sponsor Bank(s), collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account, and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
CDP / Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the websites of the BSE and the NSE.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
DAM Capital	DAM Capital Advisors Limited
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Designated Date	The date on which the funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIIs and Non-Institutional Investors bidding with an application size of upto ₹500,000 (not using the UPI Mechanism) by authorising

Term	Description
	an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Investors (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId =35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated December 29, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible FPI	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitute an invitation to purchase the Equity Shares.
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●].
First or Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 750.00 million by our Company. For further information, see "***The Offer***" on page 69. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
Mirae Asset	Mirae Asset Capital Markets (India) Private Limited
Motilal Oswal	Motilal Oswal Investment Advisors Limited.
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity

Term	Description
	Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Net Proceeds	The gross proceeds of the Fresh Issue less Offer related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Investors / NIIs	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Category	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Offer Price.
NR/ Non-Resident	Person resident outside India, as defined under FEMA and includes non-resident Indians, FVCIs and FPIs.
Offer	The initial public offer of Equity Shares comprising the Fresh Issue and an Offer for Sale.
Offer Agreement	The agreement dated December 29, 2022 among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of Offered Shares aggregating to ₹ [●] million by the Selling Shareholders in the Offer. For further information, see "***The Offer***" on page 69.
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Offered Shares	Up to 9,417,500 Equity Shares aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer.
Pre-IPO Placement	A further issue of specified securities of our Company undertaken by the Company and the Selling Shareholders, including convertible securities, in consultation with the BRLMs, which will be convertible into equity shares, through a rights issue to existing shareholders, private placement, preferential offer and/or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 150.00 million, at their discretion, prior to filing of the red herring prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Cap Price shall be at least 105% of the Floor Price. The Price Band and minimum Bid Lot, as decided by our Company and the Selling Shareholders, in consultation with the BRLMs, will be advertised in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the

Term	Description
	ASBA Accounts on the Designated Date.
Public Offer Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer being not more than 50% of the Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs, subject to valid Bids being received at or above the Offer Price.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	The agreement dated December 23, 2022 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar to the Offer / Registrar	KFin Technologies Limited (*Formerly KFin Technologies Private Limited*)
Retail Individual Investor(s) / RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion / Retail Category	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
Self Certified Syndicate Bank(s) or SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement,

Term	Description
	namely, [●].
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank(s)	[●], being Bankers to the Offer, appointed by the Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	Collectively, the BSE and the NSE.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations.
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Category. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the notice issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that shall be used by a UPI Bidder to make an ASBA Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
WACA	Weighted average cost of acquisition.

Term	Description
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

Industry Related Terms

Term	Description
% of India revenue (out of the total group revenue)	Percentage of revenue generated by our Company with respect to total revenue generated by our Company and its Subsidiaries over the globe
% of Europe revenue (out of the total group revenue)	Percentage of revenue generated by Lumel SA and Lumel Alucast with respect to total revenue generated by our Company and its Subsidiaries over the globe
% of HPDC sales (out of the total group revenue)	Percentage of revenue generated by Lumel Alucast (Aluminium HPDC sales) ("**HPDC Sales**") with respect to total revenue generated by our Company and its Subsidiaries over the globe
% automotive (out of the HPDC revenue)	Percentage of revenue generated of HPDC Sales in the automotive sector/market with respect to total HPDC sales
% non-automotive (out of the HPDC revenue)	Percentage of revenue generated of HPDC Sales in the non-automotive sector/market with respect to total HPDC Sales
3 CT	Three phase current transformer
3D	Three dimensional
5S	5 steps of this methodology: sort, set in order, shine, standardize, sustain
ABS	Automatic balancing system
ACS	Automatic calibration system
AG	The Swiss "Aktiengesellschaft" or abbreviated "AG"
ANSI	American National Standards Institute
AOI	Automated optical inspection
APFC	Automatic power factor controller
BACnet	Building automation communication protocol
BIT	Burn-in testing
BMS	Building management system
CAD	Computer-aided design
CAM	Computer aided manufacturing
CAPEX (group level)	Capital expenditure includes funds utilized for enhancing the infrastructure, manufacturing facilities, addition of the plant and machinery and research development.
CE	Conformité Européenne – means "European Conformity"
Class 0.5s	Accuracy of 0.5% of the reading under full load and unity power factor
CNC	Computer numerical control
CO_2	Carbon di-oxide
CSR	Corporate social responsibility
CT	Current transformer
CT-PT	Current transformer – potential transformer
DB Meter	Decibel meter
DC cells 550T up to 840T	Die casting cells within the Automated Machines 55-ton capacity to 840 ton capacity
DD test facility	Dielectric discharge test facility
DG set Ems	Diesel generator set energy meters
DHCP	Dynamic host configuration protocol
DNA	Deoxyribonucleic acid
DR	Disaster recovery
EBITDA margin (%)	Percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses.
EHS Policy	Environment, health and safety policy
Electronic Manufacturing Services	Electronic manufacturing services is a term used for companies that design, manufacture, test, distribute, and provide services for electronic components and assemblies for OEMs.
EMC 2.0	The EMC 2.0 scheme provides financial assistance for setting up of both EMC projects and common facility Centres (cfcs) across the country

Term	Description
EMC	Electro-magnetic compatibility
EMI	Electro-magnetic interference
EMS	Energy management system
ERP	Enterprise resource planning
EV	Electrical vehicle
FLOW 3D	Flow three-dimensional software for mould design
FMCG	Fast moving consumer goods
FMEA	Failure mode and effects analysis
GSM	Global system for mobile communication
HSG	Housing
IATF	International automotive task force
I/O	Input output
ICP	Industrial control products
ICT	In Circuit testing
IDE	Integrated development environment
IEC	International electrotechnical commission
IIoT	Industrial internet of things
IIT	Indian Institute of Technology
IoT	Internet of things
IP65	Ingress protection dust level 6 and water level 5
IPC	International patent classification
kV	Kilo volt
kW	Kilo watt
LA	Lightning arrestor
LED	Light emitting diode
mA	Milli ampere
MARC	Measure Analyze Record Control – MARC is the proprietary software of ESL
MFM	Multi-function meters
MID	Measuring instruments directive
MIDC	Maharashtra Industrial Development Corporation
MODBUS RS 485	A serial communication protocol
MODBUS TCP/IP	Another Serial communication protocol
MQTT	Message queuing telemetry transport (software protocol)
M-SIPS	Modified special incentive package scheme of the Government of India
mt.	Meter
NABL	National Accreditation Board for Testing and Calibration Laboratories
Net cash generated from operations	The amount of cash a company generates (or consumes) from carrying out its operating activities. Operating activities include generating revenue, paying expenses, and funding working capital. It is calculated by taking net income, adjusting for non-cash items, and accounting for changes in working capital
Net debt/equity ratio (%)	Debt to equity ratio is calculated by dividing our Company’s debts by shareholders’ equity. This metric is a measurement of our Company’s financial leverage
OCR	Optical character recognition.
OEM	Original equipment manufacturer
OHSAS	Occupational health and safety assessment series
PAT	Profit after tax
PAT margin (%)	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company
PCB design	Printed circuit board designing
PCBA	Printed circuit board assembly
PLM	Product life cycle management
PFC	Power factor controller
PQ	Power quality
ProfiBus	A Communication protocol
ProfiNet	Communication protocol
Profit/(loss) after tax	The amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company
QAP	Quality assurance plan.
QR code	Quick Response code
R&D	Research & development

Term	Description
Revenue from operations	Revenue from operation considers the revenue generated out of the sales of products / services under all five segments i.e. electrical automation, metering control and protection devices, portable test and measurement instruments, solar string inverters and aluminium high pressure die-casting
RI	Radiographic interpreter
ROCE (%)	Return on capital employed is calculated using two components, i.e. earnings before interest and tax and capital employed and is calculated by earnings before interest and tax divided by total assets less current liabilities For capital employed, considered the total assets less the current liabilities. ROCE indicates how effectively our Company generates profit against the capital employed over a period of time
ROE	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity
ROE (%)	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits
RoNW (%)	Profit after tax attributable to the equity Shareholders of the Company divided by Net worth (i.e., total equity excluding non-controlling interest for that year)
ROHS	Restriction of hazardous substances
SAP	Systems, Applications & Products in Data Processing is a proprietary ERP software
SAP ECC	SAP in Data Processing ERP Central Component
SAP S/4HANA	SAP in Data Processing Suite for HANA (High-performance Analytic Appliance)
SAP-ERP	SAP in Data Processing Enterprise Resource Planning
SCADA	Supervisory control and data acquisition
SEDEX	Supplier ethical data exchange
SMETA	Sedex members ethical trade audit
SLA	Stereolithography
SMT	Surface mount technology
SPM	Special purpose machines
sq.	Square
STATCOM	Static synchronous compensator
Ti	Titanium
TMI	Testing and measuring instruments
TQM	Total quality management
UKCA	United Kingdom Conformity Assessment
UPS	Uninterruptible power supply
USB	Universal serial bus
UV	Ultra – violet
VAT	Value added tax
VPP	Peak-to-peak voltage
VR	Virtual reality
WiFi	Wireless Fidelity

Conventional and General Terms and Abbreviations

Term	Description
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation, amortization expenses, changes in fair value of preference shares and employee stock option scheme
AGM	Annual general meeting of shareholders under the Companies Act 2013
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Banking Regulation Act	The Banking Regulation Act, 1949
Bn / bn	Billion
BSE	The BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder

Term	Description
Companies Act, 2013	The Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI
EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations
GoI / Central Government	The Government of India
HUF(s)	Hindu undivided family(ies)
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	The Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act 2013
Ind AS 24	The Indian Accounting Standard 24 notified under Section 133 of the Companies Act 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act 2013
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR / Indian Rupees / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IT Act	The Information Technology Act, 2000
MCA / Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India
Mn	Million
NACH	National Automated Clearing House
NAV	Net asset value
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in

Term	Description
	existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on capital employed
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under section 3 of the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEBSE Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEZ	Special economic zone
STT	Securities Transaction Tax
UAE	United Arab Emirates
UK	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles of the United States
U.S. Securities Act	United States Securities Act of 1933, as amended
US$ / USD / US Dollar	United States Dollar
USA / U.S. / US/ United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Currency and Units of Presentation

All references to "**Rupee(s)**", "**Rs.**" or "**₹**" or "**INR**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**" or "**U.S. Dollars**" or "**USD**" are to United States Dollars, the official currency of the United States of America. All references to "**EUR**" or "**€**" are to Euro, the official currency of the European Union. All references to "**GBP**" or "**£**" are to British Pound Sterling, the official currency of United Kingdom. All references to "**PLN**" or "**zł**" are to Polish Zloty, the official currency of Poland. All references to "**RMB**" or "**¥**" are to Renminbi, the official currency of People's Republic of China.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in 'lakh', 'million' and 'crores' units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Financial and Other Data

Restated consolidated financial information of our Company, its Subsidiaries and its Associate as of and for the six months ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) consists of the restated consolidated statement of assets and liabilities as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income) for the six months ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows along with the Statement of Significant Accounting Policies and other explanatory information for the six months ended September 30, 2022 and for the years ended March 31, 2022, 2021 and 2020, which have been prepared specifically for inclusion in this Draft Red Herring Prospectus in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, and included in "***Financial Information***" on page 303.

The Restated Consolidated Financial Information has been compiled from (i) the audited special purpose interim consolidated IND AS financial statements of the Company, its Subsidiaries and its Associate as at and for the six months ended September 30, 2022 prepared in accordance with IND AS 34 ―Interim Financial Reporting‖ as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India; (ii) audited consolidated Ind AS financial statements of the Company, its Subsidiaries and its Associate as at and for the years ended March 31, 2022 and March 31, 2021 prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India; (iii) audited special purpose IND AS consolidated financial statements of the Company, its Subsidiaries and its Associate as at and for the year ended March 31, 2020 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("**Indian GAAP**") after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) as initially adopted on the transition date i.e. April 1, 2020.

Our Company's Fiscal commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year or FY, unless stated otherwise, are to the 12-months ended on March 31 of that particular calendar year.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 27, 227 and 400 respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All percentage figures have been rounded off to one decimal place. Further, any figures sourced from third party industry sources conform to their respective sources.

Exchange Rates

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

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.81	73.50	75.39
1 Euro	80.11	84.66	86.10	83.05
1 GBP	90.77	99.55	100.95	93.08
1 PLN	16.40	18.07	18.44	18.26
1 RMB	11.40	11.88	11.14	10.58

Source: www.fbil.org.in and www.oanda.com.
Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP financial measures relating to our financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For further details, please see "***Risk Factors – Certain non-GAAP financial measures and performance indicators presented in this Draft Red Herring Prospectus may have limitations as analytical tools, may vary from any standard methodology applicable across the electrical and aluminium industry, and may not be comparable with financial or statistical information of similar nomenclature presented by other peer companies***" on page 58.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "*Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India*" dated December 14, 2022 prepared by Frost & Sullivan ("**F&S Report**"), appointed by our Company pursuant to an engagement letter dated May 19, 2022 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. Frost & Sullivan has required us to include the following disclaimer in connection with the F&S Report:

"*Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India" dated 14th December, 2022 has been prepared for the proposed initial public offering of equity shares by Rishabh Instruments Limited (formerly Rishabh Instruments Private Limited) (the "**Company**").*

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

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

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

In making any decision, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors."

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. There are no parts, data or information of the F&S Report which may be material for the proposed Offer, that have been left out or changed in any manner.

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks***" on page 56.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***", "***project***", "***will***", "***seek to***", "***strive to***", "***will continue***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

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

- Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations;

- We propose to utilise a substantial portion of the Net Proceeds of the Offer towards our Expansion Project and our efforts to expand our production capabilities are subject to delays, cost overruns, and other risks and uncertainties;

- If we fail to effectively implement our production schedules, our business and results of operations may be materially and adversely affected;

- Most of our customers do not commit to long term contracts, and may cancel their orders, change production quantities, delay production or change their sourcing strategy;

- If the products we manufacture experience quality defects or if the manufacturing services we provide are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our results of operations and financial condition;

- If we cannot execute our strategies to expand existing customer accounts and geographical footprint effectively, our business and prospects may be materially and adversely affected;

- Failure to manage component and material purchasing and shortages in the supply of our major production inputs could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and may have a material adverse effect on our results of operations and financial condition;

- Failure to maintain optimal inventory levels could increase our inventory holding costs and adversely affect our operations and financial condition;

- The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance; and

- We are dependent on our Promoter, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 27, 227 and 400, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders, severally and not jointly, shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the respective portion of the Offered Shares pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "**Risk Factors**", "**The Offer**", "**Capital Structure**", "**Objects of the Offer**", "**Industry Overview**", "**Our Business**", "**Our Promoter and Promoter Group**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**" and "**Management's Discussions and Analysis of Financial Position and Results of Operations**" on pages 27, 69, 84, 108, 158, 227, 297, 303, 425 and 400, respectively.*

Summary of our primary business

We are a global energy efficiency solution company focused on electrical automation, metering and measurement, precision engineered products, et al. with diverse applications across industries including power, automotive and industrial sectors. We are a vertically integrated player involved in designing, developing, manufacturing and supplying electrical automation devices; metering, control and protection devices; portable test and measuring instruments; and solar string inverters. In addition, we manufacture and supply aluminium high pressure die casting through our Subsidiary, Lumel Alucast. We also provide certain manufacturing services which include mould design and manufacturing, EMI/EMC testing services, Electronic Manufacturing Services, and software solutions (e.g., MARC).

Summary of the industry in which we operate

The global electrical automation market is valued at USD 139.1 billion in 2021 and is expected to reach USD 203.6 billion by 2026. The global metering, control and protection devices market is estimated at USD 33 billion in 2021 and is expected to reach USD 41.7 billion by 2026. The market for portable test and measurement equipment is expected to grow at 5% and reach USD 6.3 billion by 2026. For solar string inverters, global revenue is expected to increase from USD 4 billion in 2021 to USD 6.2 billion in 2026, at a CAGR of 9%. (*Source: F&S Report*)

Promoter

Our Promoter is Narendra Joharimal Goliya.

For further details, see "***Our Promoter and Promoter Group***" beginning on page 297.

Offer Size

Offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 750.00 million and an Offer for Sale of up to 9,417,500 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 150.00 million, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

For further details, see "***The Offer***" and "***Offer Structure***" on pages 69 and 455, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the objects set forth below.

Particulars	Estimated amount (*₹ million*)[(2)]
Financing the cost towards the Expansion Project	594.95

General corporate purposes[(1)]	[●]

(1) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the gross proceed from the Fresh Issue.*

(2) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 150.00 million. The Pre-IPO Placement may be undertaken by our Company and the Selling Shareholders, in consultation with the BRLMs, at their discretion. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

For further details, see "***Objects of the Offer***" on page 108.

Aggregate pre-Offer Shareholding of Promoter, members of the Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of the Promoter, members of the Promoter Group and the Selling Shareholders as a percentage of pre-Offer paid-up Equity Share Capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

S. No.	**Name of Shareholder**	**Pre-Offer**	
		No. of Equity Shares held	**% of Equity Share capital**
	Promoter		
1.	Narendra Joharimal Goliya[(1)]	16,262,098	55.60
	Promoter Group		
1.	Asha Narendra Goliya[(2)#]	4,500,000	15.38
2.	Rishabh Family Trust	3,600,000	12.31
3.	Anushree Family Trust	3,600,000	12.31
4.	Rishabh Narendra Goliya[(2)#]	750,000	2.56
5.	Narendra Rishabh Goliya (HUF)[(3)#]	517,500	1.77
6.	Ivaan Foundation	20,000	0.07
7.	Mohini Goliya	400	Negligible
8.	Anushree Goliya[(2)]	2	Negligible
	Selling Shareholders		
1.	SACEF[(4)]	400	Negligible
Total		**29,250,400**	**100**

(1) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*

(2) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*

(3) *Through its karta, Narendra Joharimal Goliya.*

(4) *As on the date of this Draft Red Herring Prospectus, SACEF holds 3,606,110 CCPS, which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

\# *Also a Selling Shareholder.*

Summary of selected financial information derived from our Restated Consolidated Financial Information

(*in ₹ million except per share data*)

Particulars	**As at and for the six months ended September 30, 2022**	**As at and for the Fiscal ended March 31, 2022**	**As at and for the Fiscal ended March 31, 2021**	**As at and for the Fiscal ended March 31, 2020**
Equity Share capital	292.50	146.25	146.25	146.25
Net worth	3,498.76	3,460.98	3,021.25	2,853.60
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
Profit/(loss) after tax	168.32	496.52	359.40	315.47
Earnings per share (basic) (in ₹)	4.25	12.91	9.32	8.03
Earnings per share (diluted) (in ₹)	4.24	12.89	9.32	8.02
Net asset value per Equity Share (in ₹)	94.06	93.38	80.33	74.98
Total borrowings (as per balance sheet)	981.53	965.69	919.52	817.86

Notes:

(1) *Basic earnings per share = Net profit after tax / Weighted average number of Shares outstanding during the period/year.*

(2) *Diluted earnings per share = Net profit after tax / Weighted average number of potential Shares outstanding during the period/year.*

(3) *Net asset value per equity share is calculated as the Net Worth (excluding non-controlling interest) divided by the weighted average numbers of equity share outstanding during the respective year..*

(4) *Borrowings consist of current and non-current (including current maturities of long term borrowings) borrowings as per the Restated Consolidated Financial Information.*

For further details, see "***Restated Consolidated Financial Information***" beginning on page 303.

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

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

Summary of outstanding litigation and material developments

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Promoter, our Directors, and our Group Companies as disclosed in this Draft Red Herring Prospectus, is provided below.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	2	Nil	1	71.93
Subsidiaries						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	Nil	1	Nil	1	Not quantifiable
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	4	1	Nil	1	Not quantifiable
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	4	1	Nil	Nil	Not quantifiable
Group Companies						
Outstanding litigation which may have a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

* *Amount to the extent quantifiable.*

For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" on page 425.

Risk Factors

Specific attention of the investors is invited to "***Risk Factors***" on page 27. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities

A summary of our contingent liabilities as at September 30, 2022 as indicated in our Restated Consolidated Financial Information is as follows:

(in ₹ million)

S. No.	Particulars	As at September 30, 2022
1.	Demand notice raised by provident fund authorities in case of holding company for the period 2006-09 for provident fund payable on trainees' stipend	6.08
2.	The Company has received legal demand notice from Ambit Energy Private Limited dated April 18, 2022, through their legal counsel towards failure to	65.80

S. No.	Particulars	As at September 30, 2022
	resolve technical faults and errors in inverters supplied by our Company and towards commercial as well as potential business generation loss and goodwill. The Company replied to the legal counsel of the Customer vide its letter dated May 11, 2022, rejecting all the claims of the Customer stating it to be unjust, illegal and with malicious intention. Further, the Company vide its letter dated August 23, 2022, to District Court Mediation Centre, Rajkot conveyed its intention to close its participation in mediation process	
	Total	**71.88**

For details, see "***Restated Consolidated Financial Information – Contingent liabilities and contingent assets***" on page 377.

Summary of Related Party Transactions

The following is the summary of transactions with related parties as at and during the six months ended September 30, 2022 and for Fiscals 2022, 2021 and 2020, entered into by our Company with related parties and as per the requirements under Ind AS read with the SEBI ICDR Regulations:

S. No	Particulars	Six months ended September 30, 2022	For the Fiscal ended March 31, 2022	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020
1.	Sale of manufactured goods	104.19	150.97	128.96	149.86
2.	Sale of traded goods	2.01	30.03	6.14	12.14
3.	Sale of service	17.40	36.63	42.24	49.39
4.	Sale of fixed Assets	Nil	0.82	Nil	Nil
5.	Miscellaneous Income	3.31	6.38	6.32	1.95
6.	Interest Income	1.07	3.21	2.88	2.25
7.	Dividend Income	35.79	20.63	40.27	95.50
8.	Purchase of Raw Material	114.17	179.72	136.33	157.53
9.	Purchase of Fixed Assets	0.11	0.82	0.29	Nil
10.	Service Availed	18.91	36.08	43.06	49.11
11.	Interest Expense	2.66	8.69	3.97	3.24
12.	Legal & Professional Fees	0.18	0.51	1.06	0.97
13.	Rent Paid	0.18	0.38	0.36	0.36
14.	SAP Expenses	0.05	0.01	Nil	0.06
15.	Lease Payments	2.31	4.46	24.17	2.58
16.	Managerial Remuneration	22.08	37.07	32.60	35.86
17.	Employee Benefit Expenses	1.24	2.53	2.18	1.93
18.	Trade Receivables	65.16	52.52	39.76	39.30
19.	Trade Payable	60.88	51.99	37.49	34.26
20.	Loans and advances	78.43	52.50	48.24	111.88
21.	Borrowings	210.19	221.44	268.19	276.61
22.	Interest Payable	3.35	3.11	9.11	7.22
23.	Remuneration Payable	3.27	6.07	5.72	4.90
24.	Sitting Fees paid to Directors	1.68	1.40	1.52	2.14
25.	Other Payables	0.45	Nil	Nil	Nil

For details of the related party transactions in accordance with Ind AS 24, see "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

Financing arrangements

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

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

Except as disclosed below, neither our Promoter nor any of the Selling Shareholders have acquired any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus.

S. No.	Name of the acquirer/ Shareholder	Number of Equity Shares acquired in last one year	Weighted average cost of acquisition of Equity Share (in ₹)*
Promoter			
1.	Narendra Joharimal Goliya(1)	8,131,049	Nil(4)
Selling Shareholders			
2.	Asha Narendra Goliya(2)	2,250,000	Nil(4)
3.	Narendra Rishabh Goliya (HUF)(3)	258,750	Nil(4)
4.	Rishabh Narendra Goliya(2)	375,000	Nil(4)
5.	SACEF	300	58.03(5)

**As certified by Shah & Mantri, Chartered Accountants by way of their certificate dated December 29, 2022.*

(1) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(2) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(3) *Through its karta Narendra Joharimal Goliya.*
(4) *Acquisition of Equity Shares through bonus issue in the ratio of 1:1 undertaken on September 21, 2022, hence the acquisition price is nil.*
(5) *Class A equity shares acquired by SACEF Holdings II on September 17, 2013 at a price of ₹ 174.10 per share have been reclassified into Equity Shares on September 13, 2022. Hence, the date of reclassification has been considered as date of acquisition and original cost for acquiring the Class A equity shares has been considered as the acquisition price. Further, the weighted average cost of acquisition is adjusted for bonus issue in the ratio of 1:1 undertaken by our Company on September 21, 2022.*

Details of price at which Equity Shares were acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus

Except as stated below, none of the Promoter, members of the Promoter Group, Selling Shareholders and Shareholder with the right to nominate directors or any other special rights, have acquired any Equity Shares in the three years immediately preceding the date of this Draft Red Herring Prospectus:

S. No.	Name of the acquirer/ Shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Face value per Equity Share (in ₹)	Acquisition price per Equity Share (in ₹)*
Promoter					
1.	Narendra Joharimal Goliya(1)	September 21, 2022	8,131,049	10	Nil(5)
Promoter Group					
2.	Asha Narendra Goliya(2)#	September 21, 2022	2,250,000	10	Nil(5)
3.	Narendra Rishabh Goliya (HUF)(3)#	September 21, 2022	258,750	10	Nil(5)
4.	Rishabh Narendra Goliya(2)#	September 21, 2022	375,000	10	Nil(5)
5.	Anushree Goliya(2)	September 21, 2022	1	10	Nil(5)
6.	Ivaan Foundation	September 8, 2022	10,000	10	Nil(6)
		September 21, 2022	10,000	10	Nil(5)
7.	Rishabh Family Trust	September 8, 2022	1,800,000	10	Nil(6)
		September 21, 2022	1,800,000	10	Nil(5)
8.	Anushree Family Trust	September 8, 2022	1,800,000	10	Nil(6)
		September 21, 2022	1,800,000	10	Nil(5)
9.	Mohini Goliya	September 8, 2022	200	10	Nil(6)
		September 21, 2022	200	10	Nil(5)
Selling Shareholders					
10.	SACEF	September 13, 2022	100	10	174.10(4)
		September 21, 2022	200	10	Nil(5)

S. No.	Name of the acquirer/ Shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Face value per Equity Share (in ₹)	Acquisition price per Equity Share (in ₹)*
Shareholder entitled with right to nominate directors or any other rights**					
11.	SACEF	September 13, 2022	100	10	174.10(4)
		September 21, 2022	200	10	Nil(5)
12.	Narendra Joharimal Goliya(1)	September 21, 2022	8,131,049	10	Nil(5)

**As certified by Shah & Mantri, Chartered Accountants by way of their certificate dated December 29, 2022.*
***As on the date of this Draft Red Herring Prospectus, our Investor has the right to appoint two Directors on our Board and our Promoter has the right to appoint the remaining Directors on our Board, other than the Independent Directors. However, pursuant to the SHA Amendment and Waiver Agreement, post listing of the Equity Shares on the BSE Limited and/ or the National Stock Exchange of India Limited, subject to Shareholders' approval, our Promoter will have the right to nominate two Directors on our Board and our Investor will have the right to nominate one Director, on our Board so long as the thresholds as mentioned in the SHA Amendment and Waiver Agreement are met.*
 # Also, a Selling Shareholder

(1) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(2) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(3) *Through its karta Narendra Joharimal Goliya.*
(4) *Class A equity shares acquired by SACEF on September 17, 2013 at a price of ₹ 174.10 per share have been reclassified into to Equity Shares on September 13, 2022. Hence, the date of reclassification has been considered as date of acquisition and original cost for acquiring the Class A equity shares has been considered as the acquisition price.*
(5) *Acquisition of Equity Shares through bonus issue in the ratio of 1:1 undertaken by our Company on September 21, 2022, hence the acquisition price is nil.*
(6) *Represents Equity Shares received as gift, hence, cost of acquisition is nil.*

Average cost of acquisition for our Promoter and the Selling Shareholders

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

S. No.	Name of Promoter/ Selling Shareholder	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoter			
1.	Narendra Joharimal Goliya(1)	16,262,098	0.28
Selling Shareholders			
1.	Asha Narendra Goliya(2)	4,500,000	0.10
2.	Rishabh Narendra Goliya(2)	750,000	0.03
3.	Narendra Rishabh Goliya (HUF)(3)	517,500	0.13
4.	SACEF(4)	400	87.05

**As certified by Shah & Mantri, Chartered Accountants by way of their certificate dated December 29, 2022.*

(1) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(2) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(3) *Through its karta, Narendra Joharimal Goliya.*
(4) *As on the date of this Draft Red Herring Prospectus, SACEF also holds 3,606,110 CCPS. The CCPS will be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. Accordingly, the weighted average cost of acquisition per Equity Share by SACEF will be recomputed prior to filing of the Red Herring Prospectus with the RoC.*

For further details, see "***Capital Structure***" on page 84.

Details of Pre-IPO Placement

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a further issue of specified securities of our Company, including convertible securities which will be convertible into equity shares ("**Specified Securities**"), through a rights issue to existing Shareholders, private placement, preferential offer and/or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 150.00 million, at their discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into equity shares prior to filing of the Red Herring Prospectus with the RoC. Upon allotment of specified securities issued pursuant to the Pre-IPO Placement and after compliance with the requirements prescribed under Companies Act, 2013, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the objects of the Offer.

Issue of Equity Shares through bonus or for consideration other than cash in the last one year

Except as disclosed below, our Company has not issued any Equity Shares through bonus or for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
September 21, 2022	8,131,049 Equity Shares to Narendra Joharimal Goliya jointly held with Asha Narendra Goliya, 2,250,000 Equity Shares to Asha Narendra Goliya jointly held with Narendra Joharimal Goliya, 375,000 Equity Shares to Rishabh Narendra Goliya jointly held with Narendra Joharimal Goliya, 258,750 Equity Shares to Narendra Rishabh Goliya (HUF) held through its karta Narendra Joharimal Goliya, 1 Equity Share to Anushree Goliya jointly held with Narendra Joharimal Goliya, 200 Equity Shares to SACEF, 200 Equity Shares to Mohini Goliya, 10,000 Equity Shares to Ivaan Foundation, 1,800,000 Equity Shares to Rishabh Family Trust and 1,800,000 Equity Shares to Anushree Family Trust	Bonus issue in the ratio of one Equity Share for every one existing Equity Share held	14,625,200	10	-	N.A.

Split/ Consolidation of Equity Shares in the last one year

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

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

Our Company has filed an exemption application dated October 12, 2022 under Regulation 300(1) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing: (i) Surendra Goliya (brother of the Promoter) and (ii) Mangala Rajendra Mehta (sister of the spouse of the Promoter), (iii) any body corporate in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be member, or (iv) any body corporate in which any body corporate mentioned under (iii) above holds 20% or more of the equity share capital or (v) any Hindu Undivided family or firm in which the aggregate share of Surendra Goliya and/or Mangala Rajendra Mehta is equal to or more than 20% of the total capital as members of the Promoter Group of the Company, in accordance with the SEBI ICDR Regulations. SEBI, pursuant to its letter dated December 29, 2022, has directed our Company to include Surendra Goliya and Mangala Rajendra Mehta, as part of the Promoter Group of the Company based on information available in the public domain.

SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to the jurisdictions in which we operate including India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and/or financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations, cash flows and/or financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**" on pages 227, 158, 400 and 303, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India" dated December 14, 2022 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited and commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 15.*

Internal Risk Factors

1. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations.

We conduct our operations through five manufacturing facilities across India, Poland and China and one modification centre each in the United States and the United Kingdom, respectively. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured approximately 16.87%, 19.67%, 14.30% and 14.05%, respectively, of our products at Nashik Manufacturing Facility I, approximately 18.77%, 18.41%, 23.40% and 23.27%, respectively, of our products at Poland Manufacturing Facility I, approximately 61.23%, 58.25%, 59.18% and 62.46%, respectively, of our products at Poland Manufacturing Facility II and approximately 3.12%, 3.67%, 3.12% and 0.22%, respectively, of our products at China Manufacturing Facility. Since Nashik Manufacturing Facility II manufactures tools and moulds which are supplied to our other facilities, in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the percentage of products manufactured at Nashik Manufacturing Facility II was nil. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment (some of which are also refurbished machines) or industrial accidents, severe weather conditions, fire, power interruption and natural disasters. While there have been no such instances in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, 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 and there can be no assurance that the new Manufacturing Assets will be procured and/or integrated in a timely manner. In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, statutory inspections, customer audits and testing, or we may shut down one or more of our manufacturing facilities for capacity expansion and equipment upgrades.

In particular, outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the national, state or local governments in any of the jurisdictions where our manufacturing facilities are situated, could adversely affect operations of our integrated production facility. In the future, we may also experience plant shutdowns or periods of reduced production because of regulatory issues, power outage, severe weather conditions, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries or as a result of an escalation of the COVID-19 pandemic or related response measures. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations. Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. Although we have not experienced any significant disruptions at our manufacturing facilities in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we cannot assure you that there will not be any disruptions in our operations in the future. For instance, our Poland Manufacturing Facility II requires natural gas for the aluminium high-pressure die casting business. Due to the recent conflict between Russia and Ukraine and sanctions imposed on Russia by the Government of Poland, Russia may shut down the supply of natural gas to Poland. In view of the possibility of low or no availability of natural gas, the Government of Poland may introduce certain restrictions on the consumption of natural gas wherein our Poland Manufacturing Facility II will be required to reduce consumption of natural gas. However, our Poland Manufacturing Facility II is situated in a region which has supply of local natural gas through local distribution. Although our Poland Manufacturing Facility II may not face the threat of total cut off, the consumption of natural gas may become extremely expensive. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, reduction in inventory, inability to fulfil customer orders, resulting in lawsuits, which in turn may have an adverse effect on our business, financial condition and results of operations.

2. ***We propose to utilise a substantial portion of the Net Proceeds of the Offer towards our Expansion Project and our efforts to expand our production capabilities are subject to delays, cost overruns, and other risks and uncertainties.***

In order to achieve the economies of scale in our operations to enable us to increase production of analog panel meters, digital panel meters, multimeters, current transformers, electrical transducers and solar string inverters as well as other products in response to the needs and timelines of our customers, we intend to continue to expand our existing production capabilities. We propose to utilise a substantial portion of the Net Proceeds from the Offer towards our Expansion Project as described in detail in "***Objects of the Offer***" on page 108. Our expansion plans and business growth require significant capital expenditure and the dedicated attention of our management.

Our efforts to enhance our production capabilities are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of raw materials and components, shortages of skilled workforce and transportation constraints; (ii) lower production efficiency and yield before achieving our expected economies of scale; (iii) our inability to obtain the required permits, licenses and approvals from relevant government authorities; (iv) the unavailability or delay in arrival of the required technology or equipment or raw materials from third parties or our internal R&D resources; and (v) interruptions caused by natural disasters or other unforeseen events. If we are unable to anticipate regulatory changes and address these risks and uncertainties, the Expansion Project as described in detail in "***Objects of the Offer***" on page 108 could be delayed, adversely affecting our business, results of operation and prospects.

Further, in accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. See "– ***Any variation in the utilisation of the Net Proceeds shall be subject to certain compliance requirements, including prior approval from Shareholders***" below on page 41.

3. ***If we fail to effectively implement our production schedules, our business and results of operations may be materially and adversely affected.***

Our success depends in part on our ability to meet the production and assembly schedules and requirements of our customers according to their detailed specifications and within delivery time frames which are, at times, demanding. In particular, our some of our customers, such as OEMs or customers of our aluminium high pressure die casting business, tend to require large volumes of our manufactured and assembled products, as well as customised components and equipment, within a limited amount of time when they launch new products as they seek to take advantage of the high initial demand for those products. Our ability to meet these demands depends in part on our ability to rapidly ramp up production and commence large-scale production of technically complex products within short timeframes. Equally important is our ability to "ramp down", by rapidly discontinuing production of obsolete products and models and re-configuring the relevant production lines to manufacture new products and models. This requires us to maintain and enhance our production capabilities by adjusting and streamlining our production resources and processes, and acquiring, expanding and upgrading our testing equipment and production facilities. We may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be adversely affected.

4. Most of our customers do not commit to long term contracts, and may cancel their orders, change production quantities, delay production or change their sourcing strategy

We primarily follow a business-to-business model which is purchase order based for all our segments except portable test and measuring instruments which is also sold on a merchant basis. Most of our customers do not commit to long term contracts (provided that in our aluminium high pressure die casting business our projects could last anywhere between five to seven years). We may encounter problems executing an order from a customer in accordance with the requirements of the customers on a timely basis. Moreover, factors beyond our control or the control of our customers may not place an order or postpone orders or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of orders not being placed, cancellations or changes in scope and schedule of orders, which is typically at the discretion of our customers, or problems we encounter in order execution or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent a project will be performed or that purchase orders will be in one period as consistently as they have been in prior periods.

Delays in the completion of an order could lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such order. These payments often represent an important portion of the margin we expect to earn on an order. In addition, even where an order proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our order book or any other uncompleted orders, or disputes with customers in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

5. If the products we manufacture experience quality defects or if the manufacturing services we provide are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our results of operations and financial condition.

Our business depends on delivering analog panel meters and current transformers as well as several other products of global standards and consistently high quality to our customers, which we believe has been a key factor for source products and components from us. Many of our products are subject to standards and safety regulations in India. There may be defects in our products which may result in product recalls, large-scale repair and remediation claims and other losses to our customers. We may be required to replace or repair defective products at our own cost, defend related litigation or compensate our customers for losses or damage caused by these defects including other incidental costs. In addition, quality defects may cause us to lose customers to our competitors and loss of reputation and goodwill of our Company. We may also have to expend resources to defend ourselves in the event that claims, or legal proceedings are instituted directly against us. For instance, our Material Subsidiary, Lumel Alucast has entered into quality contracts with certain customers for supply for aluminium high pressure die-casting products for issues relating to porosity and leakage, and rectification of such quality issues. Although, Lumel Alucast has obtained an civil liability insurance policy to cover the liabilities arising from conducting business activity, we may suffer loss or damage as a result of quality defects, events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our reputation, results of operations and financial performance could be adversely affected.

Further, the agreements with our customers for supply of current transformers and power factor controller requires us to strictly adhere to the know-how and technical specifications mentioned therein. Failure to adhere to the know-how and technical specifications mentioned in our agreements or separately shared by our customers may expose us to indemnity and/or warranty claims. Certain key customers have also audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. In addition, certain agreements also require us to retain certain samples of our products supplied to the customers for a specific period of time in order for them to conduct quality checks and inspections. Any such occurrence on account of errors and omission or failure to meet quality and standards of our products and processes can have serious consequences including replacement of the product, which will require us to incur additional cost, which will not be borne by the customer and could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. This may result in our customers cancelling present or future purchases of our products. For instance, one of our customers in April 2022 issued a legal notice to our Company for alleged failure to adhere to their quality standard and technical hurdles faced in relation to the certain products supplied by our Company and have thereafter, ended their association/ relationship with us. The matter has been referred for mediation which is currently pending. For more details, see "***Outstanding Litigation and Material Developments – Litigation involving our Company – Other pending litigations***" on page 426.

In addition, we provide manufacturing services which include mould design and manufacturing, EMI/EMC testing services, Electronic Manufacturing Services and software solutions. Of the services we provide, EMI/EMC testing services is critical for our customers to onwards obtain CE certifications. If our customers were to fail to obtain such certification due to a deficiency in the testing services we provided, we may be exposed to claims from such customers. While we have not been required to defend against such claims in the past, we cannot assure you that we will not be required to do so in the future.

6. If we cannot execute our strategies to expand existing customer accounts and geographical footprint effectively, our business and prospects may be materially and adversely affected.

Our strategies to target new customers and expand existing customer accounts, deepen our geographical footprint in Brazil, South Africa, Peru, France, Spain and the Kingdom of Saudi Arabia and extend to markets with high entry barriers, which could be regulatory or financial, will continue to place significant demands on our management, operational and financial resources. See "***Our Business – Strategies – Expanding geographical footprint***" and "***Our Business – Strategies – Target new customers and expand existing customer accounts***" on pages 237 and 238, respectively. We may encounter difficulties as we expand our operations, technology, sales and marketing and general and administrative functions. For example, we developed ANSI current transformers to expand our product portfolio and acquire new customers in the United States. However, we are yet to capitalise on the development of the current transformers in the United States and we cannot assure that this will provide the benefits to our business that we may have expected.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards. Our inability to manage and implement our strategy could have a material adverse effect on our business, financial condition and profitability.

7. Failure to manage component and material purchasing and shortages in the supply of our major production inputs could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and may have a material adverse effect on our results of operations and financial condition.

Efficient component and material purchasing is critical to our manufacturing processes and our ability to fulfil customer orders. We source components and other inputs, including printed circuit boards, cold-rolled grain oriented steel, microprocessors/ microcontroller semiconductor chips, aluminium, copper, polycarbonate used in our manufacturing operations, and in certain cases from suppliers identified by our OEM customers or, in some cases, directly from our OEM customers. We source these materials directly and they may be subject to significant price volatility due to changes in global demand, supply disruptions and other factors. Certain of our customer contracts permit quarterly or other periodic prospective adjustments to pricing based on changes in component prices and other factors, we typically bear the risk of component price increases that occur between any such re-pricings. Some of the products we manufacture require components that are only available from one manufacturer. In these cases, supply shortages will substantially curtail production using a particular component such as semiconductors, microcontrollers, cold-rolled grain-oriented steel, copper and polycarbonate. A supply shortage may increase our costs if we are forced to pay higher prices for components or raw materials or both, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations if we are not able to pass the increases onto our customers or otherwise offset them. For instance, in the past, we have faced a significant shortage of key components and inputs, particularly, semiconductors that are imported from various geographies. There has been a significant amount of stockpiling of semiconductors by OEMs in various sectors. The lockdowns and restrictions in response to the COVID-19 pandemic have affected deliveries of semiconductors from our suppliers to us. We are highly dependent on our imports of semiconductors from various geographies, which we cannot assure you that we will be able to continue to obtain in the future, at current levels or at all. Additionally, our Nashik Manufacturing Facility I, due to dependence on a single manufacturer of microcontrollers have also undertaken spot purchasing of microcontrollers at high prices to maintain production of its products. Further, prices of copper and polycarbonate have undergone significant change which has increased cost of our manufactured products. We may not be able to purchase the components and materials needed at favourable prices. Significant shortages or delay in the supply or increase in costs of our major production inputs may adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence, and reduce our competitiveness. The components and inputs required for our business may not always be readily available, and we may not be able to obtain them in a timely manner to meet our production schedules. In the six months ended September 30, 2022 and Fiscals 2022 and 2021, we have faced a significant shortage of key components and inputs, on account of the factors discussed under "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" below on page 32. These shortages have had an adverse effect on our manufacturing operations, quantities produced, and revenues in the six months ended September 30, 2022 and Fiscals 2022 and 2021.

8. Failure to maintain optimal inventory levels could increase our inventory holding costs and adversely affect our operations and financial condition.

There may be significant fluctuations in the demand for our products and components, as well as fluctuations in commodity prices, which increases the difficulty for us to determine and consequently maintain optimal levels of inventory. Maintenance of optimal inventory is critical for our business and has in the past been a critical component of managing lower demand and material shortages. For instance, we increased our raw material inventory by ₹ 91.28 million and to a lesser extent, increased work-in-progress inventory as well by ₹ 12.92 million during Fiscal 2021 in an attempt to manage the impact of the COVID-19 pandemic on our business. We also increased inventory levels of finished goods as well as work-in-progress goods by ₹ 73.92 million and ₹ 93.63 million during Fiscal 2022. While we built up our inventory primarily to cover the semiconductor shortage and keep the production cycles intact, some of the increased in inventory also occurred organically reflecting the ongoing recovery from the effects of the COVID-19 pandemic and the gradual normalization of payment cycles. These efforts resulted in us steadily increasing our capital employed turnover despite the COVID-19 impact in Fiscal 2021, from 11.42% in Fiscal 2020, to 12.16% in Fiscal 2021 and finally to 15.20% in Fiscal 2022. However, we cannot guarantee that we will always be able to maintain optimal inventory levels in the future.

We may not be able to anticipate demand for our products and components accurately. We frequently need to manage long lead times in inventory sourcing and procurement and rely on resource planning systems such as our in-house integrated material planning and inventory management system to coordinate the sourcing, shipment, tracking and delivery schedules for our inventory. We generally maintain inventory at a level sufficient for our business. We may from time to time increase the amount of consumables and packaging we retain in anticipation of customer demand, such as periods when our customers indicate to us that a new, high volume end product will soon be announced to the public. However, we may not have sufficient inventories of components at any given time to meet sharp increases in our customers' requirements. If the demand for our services is weaker than anticipated, or if a customer reduces or cancels orders after we have increased our inventory levels, or is unable or unwilling to accept delivery of our finished products for any reason, we may experience problems with excessive inventory of components and other supplies and semi-finished goods, which could increase our inventory holding costs and adversely affect our operations and financial condition.

9. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

An outbreak of COVID-19 was recognized as a pandemic by the World Health Organization ("**WHO**") on March 11, 2020. In response to the COVID-19 outbreak the governments of many countries, including India, had taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit time spent outside of their homes. Temporary closures of businesses were ordered, and numerous other businesses were temporarily closed on a voluntary basis as well. For most of Fiscal 2021, the COVID-19 pandemic caused widespread and prolonged lockdowns throughout India. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our manufacturing facilities, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. The lockdowns in India and in other countries, specifically China (due to its zero-COVID policy), caused major supply chain disruptions in Fiscal 2021 and 2022 and in the six months ended September 30, 2022 particularly in China, including shortages of semiconductors, microcontrollers, cold-rolled grain-oriented steel, polycarbonate and other material and components. The nationwide lockdown in India during March and April 2020 resulted in the full closure of our Nashik Manufacturing Facilities for 30 days of Fiscal 2021, resulting in no production for that period. Subsequent social distancing requirements also meant that significantly fewer workers were able to come into our Nashik Manufacturing Facilities, which materially reduced our production capacity. Additionally, our manufacturing operations in Poland were also affected due to reduced number of orders. Further, with lockdowns imposed in China, our manufacturing operations in China were severely affected and our China Manufacturing Facility has experienced and may experience in future long shutdown, due to the zero-COVID policy of the Chinese government. The "second wave" of the COVID-19 pandemic in India started in April 2021 and continued until June 2021. The second wave caused widespread fatalities, severely strained healthcare resources across the country and adversely affected our operations during the first three months of Fiscal 2022. Following the second wave and with increased vaccination and relaxation in social distancing norms, operations in our facilities partially stabilized. Overall, our manufacturing facilities were shut down for a combined period of 42 days in Fiscal 2020, 2021 and 2022 in India, for a period of 12 days in Fiscal 2021 in Poland and for a combined period of 79 days in the six months ended September 30, 2022 and Fiscal 2020 in China (since the date Shanghai VA was acquired by us) due to the COVID-19 pandemic. These factors resulted in our total revenue from operations decreasing by 2.68% to ₹ 3,899.56 million in Fiscal 2021 from ₹ 4,006.93 million in Fiscal 2020.

While our operations had slowed down during early Fiscal 2020 and we have almost resumed to full normalcy with requisite precautions, the duration and extent of the effect of COVID-19 on our business and results of operations remains uncertain and is dependent on spread of COVID-19 and steps taken by GoI to mitigate the economic impact and may differ from our estimates. If the COVID-19 pandemic persists, whether through the outbreak of new virus strains or otherwise, further lockdowns and travel disruptions may occur, factory closures may be required, and we may experience lower production levels, additional direct costs and lost revenue. For example, a new COVID-19 variant named Omicron was detected in November 2021 and caused major supply chain disruptions. In addition, if our suppliers experience COVID-19 related closures or reductions in their capacity utilization levels in the future, we may have difficulty sourcing the materials necessary to fulfil production requirements. Any of these factors could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us.

As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "***Risk Factors***" section.

10. We are dependent on our Promoter, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Promoter, Directors, senior management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. Our Promoter has over four decades of experience and senior management team with significant experience in the manufacturing and electrical industry to lead us. We believe that the inputs and experience of our Promoter is valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel including our business heads for the day-to-day management of our business operations. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

11. We are unable to trace some of our historical records including forms filed with the RoC and there are certain discrepancies in records available with us as well as our filings with the RoC. There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.

Certain of our Company's corporate records are not traceable. These records include: (i) return of allotment (Form 2) for the further issuances made on February 15, 1983, December 18, 1984, March 21, 1989, June 25, 1992 and August 21 ,1992, and; (ii) return of buy-back (Form 4C and Form 23AA) for buy-back completed on July 14, 2001. We have included these details in the Draft Red Herring Prospectus in reliance on the other corporate records, such as, board resolutions, where available, and the search report dated December 29, 2022 prepared by MV and Associates, Company Secretaries (Membership number: 6434), and certified by their certificate dated December 29, 2022 ("**RoC Search Report**") pursuant to their inspection and independent verification of the documents available/ maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Further we are also unable to trace the regulatory filings for the original appointment of our Director, Narendra Joharimal Goliya in the year 1982. For further information, see "***Capital Structure – Share Capital History of our Company***" on page 84.

In addition, our Company has been unable to trace records in relation to transfer of equity shares of ₹ 100 each of our Company to our Promoter. These include transfers dated April 7, 1983, March 25, 1996, April 15, 1996 and December 8, 2001. Further, there are certain discrepancies in the records maintained by our Company in relation to certain allotments/ buyback and the transfer of such equity shares of our Company by and from our Promoter. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further, there have been the certain instances of delays and non-compliances in relation to secretarial/ regulatory filings. For instance, due to certain inadvertent delays, our Company was not able to notify the RBI of investment made by SACEF on September 21, 2022 (pursuant to a bonus issue) and submit Form FC-GPR within the period prescribed under applicable foreign exchange regulations. While we are in the process of undertaking the filing of Form FC-GPR and we may file a compounding application for the regularization of such procedural filing delays with the RBI, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

12. Our operations are dependent on continuous R&D and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.

We operate five manufacturing facilities out of which two are located in India and Poland each and one in China. We also have one modification centre each in the United States and the United Kingdom, respectively. The manufacturing, distribution and development of a broad range of electrical automation devices, metering, control and protection devices, portable test and measuring instruments, solar string inverters and aluminium high pressure die-casting, are characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in customer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. See "***Our Business – Strategies – Enhance product innovation, engineering and design competence while focussing on higher value addition***" on page 237. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced parts and materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products. There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D or through strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Continued growth could also strain our ability to maintain quality, develop and improve our operational, financial, legal and management controls, and enhance our reporting systems and procedures. Our expenses may grow faster than our revenues, and our expenses may be greater than we anticipate. We may expand into geographic areas where local regulations or regulators could result in unanticipated costs or where local market conditions may prove to be unfavourable for our business model. Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organisation as it grows, our business, operating results and financial condition could be harmed.

We have a strategic focus on R&D, which includes our R&D centres in India, Poland and China. For instance, the electrical measurement and test equipment and electrical equipment for measurement use manufactured at Nashik Manufacturing Facility I are certified to bear the '*CSA Mark*' under the United States Standards and certain products such as electrical transducers, multifunction meters, analog panel meters, digital panel meters, transformers, etc. are certified to bear the '*CE*' mark under European Union legislation. Our Nashik Manufacturing Facility II is NABL accredited and ISO certified in testing and quality management system. Our Poland Manufacturing Facilities hold various accreditations including ISO 9001:2015, ISO 14001:2015 and IATF 16949:2015. Our China Manufacturing Facility also holds an ISO 9001:2015 certification of quality management system. There can be no assurance that these certifications will be renewed, that such renewals will occur in a timely manner. An expansion of our products may require additional certifications which we do not have and which we may not be able to obtain in a timely manner. Any delay in obtaining certifications, revocation of an existing certification, or refusal to grant a certification could materially adversely impact our relationship with our customers and our expected future operations. We cannot assure you that our R&D efforts will result in new technologies or products being developed on a timely basis or meet the needs of our customers as effectively as competitive offerings. We have invested substantial effort, funds and other resources towards our R&D activities. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our capital expenditures were ₹ 92.38 million, ₹ 223.55 million, ₹ 317.99 million, and ₹ 527.40 million, respectively, representing 3.54%, 4.75%, 8.15% and 13.16%, respectively, of our total revenue from operations, in such periods. Further, in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our expenditure on research and development was ₹ 58.02 million, ₹ 93.56 million, ₹ 96.33 million and ₹ 119.13 million, respectively, representing 2.22%, 1.99%, 2.47% and 2.97%, respectively, of our total revenue from operations, in such periods. However, our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. In addition, we may not be successful in anticipating or reacting to changes in the regulatory environments in which our products are sold, and the markets for our products may not develop or grow as we anticipate. We are also subject to the risks generally associated with new process technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly which may lead to increased warranty claims.

13. We may face an adverse impact on our international sales and earnings as a result of risks associated with our international sales and multi-location operations in various geographies.

Over the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020, we have served customers in over 100 countries including India, Germany, the United States, the United Kingdom and the Middle East. Out of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, 69.59%, 67.86%, 67.75% and 66.12%, respectively, was generated from our overseas operations. Five of our operational Subsidiaries are incorporated in overseas jurisdictions, i.e. two in Poland and one each in China, the United States and the United Kingdom.

We are affected by risks inherent in international sales and operations, including:

- economic cycle and demand for our products in the international markets;
- currency exchange rate fluctuations;
- regional economic or political uncertainty;
- currency exchange controls;
- differing accounting standards and interpretations;
- differing labour regulations;
- competition from local competitors who may have more experience in such markets and may receive concessions or benefits which are not available to us in such jurisdictions;
- differing domestic and foreign customs, tariffs and taxes;
- current and changing regulatory environments;
- difficulty in staffing and managing widespread operations;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements; and
- availability and terms of financing.

Selling products in international markets and maintaining and expanding international operations require significant coordination, capital and resources. It exposes us to a number of risks globally, including, without limitation compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial. For instance, the global economy has been negatively impacted by the recent conflict between Russia and Ukraine. Governments in the United States, the United Kingdom, and the European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict has negatively impacted regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the prices of raw materials and commodities. Moreover, the length and complexity of our internal production chain make us vulnerable to numerous risks, many of which are beyond our control, which may cause significant interruptions or delays in production or delivery of our products to our customers. To the extent that we are unable to effectively manage our global operations and risks such as the above or fail to comply with the changing international regulations and resolve cultural differences, we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and prospects may be adversely affected.

14. We may not be able to replicate our previous success in the new industries we are targeting for future growth.

We are a vertically integrated player involved in designing, developing, manufacturing and supplying: (a) electrical automation devices; (b) metering, control and protection devices; (c) portable test and measuring instruments; (d) solar string inverters. In addition, we manufacture and supply aluminium high pressure die-casting through our Subsidiary, Lumel Alucast. Our product portfolio consists of over 145 product lines comprising 0.13 million stock keeping units as of October 31, 2022. Anchored by our 40-year presence in India, we strategically expanded our operations to overseas markets and have acquired and/or established seven foreign Subsidiaries – three in Poland, one in the United Kingdom, one in the United States of America, one in China and one in Cyprus and we have served customers in over 100 countries in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020 across a multitude of industries from industrial (FMCG, pharmaceutical, cement, steel, railways), power (generation, transmission and distribution, renewable energy, oil and gas), OEM industries (transformer, motor, cable and special machine manufacturers) and new applications (data centre, laboratories, semiconductors, consumer electronics, and building automation). We began with a single office in Nashik in 1982 and have since steadily extended our presence not only in India but globally as well. Anchored against our presence in India, we steadily extended our global reach by way of strategic acquisitions in Europe, the United Kingdom and China. We now have five manufacturing facilities in India, Poland and China.

We have historically pursed a strategy of inorganic growth. For details, see "***Our Business*– *Strengths – Track record of successful integration of acquired businesses or entities across geographies***" on page 235.

In particular, during Fiscal 2012, we completed our acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjnain Poland, which (together with Lumel) has a 69-year operating history, we gained a platform for further penetration particularly in Central and Eastern European markets. Since then, we acquired businesses in China during Fiscal 2020, giving us access to environmental TMI products portfolio, and subsequently in Poland during Fiscal 2021, we acquired a division of Relpol S.A. which supplemented our medium voltage relay offering.

Our recent inorganic growth has resulted not only in the addition of new products, but new technical capabilities as well. As a result, our highly diversified capabilities require extensive management bandwidth to be divided across our various business segments. To the extent that we are unable to effectively manage the companies and businesses we acquire, we may face risks such as those described in "– ***We may face an adverse impact on our international sales and earnings as a result of risks associated with our international sales and multi-location operations in various geographies***" above on page 34, or fail to comply with the international regulations which we may be unfamiliar with and be subject to, or fail to resolve cultural differences and achieve synergies of integration, we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs.

We propose to utilise our technological and R&D capabilities as product innovation is an important and consistent objective for us. We propose to continue to improve the in-house testing, design and innovation capabilities which we rely on. We propose to add resources and technical development while continuing to explore opportunities for collaboration and inorganic growth. In terms of product innovation in existing segments, we propose to focus on developing products. See "***Our Business – Strategies – Enhance product innovation, engineering and design competence while focussing on higher value addition***" on page 237. Our product innovation goals have been facilitated by the fungibility of our tools, equipment, software, systems and production lines, several of which can be used across our segments and their end products. The success of our efforts depends on a number of factors, including a sufficient understanding of OEMs in the related industries and their end markets, timely and successful product development by us and/or our OEM customers in those industries, and market acceptance of the products we manufacture. We will also need to further build the capabilities of the core segments we have to build our business in these industries, market our existing capabilities and the service offerings we are developing to new customers in those industries, and strengthen our R&D efforts to be able to provide value added services to those customers. If we fail to achieve these objectives, our business and prospects may be materially and adversely affected, and our revenue and profitability may decrease. Furthermore, our strategic objectives are premised on the projected growth of the industries which comprise our core segments. If those industries do not grow as expected, or if our customers in those industries experience a sustained decline in demand for their products, our order volumes could decline, materially and adversely affecting our business, financial condition and results of operations.

15. A shortage or non-availability of essential utilities such as electricity, water and gas could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our business operations are heavily dependent on continuous supply of electricity, water and gas which are critical to our manufacturing operations. While for our Nashik Manufacturing Facilities our power requirements are met through Maharashtra State Electricity Distribution Company Limited, we cannot assure you that these will be sufficient and/or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured from the Maharashtra Industrial Development Corporation for our Nashik Manufacturing Facilities and gas requirements at our Poland Manufacturing Facilities is procured from PGNiG Obrot Delaliczny sp. Z o.o., any shortage or non-availability of water or electricity or gas could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. For instance, our Poland Manufacturing Facility II requires natural gas for the aluminium high-pressure die casting business. Due to the recent conflict between Russia and Ukraine and sanctions imposed on Russia by the Government of Poland, Russia may shut down the supply of natural gas to Poland. In view of the possibility of low or no availability of natural gas, the Government of Poland may introduce certain restrictions on the consumption of natural gas wherein our Poland Manufacturing Facility II will be required to reduce consumption of natural gas within four hours of declaration of such restrictions. However, our Poland Manufacturing Facility II is situated in a region which has supply of local natural gas through local distribution. Although our Poland Manufacturing Facility II may not face the threat of total cut off, the consumption of natural gas may become extremely expensive. Such restrictions could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

16. Our efforts in obtaining and protecting our patents, trademarks and other intellectual property may be costly and unsuccessful and we may not be able to protect our rights under our future patents, trademarks and other intellectual property.

We have been granted two patents for clamp meters with rotary jaw mechanism and clamp meter safe trigger mechanism in India and *inter alia* the United States (since 2011 and 2012 respectively), Poland and United Kingdom and three design registrations in relation to multimeter, current and voltage transducer and power transducer in India. As on the date of this Draft Red Herring Prospectus, Lumel SA has two registered trademarks, while Lumel Alucast has applied for registration of its logo with the European Union Intellectual Property Office. Further, two patent applications of Lumel SA are pending before the Patent Office of the Republic of Poland. However, we may apply for patents, trademarks and protection of other intellectual property following the Offer. Our ability to obtain and maintain patents, trademarks and other intellectual property protection for our products, technologies, designs and know-how without infringing the intellectual property of third parties, and to protect our intellectual property rights may affect our business and results of operations. For instance, for our white-labelled products, we enter into brand label agreements with certain customers for supply of certain of our products on an exclusive basis, integrate the products into other products and market the products to third parties, under which our customers have a right to attach their own trademark and remove our trademarks from the products supplied.

Further, the measures that we adopt to protect our rights under any future patents that we obtain or non-patented intellectual properties may not be adequate. While we may seek to enforce non-disclosure agreements with our employees, customers and suppliers, certain proprietary knowledge may be leaked (either inadvertently or wilfully) at various stages of the manufacturing process. If confidential technical information about our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies could be compromised. Intellectual property claims involve complex scientific, legal and factual analysis and their outcome is uncertain. Therefore, any potential intellectual property that we obtain may not fully protect us from competition, as it may be challenged, invalidated or held to be unenforceable.

17. The expiry or early withdrawal of certain financial benefits available to our Nashik Manufacturing Facilities may adversely affect our business, financial condition and results of operations.

We benefit from certain financial incentives such as the refund of 25% of the eligible capital expenditure we undertake for manufacturing certain of our products at our Nashik Manufacturing Facilities from the Ministry of Electronics and Information Technology, GoI. Additionally, we have also applied to the Government of Maharashtra to avail incentives for capital expenditure we undertake under the Maharashtra State Electronics Policy, 2016. We are yet to receive the financial incentives on the capital expenditure already undertaken at our Nashik Manufacturing Facility I and our inability to effectively undertake capital expenditure in a timely manner could lead to the slowdown of our operations or the under-utilization of our Nashik Manufacturing Facilities, reduction in inventory, which in turn may have an adverse effect on our business, financial condition and results of operations. Our inability to avail this financial benefit from the Ministry of Electronics and Information Technology, GoI and/or the Government of Maharashtra for any reason may also affect our profitability and results of operations. For details of the approval granted by the Ministry of Information and Technology, GoI, please see "***Government and Other Approvals – Material approvals obtained in relation to the business and operations of our Company***" on page 432.

18. We use third-party distributors to market, sell and deliver our products and are subject to risks associated with these arrangements.

We sell our manufactured and assembled products through an extensive network of 167 authorized distributors/stockists across 81 districts in India with direct sales conducted through eight sales and marketing offices which collectively house 53 engineers and 23 sales personnel. The eight locations of our sales and marketing offices across India as of October 31, 2022 are New Delhi, Kolkata, Mumbai, Ahmedabad, Pune, Chennai, Bangalore and Hyderabad. Apart from sales and marketing offices, we also have resident sales engineers in 10 cities across India. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our Indian operations accounted for 30.41%, 32.14%, 32.25% and 33.88%, respectively, of our total revenue from operations. Globally we have served customers in over 100 countries in the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020, through five sales and marketing offices and a strong global network of 343 authorized distributors/stockists as of October 31, 2022. Globally (outside India) our Company has over 164 authorized distributors/stockists catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, the Middle East, etc. Lumel has 15 authorized distributors/stockists in Poland and over 20 authorized distributors/stockists outside Poland. Lumel also has resident sales engineers situated at the UAE, Hungary, Taiwan, Spain, Germany and Cyprus. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our overseas operations (revenue other than Indian operations) accounted for 69.59%, 67.86%, 67.75% and 66.12% of our total revenue from operations, respectively. Our sales through third-party distributors are subject to risks including: (i) the ability of our selected distributors to effectively sell our products; (ii) the quality of customer service provided by distributors, which could harm our reputation or brand image; (iii) our ability to extend existing distributor arrangements into the future; (iv) a reduction in gross profit margins realized on sale of our products; and (v) a diminution of contact with our OEM customers. Our relationships with distributors may be characterised as seller and buyer relationships which do not grant us control over their operations or inventories, and they are free to formulate their own pricing policies, appoint authorised stockists at their own discretion and compete with one another. Our competitors may provide incentives to our distributors to favour their products which may reduce our sales. Any significant disruption of our sales to our distributors could materially and adversely affect our business and results of operations.

19. We export our products to various countries, on account of which we may be subject to significant import duties or restrictions. Further, unavailability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

Our key overseas markets include Central and Eastern European markets. The countries in these regions impose varying import duties on our products. There can be no assurance that the import duties will not increase or new restrictions will not be imposed by such countries. Any substantial increase in such duties or imposition of new restrictions may adversely affect our business, financial condition and results of operations.

Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries. India is also a party to, and is currently negotiating, free trade agreements with several countries including the United Kingdom and if we export our products to such countries, any revocation or alteration of current or future bilateral agreements may also adversely affect our ability to export. Occurrence of any of these events may adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations.

Further, the GoI notifies policies providing fiscal benefits on exports and imports from time to time and any discontinuance or non-availability of such fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations. For instance, we enjoyed certain fiscal benefits under the erstwhile Merchandise Exports from India Scheme ("**MEIS**"), pursuant to which, we could use duty credit scrips for payment of import duty obligations or sell such duty credit scrips in the open market to other importers. However, the Ministry of Finance, GoI has withdrawn MEIS with effect from January 1, 2021 and announced a scheme for remission of duties and taxes on export products ("**RODTEP Scheme**") for exporters. The RODTEP Scheme, like MEIS scheme, aims to ensure that exporters receive the refunds on the embedded taxes and duties that previously was non-recoverable. The benefits under the RODTEP Scheme are to be received in the form of transferable duty credit scrips, or in the form of electronic scrips. The RODTEP Scheme allows the exporter to utilise the scrips for the payment of import duty or to sell such duty credit scrips in the open market to other importers subject to the terms of the RODTEP Scheme. Any further change in the rates and / or the scheme structure announced by GoI can have material adverse effect on our results of operation or financial condition. Additionally, in the past, we have had a zero duty EPCG Scheme license under the Foreign Trade (Development and Regulation) Act, 1992 for import of the goods for our manufacturing at zero customs duty free subject to an export obligation equivalent to six times of actual imported duty-saved value in six years. We cannot assure you that we will successfully obtain such a license every time and/or will subsequently be able to comply with the requirements prescribed thereunder.

20. Our manufacturing, production and design processes and services may result in exposure to intellectual property infringement and other claims.

We may from time to time be involved in intellectual property infringement claims brought by our competitors or other third parties. The defence of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. We may not achieve a favourable outcome in any such litigation. If any claim is adversely determined against us in any of such potential litigation or proceedings, we could be subject to significant liability to third parties. As a result, we may be required to seek licences from third parties, pay ongoing royalties, or redesign our manufacturing, production and design processes and services. We could further be subject to injunctions prohibiting the production or sale of our products or the use of our technologies. Protracted litigation could also result in our existing or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

As we expand our service offerings including product design and development, we will update our products with the latest technology. Many of our products such as power factor controllers, current transformers and genset controllers include third-party intellectual property, which may require licenses from third parties. See "***Our Business – Intellectual Property***" on page 266. These third-party intellectual property rights currently licensed or sub-licensed to us, licensed to us in the past or to be licensed to us in the future may be challenged. Further, we may be required to negotiate licenses or sub-licenses from third parties, which may not be available on favourable terms, or at all. We may also incur increased expenditure on royalties. Failure to obtain the right to use third-party intellectual property, or to use such intellectual property on commercially acceptable terms, could preclude us from selling or manufacturing certain products leading to a loss of market share and competitive presence, which may have an adverse impact on our financial condition and results of operations.

21. We may be unable to fully realize the anticipated benefits of our acquisitions, including that of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna, Sifam UK, a business division of Relpol S.A. and any future acquisitions or investments, and we may not be able to successfully integrate acquisitions or achieve the anticipated benefits from these alliances, acquisitions or investments we make.

As part of our growth strategy, we may continue to seek strategic alliances with global and domestic leaders in various segments of the electrical and aluminium industries that bring synergies to our business, as well as high-quality acquisition opportunities within and outside India that are complementary to our business or that enable us to build new and valuable capabilities for our customers. See "***Our Business – Strategies – Continue to pursue our strategy for inorganic growth***" on page 237. We initially acquired Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna in Poland, through which we added what has now become our high-pressure aluminium die casting segment. Thereafter, during Fiscal 2020, pursuant to the Shanghai SPA, we acquired our Subsidiary in China, Shanghai VA, a company operating the business of production and processing of digital analog multimeters, laboratory power supplies, electronic measuring instruments and electrical measuring instruments. During Fiscal 2021, our Material Subsidiary, Lumel SA acquired certain tangible and intangible assets of Relpol S.A, a company in Poland. We now also operate two modification centres, one of which is in Essex, United Kingdom through our Subsidiary Sifam UK and the other in Kennesaw, the United States through our recently acquired Subsidiary Sifam USA. For more details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years***" on page 274.

We may fail to realise the synergies we anticipated at the time of acquisition or fail to achieve the strategic purpose for the acquisition or projected operational and financial benefits we anticipated at the time of acquisition or fail to achieve the strategic purpose for the acquisition. Acquired businesses or assets may not generate the financial results we expect and may be loss making over time. The cost and duration of integrating newly acquired businesses could also materially exceed our initial estimates.

22. We have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates, a cost assessment report from Sanjay Madhavrao Patil, architect and certificate from Manish M Kothari, chartered engineer and have not been independently appraised. The deployment of the Net Proceeds will not be monitored by a monitoring agency, accordingly our management will have broad discretion over the use of the Net Proceeds.

We propose to utilise the Net Proceeds for the Expansion Project and for general corporate purposes. We are yet to place orders for the total capital expenditure which we propose to fund from the Net Proceeds. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost, including, a cost assessment report obtained from Sanjay Madhavrao Patil, architect (with the date of estimation: November 30, 2022) in relation to the Expansion Project by construction of a ready to occupy main factory building and proposed utilities. Further, a certificate from Manish M Kothari, chartered engineer dated December 28, 2022 has been obtained in respect to plant and machinery proposed to be acquired at the Nashik Manufacturing Facility I as part of the Expansion Project. While we have obtained the quotations from various vendors in relation to the Expansion Project, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. The terms of certain quotations, also specify that the prices in such quotations are subject to variation during the validity period pursuant to *inter alia* foreign currency fluctuations, policy changes and changes in the price list/raw materials of the vendors. Further, the cost assessment report obtained from Sanjay Madhavrao Patil, architect (with the date of estimation: November 30, 2022) has been prepared basis the CPWD standards, as currently applicable, which are subject to change, and there can be no assurance that while undertaking the expansion of our Nashik Manufacturing Facility I, similar rates will be applicable or available to us.

Our funding requirements may be subject to change based on various factors such as the timing of completion of the Offer, market conditions outside the control of our Company, and any other business and commercial considerations. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law.

Our funding requirements are based on management estimates and our current business, currently valid quotations, the cost assessment report obtained from Sanjay Madhavrao Patil, architect (with the date of estimation: November 30, 2022) and certificate from Manish M Kothari, chartered engineer dated December 28, 2022 and has not been appraised by any bank or financial institution or other agency. The deployment of the Net Proceeds will not be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations.

Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

23. Our proposed expansion plans relating to Nashik Manufacturing Facility I are subject to the risk of unanticipated delays in implementation and cost overruns.

Financing the cost towards the Expansion Project, remain subject to the potential problems and uncertainties that construction activities face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in Nashik Manufacturing Facility I, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, the cost of certain machineries in relation to our Expansion Project may escalate due to them being imported, foreign exchange fluctuations and there may be long lead time in getting defective machines repaired.

In addition, our Nashik Manufacturing Facility I is leased from Maharashtra Industrial Development Corporation for a period of 95 years with effect from October 1, 1983 and the Expansion Project will be undertaken on leased premises. While the lease agreement will be renewed in the ordinary course of business, in the event that the existing lease is terminated or is not renewed on commercially acceptable terms, we may suffer a disruption in our operations.

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

24. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments towards capital expenditure and improving and innovating our products and processes and are proposing to undertake additional investments for the expansion of our manufacturing capacities at our manufacturing facilities. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our aggregate capacity utilization was 42.99%, 45.33%, 46.19% and 55.07% in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020. For further information, see "***Our Business** – **Our Manufacturing Facilities***" on page 252. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

As we typically do not enter into long-term contracts with our customers (provided that in our aluminium high pressure die casting business our projects could last anywhere between five to seven years), we also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

25. Any variation in the utilisation of the Net Proceeds shall be subject to certain compliance requirements, including prior approval from Shareholders.

We propose to utilise the Net Proceeds for the Expansion Project and for general corporate purposes. For further details of the proposed objects of the Offer, see "***Objects of the Offer***" on page 108. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at his disposal at all times to enable him to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

26. Our business could be adversely affected by any delays, or increased costs, resulting from common carrier or transportation issues.

We rely on a variety of common carriers such as trucking companies to transport our materials from our suppliers and finished products to our customers. Problems suffered by any of these common carriers, including natural disasters, pandemics, labour problems, increased energy prices, or criminal activity, could result in shipping delays for products or materials, increased costs or other supply chain disruptions, and could therefore have a negative impact on our ability to receive products from suppliers and deliver products to customers, resulting in a material adverse effect on our business and operations. In addition, any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair the damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers.

27. If we utilise sub-contractors or manufacturing vendors for any production processes and such sub-contractors or manufacturing vendors are unable to meet our delivery requirements, our production schedules may be adversely affected.

As on the date of this Draft Red Herring Prospectus, while all of our electrical automation products, metering, control and protection products and portable test and measuring instrument are manufactured in-house, labour intensive low value-added specialised production processes such as hexavalent chromium plating, special material treatment operations, chemical composition analysis of the material and master batching are outsourced. However, in the future, we may occasionally sub-contract production to other manufacturers. We may also purchase semi-finished goods and assembled products from various vendors. These will be primarily used for labour-intensive processes to reduce costs associated with maintaining a large manufacturing personnel. If we are unable to arrange for sufficient production among our sub-contractors and manufacturing vendors or if our sub-contractors and manufacturing vendors encounter production, quality, financial or other difficulties, we may not be able to meet customer demands. Sub-contractors and manufacturing vendors may also fail to meet our production criteria, quality or delivery requirements. Any such difficulties could have a material adverse effect on our production schedules and accordingly, our business and results of operations.

28. Any failure to obtain or renew any of the approvals, licenses, permits or certificates required for our business could materially and adversely affect our operations.

Our operations are subject to extensive government regulation (including the state governments), and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Factories Act, 1948, Maharashtra Fire Prevention and Life Safety Act, 2006, and the rules and regulations thereunder, environmental approvals, and labour and tax related approvals, among other things.

Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant central or state government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications. We, *inter alia*, are yet to make applications for the following licenses, consents, registrations, permissions and approvals:

S. No.	Description	Authority
1.	No-objection certificate under the Environment (Protection) Act, 1986 for extraction of ground water for Nashik Manufacturing Facilities	Central Ground Water Authority
2.	Registration Certificate under the Gujarat Shops and Establishment Act, 2019 for the sales office in Ahmedabad	Labour Inspector, Ahmedabad

Consequent upon the change of the name of our Company from 'Rishabh Instruments Private Limited' to 'Rishabh Instruments Limited, pursuant to conversion of our Company from a private limited company to a public limited company, we have/are in the process of filing certain applications / intimations for issuance of fresh licenses, consents, registrations, permissions and approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable. For further details, see "***Government and Other Approvals***" on page 431. There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renewing the required permits or approvals within applicable time or at all may result in interruption of our operations. Furthermore, the relevant authorities may initiate actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business and financial condition. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, be required to alter our manufacturing operations or otherwise suffer disruption in our activities, any of which could adversely affect our business.

The approvals required by us are subject to numerous 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 any terms or conditions thereof, or pursuant to any regulatory action. For instance, the Consent to Operate issued by the Maharashtra Pollution Control Board for our Nashik Manufacturing Facility II requires us to obtain permission/ no-objection from the Central Ground Water Authority for extraction of ground water. These registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations, future cash flows or growth prospects.

29. We will be controlled by our Promoter along with members of the Promoter Group so long as they hold a majority of the Equity Shares, which will allow them to influence the outcome of certain matters submitted for approval of our Shareholders and their interests may not be aligned with the interest of other Shareholders

Currently, our Promoter and members of the Promoter Group own an aggregate of 80.28% of our outstanding Equity Shares on a fully diluted basis. After the Offer, our Promoter and members of our Promoter Group will exercise significant control which could limit your ability to influence corporate matters requiring Shareholders' approval. The Promoter and members of our Promoter Group will have substantial influence over decisions regarding mergers, consolidations and sales of all or substantially all of its assets, election of Directors, any amendment to our Memorandum of Association and Articles of Association and including the issuance of Equity Shares and dividend payments and other significant corporate actions. However, the interest of the Promoter and members of our Promoter Group may differ from the interests of other Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive the Shareholders of an opportunity to receive a premium for their Equity Shares in a sale of our Company or may reduce the market price of the Equity Shares.

Further, pursuant to the SHA and our Articles of Association, and upon receipt of approval by the shareholders of our Company by way of a special resolution in the first general meeting after listing, the Promoter and SACEF shall have the right to nominate directors on the Board as per the following thresholds:

Shareholding of the Promoter (along with members of the Promoter Group) or SACEF, as applicable, as a percentage of the issued and subscribed share capital of our Company on a fully diluted basis	**Number of directors to be nominated by the Promoter**	**Number of directors to be appointed by SACEF**
Above or equal to 20% (twenty per cent)	Two	One
Above or equal to 10% (ten per cent)	Nil	

For details, see "***History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements – Shareholders' Agreement***" on page 275.

30. Our Directors or Key Managerial Personnel of the Company may have interests in the Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Certain of our Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than to the extent of reimbursement of expenses incurred and normal remuneration or benefits. One of our Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by him and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Certain of our Key Managerial Personnel may be interested to the extent of options granted to them under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B.

While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms‘ length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favourable than if the transaction had been conducted on an arms-length basis. For more information, see "***Our Management – Interest of Directors***" and "***Our Management – Interest of Key Managerial Personnel***" on pages 285 and 295, respectively. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise.

31. We may need additional capital but may not be able to obtain it in a timely manner or on favourable terms.

We may require additional capital or financing from time to time, including for expansion of our manufacturing facilities and investment in R&D. While we have historically been able to finance our capital expenditure through equity contributions from our Promoter, members of the Promoter Group, Investor Selling Shareholder and internal accruals, this may not be the case once we are a publicly listed company. We will have to finance our future growth from internal accruals and through external debt financing and equity fund raising. We have had external borrowings in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, and as at October 31, 2022, our outstanding borrowings are ₹ 957.81 million. Therefore, while we have the capacity to take on financial leverage, our ability to obtain external financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of the domestic and international capital and lending markets.

In addition, our loan agreements may contain financial covenants that restrict our ability to incur additional indebtedness without our lenders' consent. Any indebtedness that we may incur in the future may also contain operating and financing covenants that could be restrictive. Financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. A large amount of bank borrowings and other debt may result in a significant increase in interest expenses while at the same time exposing us to increased interest rate risks. If we are required to raise equity financing, this could result in dilution to our Shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our Equity Shares. Any failure to raise additional funds on favourable terms or in a timely manner or at all could severely restrict our liquidity and have a material adverse effect on our business and results of operations.

32. Certain of our Subsidiaries and Group Companies have common pursuits as they are engaged in similar business or industry segments and may compete with us.

Our Subsidiaries (other than ESL, Lumel Alucast and Dhruv Enterprises) and one of our Group Companies, namely Shanti Instruments Private Limited is engaged in a business similar to ours. Therefore, there may be conflict of interest in allocating business opportunities between us, our Subsidiaries and our Group Company. We cannot assure you that there will not be any conflict of interest between our Company, our Subsidiaries and such Group Company in future. We have not entered into any non-compete agreements with such Subsidiaries and Group Company and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance. For further details, please see, ""***History and Certain Corporate Matters – Subsidiaries***" and "***Group Companies***" at page 276 and page 300.

33. We earn repeat revenues from our customers, especially our marquee customers, on the basis of the long-term relationships that we have established with them. The loss of any of our long-term marquee customers or significant reduction in repeat orders from such marquee customers may adversely affect our business, results of operations and financial condition

We are dependent on the long-term relationships that we have established with our customers, especially our marquee customers such as ABB India Limited, Siemens Limited, Pronutec S.A, Gossen Metrawatt GmBH, Inox Solar Energy, Saicon Power System and Endress+Hauser Flowtec AG, as we primarily cater to the electrical automation and aluminium industry. In relation to the electrical automation industry, the continuous innovation by our Company and supply of products at competitive prices and aluminium die casting business which is heavily capital intensive, leads to recurring demand and repeat revenues for us.

If we are unable to maintain constant dialogue with our customers, understand the recurring needs of their operations or deliver products in a timely manner and of a certain quality, we may not be able to retain our long-term relationship with them and lose their repeat orders to our competitors. Any significant loss of our repeat orders will impact our order book and limit our ability to accurately forecast the demand for our products and services. Additionally, we may incur significant expense in preparing to meet anticipated repeat orders that may not be recovered. Further, if our marquee customers do not successfully expand or scale-up their operations, we may be prevented from capitalising on new growth opportunities by leveraging our long-term relationship with them.

We seek to leverage our direct sales model and dedicated regional teams to develop long-term relationships with our customers to gain their repeat business as well. If we are unable to develop a deep understanding of their market needs or develop products and services that will meet their expectations and requirements, we may not establish a long-term relationship with these customers, which may adversely affect our prospects and revenue from repeat orders in the subsequent years. We cannot assure you that we will be able to maintain historic levels of repeat business from our long-term and/or marquee customers or gain the repeat business of our newer customers, which may adversely affect our business, financial conditions and revenues from operations.

34. Our Company, Subsidiaries, Directors and Promoter are involved in legal proceedings. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoter, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "***Outstanding Litigation and Material Developments***" on page 425) involving our Company, Directors, Promoter and Subsidiaries are as follows:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	2	Nil	1	71.93
Subsidiaries						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	Nil	1	Nil	1	Not quantifiable
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	4	1	Nil	1	Not quantifiable
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	4	1	Nil	Nil	Not quantifiable
Group Companies						
Outstanding litigation which may have a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

* *Amount to the extent quantifiable*

In the event of any adverse rulings in these proceedings or the consequent levying of penalties, we may need to make payments or make provisions for future payments, which may increase our expenses and current or contingent liabilities.

35. Work stoppages, strikes or other types of conflicts with our union, employees and contract workers may adversely impact our business, results of operations and financial condition.

Our manufacturing activities are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of October 31, 2022, we had 516 permanent employees in India. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. For instance, our workers (part of an external union) served a notice dated October 1, 1996 and with effect from October 3, 1996 went on a strike. However, after discussions with the workers, our workers called off the strike and resumed work. Subsequently, majority of our workers resigned from the membership of the external union. During the strike, eight workers were suspended pending enquiry for illegal acts committed and a police complaint was filed against certain workers. As on the date of this Draft Red Herring Prospectus, our workers are part of one organised trade union, namely Rishbha Instruments Kamgar Sangathana. As on the date of this Draft Red Herring Prospectus, our Company entered into settlement agreements with the Rishbha Instruments Kamgar Sangathana (representing the permanent workmen of our Company). We cannot assure you that we will be able to enter into such settlement agreements in the future on favourable terms or at all. If such events were to persist, this may impact our ability to serve our customers and impair our relationships with key customers and suppliers, which may adversely impact our business, results of operations and financial condition.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing facilities as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

36. We are subject to increasingly stringent environmental, health and safety laws, regulations and standards in India and abroad. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.

Our operations generate pollutants and waste including metal scrap and plastic scrap, some of which may be hazardous. We are therefore subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection in India, Poland and China, In India, these include the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and Public Liability Insurance Act, 1991 etc. These laws and regulations impose controls on air and water release or discharge, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For instance, in India under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, there is a limit on the amount of pollutant discharge that our Nashik Manufacturing Facilities may release into the air and water. For instance, in Poland, the wastewater produced from the paint coating in our electricals and aluminium products is subject to pollution control and required to undergo a water treatment prior to disposal. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of applicable environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities. While there have been no actions undertaken by the relevant authorities/ courts in relation to any environmental/ safety/ labour related non-compliances in the past, including in the six months ended September 30, 2022 and the previous three Fiscals, there may be violations in the future which could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. Our costs of complying with current and future environmental laws and other regulations may 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.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, health and safety, hiring and termination of employees, contract labour and work permits in India, Poland and China. In India, these include the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Wages Act, 1936, etc. A failure by us or our contractors to comply with the relevant labour regulations, 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. We may be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to labour, safety, health and environmental matters, the costs of which may be significant.

Furthermore, we expect the focus on environmental, social and corporate governance matters, particularly for publicly listed companies, to intensify. This will require greater accountability to our public (including institutional) shareholders, as well as our OEM customers and, possibly, their ultimate consumers. We expect the compliance and reporting costs of environmental, social and corporate governance matters to increase. If we are unable to achieve and demonstrate the required level of environmental, social and corporate governance compliance, our business and reputation will be adversely affected.

37. Any adverse changes in regulations governing our business, products and the products of our customers, and any adverse action by governmental authorities may adversely impact our business, prospects and results of operations.

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. For instance, the global economy has been negatively impacted by the recent conflict between Russia and Ukraine. Governments in the United States, the United Kingdom, and the European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict has created a shortage and/or increased costs of various commodities, raw materials, energy and transportation, specifically for our Material Subsidiaries. For instance, our Poland Manufacturing Facility II requires natural gas for the aluminium high-pressure die casting business. Due to the recent conflict between Russia and Ukraine and sanctions imposed on Russia by the Government of Poland, Russia may shut down the supply of natural gas to Poland. In view of the possibility of low or no availability of natural gas, the Government of Poland may introduce certain restrictions on the consumption of natural gas wherein our Poland Manufacturing Facility II will be required to reduce consumption of natural gas within four hours of declaration of such restrictions. However, our Poland Manufacturing Facility II is situated in a region which has supply of local natural gas through local distribution. Although our Poland Manufacturing Facility II may not face the threat of total cut off, the consumption of natural gas may become extremely expensive.

Further, 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, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution 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 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, which may adversely impact our business, results of operations and financial condition.

38. The demand for our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business and results of operations.

Over the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020, we have served customers in over 100 countries including in India, Germany, the United States, the United Kingdom, Australia, the Middle East etc. Although no single country accounts for more than 20% of our global sales, a significant portion of our revenue is generated from the sale of exports. Out of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, sales outside India accounted for 69.59%, 67.86%, 67.75%,and 66.12%, respectively. Therefore, any developments in the industries in which our customers operate could have an impact on our sales from exports if such events were to occur on a global or industry-wide scale. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Union and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the GoI or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

39. Our commercial success depends on the success of our products and our customer's products with end consumers. Any decline in the demand for our products or our customer's products would adversely impact the demand for our products.

We supply our products to customers which are manufactured and supplied by us and marketed by such customers as well as supply and sell our branded products to large global customers. In addition to manufacturing and selling our own branded products, we also enter into certain in-licensing arrangements with certain of our customers to develop and exclusively manufacture or market products such as electrical and electronic measuring and test instruments, digital panel meters, etc. Our aluminium high pressure die-castings products are also used by our customers as raw materials as machining and finishing of precision components. For further information, see "***Our Business – Our Product Portfolio – Aluminium high pressure die castings***" on page 249.

Our commercial success depends not only on the success of our products but also depends to a large extent on the success of our customers' products with end consumers. The success of our products as well as end products manufactured by our customers depends on the ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that we or our customers will correctly assess consumer preferences in a timely manner or that demand for our products as well as for goods in which our products are used will not decline. If the demand for our products or the products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operation.

40. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations and financial condition.

Our business depends on our estimate of the demand for our products from customers. As is typical in the electrical automation and aluminium industry, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods. For further information, see "***Our Business – Manufacturing Process***" on page 262. However, in the absence of long-term contracts we are exposed to risks arising out of estimation errors. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand or if there is an unexpected downturn in demand for either our products or the end products related to our formulations, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Further, a majority of our business involves having robust supply networks in place. To that extent, if any of our competitors is able to garner a better and more cost-efficient supply network, they may be able to provide their products at competitive prices as compared to us. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

41. Our special purpose Ind AS audited consolidated financial statements as at, and for the years ended, March 31, 2020 and March 31, 2021 prepared in accordance with Indian Accounting Standards (Ind AS) and our Restated Consolidated Financial Information as at, and for the years ended, March 31, 2020 and March 31, 2021 (which are based on our special purpose Ind AS audited consolidated financial statements), have been audited by Kirtane & Pandit, LLP, Chartered Accountants as an independent peer reviewed chartered accountant of our Company and who is not our Statutory Auditor.

The Restated Consolidated Financial Information state that they have been prepared in accordance with the requirements of Section 26 of the Companies Act, 2013, as amended, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI (the "**ICAI Guidance Note**").

Pursuant to the e-mail dated October 28, 2021, from SEBI to the Association of Investment Bankers of India (the "**SEBI Communication**"), instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Ind AS for all the three fiscal years and stub period included in the Offer Document, while our statutory auditors for Fiscal 2020 and 2021 were Price Waterhouse Chartered accountants, LLP, our Restated Consolidated Financial Information, as at, and for the year ended, March 31, 2020 and March 31, 2021 ("**Restated Fiscal 2020 and 2021 Financials**") have been audited (including giving effect to the transition from Indian GAAP to Ind AS, as stated above) and certified by Kirtane & Pandit, LLP, Chartered Accountants, a valid peer reviewed independent chartered accountant (the "**Independent Chartered Accountant**"). The Restated Fiscal 2020 and 2021 Financials were prepared in accordance with the requirements of Section 26 of the Companies Act, 2013, as amended, the SEBI ICDR Regulations, the ICAI Guidance Note, and the Independent Chartered Accountant did not perform its audit in the capacity of the statutory auditor of the Company in respect of Restated Fiscal 2020 and 2021 Financials. For details of changes in our statutory auditors, and reasons thereof, please see "***General Information – Changes in auditors***" on page 80.

42. Our success depends upon our skilled personnel and our ability to attract and retain these personnel.

Our ability to execute orders and to obtain new orders depends on our ability to attract, train, motivate and retain skilled personnel, particularly involved in the manufacturing of analog panel meters which are used in all types of panels (electrical parameter and monitoring), test benches, laboratories and DG sets. If we cannot hire and retain additional qualified personnel, our ability to obtain new orders, and to continue to expand our business will be impaired and our revenues could decline. We may not be able to hire and retain enough skilled and experienced personnel to replace those who leave. Additionally, we may not be able to retrain our personnel to keep pace with continuing changes in technology, evolving standards and changing customer preferences. Our inability to attract and retain personnel may have a material adverse effect on our business, results of operations and financial condition.

43. We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, hence, our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

We face competition domestically in India as well as globally across the segments we operate in from companies which either operate in the same line of business as us or offer similar products (*Source: F&S Report*). Our electrical automation competitors include Masibus Automation and Instrumentation Private Limited and Selec Controls Private Limited. In respect of metering, control and protection devices our competitors include Schneider

Electric India Private Limited, Elmeasure India Private Limited and Selec Controls Private Limited. Our portable test and measuring instruments segment competitors include Hioki India Private Limited and Meco Instruments. Our solar string inverter international competitors include companies such as Shenzhen Growatt New Energy Co. Ltd. internationally, whereas domestically we compete with companies such as KSolare Energy Private Limited. Competitors for our aluminum high pressure die casting offerings include Endurance Technologies Limited and Sunbeam Lightweighting Solutions Private Limited in India. Our failure to obtain new customers or to retain or increase our existing market share or effectively compete could adversely affect our business, financial condition and results of operations. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. Further, Indian companies engaged in manufacturing of electrical and aluminium products are faced with poor infrastructure and lack of adequate facilities at ports and railway terminals, which imposes difficulties in raw material procurement and at a cost competitive price with international peers. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such unorganized players which would adversely affect our profitability.

Further, we may incur significant expense in preparing to meet anticipated customer requirements that we may not be able to recover or pass on to our customers. Increased competition may force us to improve our process, technical, product and service capabilities and/or lower our prices or result in loss of customers, which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and future prospects. There is no assurance that we will remain competitive with respect to technology, design, quality or cost.

In addition, our competitors may develop competing technologies that gain market acceptance before or instead of our products. Our competitors' actions, including expanding manufacturing capacity, expansion of their operations to newer geographies or product segments in which we compete, or the entry of new competitors into one or more of our markets could cause us to lower prices in an effort to maintain our sales volume.

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

The majority of our sales are to customers on a purchase order basis, with standard payment terms of generally between 30 to 90 days. For products we export, we either receive payments in advance from our customers or secure payments by way of a bank guarantee. However, for our domestic orders, we typically rely on our monitoring of the ability of our customers to pay under open credit arrangements. While we limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses in the event our customers are unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In the six months ended September 30, 2022 and as at March 31, 2022, 2021 and 2020, our trade receivables were ₹ 903.77 million, ₹ 799.79 million, ₹ 683.15 million, and ₹ 611.73 million, respectively, while our receivable turnover day was 60 days, 58 days, 61 days and 64 days, respectively, in the same periods. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

45. Our growth strategy includes augmenting our inorganic growth by pursuing selective acquisitions and strategic alliances that provide us access to better infrastructure, industry knowledge, technology expertise and geographical reach and allow us to expand our product offerings and customer base. If we are unable to fully realize the anticipated benefits of our future acquisitions and investments or successfully identify and integrate acquisitions and the anticipated benefits from these acquisitions or investments, our growth strategy, business, financial condition, results of operations and prospects may be adversely affected.

We may rely on inorganic growth as a key part of our growth strategy, particularly by pursuing selective acquisitions and strategic alliances that provide us access to better infrastructure, industry knowledge, technology expertise and geographical reach and allow us to expand our product offerings and customer base. We may evaluate opportunities for alliances, collaborations, partnerships, investments and acquisitions that meet our strategic and financial return criteria, and to expand our portfolio of product. Additionally, we have in the past acquired certain assets and business which are not in line with our core products. For instance, we completed our acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna during Fiscal 2012 pursuant to which we gained an aluminium high pressure die casting business which is a distinct segment from our other offerings. We may fail to realise the synergies we anticipated at the time of acquisition or fail to achieve the strategic purpose for the acquisition. We may face several risks in relation to entering into strategic alliances and acquisitions in the future, including, but not limited to, the following:

- we may be unable to identify suitable acquisition or investment or strategic alliance targets;
- we may be unable to arrange for adequate financing on commercially reasonable terms or to negotiate commercially reasonable terms for such acquisitions or investments, or we may incur higher than anticipated costs in relation to proposed strategic transactions;
- our due diligence processes may fail to identify all the risks, liabilities and challenges in relation to proposed strategic transactions;
- we may not be able to achieve the strategic purpose of our proposed acquisitions, investments, alliances, collaborations or partnerships;
- we may face difficulties in integrating acquired entities' accounting, management information, human resources and other administrative systems with our own;
- our management may be distracted or strained by the challenges posed by strategic transactions, or related transition and integration activities;
- we may fail to maintain the quality and consistency or sustain compliance and due performance of contractual obligations by our business partners or acquisition targets;
- our relationships with our current and new employees, distributors, dealers, customers and business partners may be strained or impaired, as a result of our inability to successfully integrate an acquisition target; and
- we may inherit claims or liabilities, as a result of a strategic acquisition, including claims from erstwhile employees, distributors, dealers, customers, business partners or other third parties.

The strategic acquisition and subsequent integration of new businesses is likely to require significant managerial and financial resources and could result in a diversion of resources from our existing business, including the time and attention of our management, which in turn could have an adverse effect on our growth and business operations. We may not be able to successfully consummate new investments or acquisitions, integrate acquired business and assets or assimilate the operations and personnel of the acquired businesses. We may not be able to provide timely and effective training to employees of the acquired companies or may fail to maintain uniform standards, procedure and policies across our businesses. Such difficulties may impair our relationship with our existing and new employees and may impact our relationship with customers. We may fail to realise the synergies or projected operational and financial benefits we anticipated at the time of acquisition or fail to achieve the strategic purpose for the acquisition. Acquired businesses or assets may not generate the financial results we expect and may be loss making over time. The cost and duration of integrating newly acquired businesses could also materially exceed our initial estimates.

Regulatory constraints could affect our ability to maximise the value of our acquisitions and investments or prevent us from consummating investments or acquisitions. Acquisitions may result in dilutive issuances of equity securities or the incurrence of debt. Any such negative developments could have a material adverse effect on our business, financial condition, cash flows and results of operations.

46. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is dependent upon information technology ("**IT**") and/or enterprise resource planning ("**ERP**") systems, including SAP, to support business processes. For instance, our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our EPR systems covers production, finance, sales, marketing logistics, purchase and inventory, across all our manufacturing facilities. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

Our technology infrastructure and the technology infrastructure of our third-party providers are vulnerable to damage or interruption as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, misuse, war, natural calamities, power loss, telecommunications failures, cyber-attacks, human error, and other similar events. Disruptions or damage in our technology infrastructure and the technology infrastructure of our third-party providers could lead to extended interruptions of our operations, a corresponding loss of revenue and profits, cause breaches of data security, loss of intellectual property or critical data, or the release and misappropriation of sensitive information, or otherwise impair our operations. While we have disaster recovery arrangements in place, our disaster recovery and data redundancy plans may be inadequate, and in India we do not have business interruption insurance to compensate us for the losses that could occur. If any such event were to occur, our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, the interpretation and application of data protection laws in the United States, Europe, and elsewhere are often uncertain, contradictory and in flux. For example, the European Union-wide General Data Protection Regulation (EU) 2016/679 ("**GDPR**"), became applicable on May 25, 2018, replacing data protection laws issued by of each European Union member state based on the Directive 95/46/EC, or the Directive. The GDPR imposes, among other things, onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies. Fines for non-compliance with the GDPR will be significant, being the greater of 20 million or 4% of global turnover. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. The GDPR provides that European Union member states may introduce further conditions, including limitations, to make their own further laws on data protection which could increase our cost of compliance.

47. Information relating to installed capacities, historical production and capacity utilisation of the Nashik Manufacturing Facilities, Poland Manufacturing Facilities and China Manufacturing Facility included in this Draft Red Herring Prospectus is based on various assumptions and estimates by the chartered engineer verifying such information and future production and capacity utilisation may vary.

Information relating to our installed capacities, historical production and capacity utilization of our Nashik Manufacturing Facilities, Poland Manufacturing Facilities and China Manufacturing Facility is based on various assumptions and estimates by Manish M Kothari, the chartered engineer, as set out in certificate dated December 28, 2022, including those relating to the number of working days in a week, working days in the financial year and the number of shifts. Such assumptions and estimates may not continue to be true and future production and capacity utilization may vary. Calculation of the installed capacities and historical production and capacity utilization of our Nashik Manufacturing Facilities, Poland Manufacturing Facilities and China Manufacturing Facility by the independent chartered engineer may not have been undertaken on the basis of any standard methodology and may not be comparable to that employed by competitors.

48. Our insurance coverage is limited and may not be adequate to cover potential losses and liabilities.

We maintain insurance policies with independent insurers in respect of our buildings, plant and machineries, fixtures and fittings, other equipments, stock and inventories. The coverage under such insurance policies is in respect of losses due to fire (including standard fire and allied perils) and burglary, for amounts that we believe are in keeping with industry standard. As part of our response to the COVID-19 pandemic, we have obtained a group term life insurance for our employees.

Typically, our supply arrangements with our customers, the risk of loss to the raw materials procured by us as well as to the products supplied by us typically remains with us until the title, risk and rewards and control on our products passes from us to such customers or suppliers. However, we do not maintain marine cargo insurance for our exports, imports and domestic sales and purchases as we perceive a limited risk. Further, as certain of our customers require us to maintain product liability insurance, our Company maintains comprehensive general liability insurance and Lumel maintains a civil liability insurance.

Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "***Our Business – Insurance***" on page 266.

49. Foreign exchange fluctuations may adversely affect our earnings and profitability.

We are exposed to foreign exchange rate fluctuations (mainly in US$, Euro, PLN, RMB and GBP) in respect of (i) revenue from overseas business in foreign denominations; (ii) our foreign currency denominated borrowings; (iii) currency translation losses for the purpose of preparing our consolidated financial statements (which are presented in Indian Rupees), on account of our global operations; and (iv) value of our foreign assets.

Our revenues, operating expenses and finance costs are influenced by the currencies of those countries where we manufacture and/or sell our products. The exchange rate between the Indian Rupee and these currencies, primarily the US$, Euro, PLN, RMB and GBP have fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted. However, the effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact on our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, as the borrowing arrangements availed by certain of our foreign Subsidiaries are foreign currency denominated, we expect that our cost of borrowing as well as our cost of raw materials and components incurred by our foreign Subsidiaries may rise during a sustained depreciation of the relevant foreign currency against the Indian Rupee.

While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. In relation to our products which are priced in foreign currencies, the strengthening of these currencies against the Indian Rupee results in gains and the weakening of these currencies results in losses for our Company. As an effort to mitigate any significant currency fluctuations, we typically agree to renegotiate/reset prices of our products on a periodic basis including adjustments on account of currency fluctuations beyond a specified range, which may vary between customers, depending on terms negotiated with such customers from time to time. The said permitted adjustments in our prices are generally effected with a prospective effect and may not be adequate to fully set-off the effect of foreign currency fluctuations, which may result, as earlier mentioned, in either losses or gains for our Company.

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

Our Company has declared and paid dividend at the rate of 0.001% on the CCPS during each of Fiscals 2022, 2021 and 2020. For further information, see "***Dividend Policy***" on page 302. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

Additionally, in case of our Material Subsidiaries, certain financing documents require them to obtain prior consent of the lender for distribution of dividend from net profit of an aggregated amount exceeding 50% of net profit from the previous operating year. Accordingly, our Material Subsidiaries may be restricted in declaring dividend to its holding company, which may indirectly have an impact on our Company's cash flows.

51. The immediate relatives of our Promoter, who are deemed to be a part of the Promoter Group under SEBI ICDR Regulations have not provided consent, information or any confirmations or undertakings pertaining to themselves which are required to be disclosed in relation to a member of the Promoter Group in this Draft Red Herring Prospectus.

Our Company had sought and requested Surendra Goliya, brother of our Promoter and Mangala Rajendra Mehta, a sister-in-law of our Promoter, respectively and deemed to be a part of the Promoter Group under the SEBI ICDR Regulations to provide the confirmations and undertakings in respect of themselves as a member of the Promoter Group of our Company as well as any other entities/bodies corporate/firms/HUFs that they may be interested in which would qualify as part of the Promoter Group of the Company. However, our Company has received affidavit dated September 1, 2022 and letter dated September 27, 2022 from Mangala Rajendra Mehta, stating that she is unwilling to be identified, associated with our Promoter and/or categorised as a member of the Promoter Group of our Company and/or provide and confirm any statements or undertakings or confirmations pertaining to themselves and any entities related to them. Further, our Company has not received any information or document or communication from Surendra Goliya. Our Company, pursuant to its letter dated October 12, 2022 had sought an exemption from the inclusion of Surendra Goliya, brother of our Promoter and Mangala Rajendra Mehta, sister-in-law of our Promoter, from inclusion in the Promoter Group of our Company on account of not receiving the relevant information, confirmations and undertakings from Surendra Goliya and Mangala Rajendra Mehta and also regarding the entities they may be interested in, respectively, for inclusion in this Draft Red Herring Prospectus. SEBI, pursuant to its letter dated December 29, 2022 has directed our Company to include Surendra Goliya and Mangala Rajendra Mehta, as part of the promoter group of the Company.

In view of Surendra Goliya and Mangala Rajendra Mehta refusal to form part of the Promoter Group of our Company, and non-receipt of the relevant confirmations and undertakings from them, respectively, in order to comply with the disclosure requirements specified under the SEBI ICDR Regulations pertaining to members of the Promoter Group of issuer companies, our Company has disclosed such details pertaining to Surendra Goliya and Mangala Rajendra Mehta in the section titled "***Our Promoter and Promoter Group***" beginning on page 297 of this Draft Red Herring Prospectus, only to the extent available and accessible to our Company from the publicly available information published on the websites from the "Watchout Investors" website (accessible at https://www.watchoutinvestors.com/) and the website of TransUnion CIBIL Limited (accessible at https://suit.cibil.com/). However, given that certain of such undertakings and confirmations are based only on publicly available information published on such websites, our Company has not been able to identify any body corporate in which 20% or more of the equity share capital is held by Surendra Goliya and Mangala Rajendra Mehta or a firm or Hindu Undivided Family in which they are members and consequently, our Company has not been able to identify all entities which may be considered as a part of the Promoter Group of the Company and/or include disclosures in this Draft Red Herring Prospectus pertaining to any factual confirmations required to be made in relation to the Promoter Group members. There can be no assurance that all relevant and/or complete disclosures pertaining to Surendra Goliya and Mangala Rajendra Mehta and/or entities they may be interested in, as members of the Promoter Group of the Company are included in this Draft Red Herring Prospectus. To that extent, the incremental disclosures made in the section titled "***Our Promoter and Promoter Group***" in relation to Surendra Goliya and Mangala Rajendra Mehta beginning on page 297 of this Draft Red Herring Prospectus, are limited and based on the publicly available information published on the websites from the "Watchout Investors" website (accessible at https://www.watchoutinvestors.com/) and the website of TransUnion CIBIL Limited (accessible at https://suit.cibil.com/).

52. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.

As of September 30, 2022, we have the following contingent liabilities in the Restated Consolidated Financial Information:

(in ₹ million)

S. No.	Particulars	As at September 30, 2022
1.	Demand notice raised by provident fund authorities in case of holding company for the period 2006-09 for provident fund payable on trainees' stipend	6.08
2.	The Company has received legal demand notice from Ambit Energy Private Limited ("**Customer**") dated April 18, 2022, through their legal counsel towards failure to resolve technical faults and errors in inverters supplied by our Company and towards commercial as well as potential business generation loss and goodwill. The Company replied to the legal counsel of the Customer vide its letter dated May 11, 2022, rejecting all the claims of the Customer stating it to be unjust, illegal and with malicious intention. Further, the Company vide its letter dated August 23, 2022, to District Court Mediation Centre, Rajkot conveyed its intention to close its participation in mediation process.	65.80
	Total	**71.88**

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize or if at any time we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition and results of operation may be adversely affected.

53. Our Subsidiaries have unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows.

As of October 31, 2022, our Subsidiaries have unsecured loans amounting to ₹ 157.25 million, and may in the future continue to avail unsecured borrowings (such as loans from financial institution), which may be recalled at any time, with or without the existence of an event of default, on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that our Subsidiaries will be able to persuade the lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

54. Certain of our immovable properties in India and overseas are taken on lease by us. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect.

Certain of our manufacturing facilities in India and overseas and offices (including our Registered Office and Corporate Office) are held by us on leasehold basis, from third parties, related parties and certain Government authorities on certain terms and conditions. Our Nashik Manufacturing Facility I is leased from Maharashtra Industrial Development Corporation and Nashik Manufacturing Facility II is leased from Nashik Industrial Co-Op Estate Limited.

If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). In addition, the terms of certain of our leases require us (as the lessee) to undertake lease deposit, incur certain repaid and maintenance costs from time to time and to bear utility charges, and include conditions which may restrict our operational flexibility in certain respects, for instance, requiring us to obtain the lessor's prior consent for certain actions (including making significant structural alterations to the premises) or to sublet, assign such properties.

In addition, any regulatory non-compliance by the landlords or lessors or adverse development relating to the landlords' or lessors' title or ownership rights to such properties or equipment, including as a result of any non-compliance by them, may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces or cease of the use of the related equipment following any such developments. If our sales do not increase in line with our rent and costs, including set up and interior design costs, our profitability and results of operations could be adversely affected.

For details of our immovable properties, see "***Our Business – Immovable Properties***" on page 267.

55. Our Promoter has provided a personal guarantee for a portion of our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the personal guarantee provided by our Promoter in connection with our Company's borrowings.

Our Promoter has provided a personal guarantee for a portion of our borrowings. See "***Restated Consolidated Financial Information – Short-term borrowings***" on page 351. If the guarantee is revoked or if such collateral is proved insufficient, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure an alternative guarantee 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, financial condition, results of operations and prospects may be adversely affected by the revocation of the personal guarantee provided by our Promoter in connection with our Company's borrowings.

56. We have significant capital requirements. If we experience insufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our business and results of operations.

Our business is capital intensive as we constantly seek to add new and upgrade our existing manufacturing facilities; increase our product portfolio; and invest in the research and development of new technologies and products, among others. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, additions to property, plant and equipment amounted to ₹ 92.38 million, ₹ 223.55 million, ₹ 317.99 million and ₹ 527.40

million, respectively. We also have significant working capital requirements to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers.

The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, additional market developments and new opportunities in the industry. Our working capital requirements may increase if the payment terms in our purchase orders or invoices include longer payment schedules. These factors may result in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may adversely affect our results of operations and financial condition.

Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. In addition, to the extent we receive credit ratings in respect of any of our future borrowings, any subsequent downgrade in those credit ratings may increase interest rates for our future borrowings, which would increase our cost of borrowings and adversely affect our ability to borrow on a competitive basis. Any issuance of Equity Shares, on the other hand, would result in a dilution of the shareholding of existing Shareholders.

57. This Draft Red Herring Prospectus contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

We have availed the services of an independent third-party research agency, Frost & Sullivan, to prepare an industry report titled "*Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India*" dated December 14, 2022, exclusively for purposes of confirming our understanding of the industry we operate in and inclusion of such information in this Draft Red Herring Prospectus pursuant to an engagement letter dated May 19, 2022. Given the scope and extent of the F&S Report, disclosures are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. The F&S Report is a paid report that has been commissioned by our Company, and is subject to various limitations and based upon certain assumptions that are subjective in nature. 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, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See "***Industry Overview***" on page 158. For the disclaimers associated with the F&S Report, see "***Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data***" on page 16.

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

In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the aggregate amount of such related party transactions was ₹ 327.36 million, ₹ 545.18 million, ₹ 518.49 million and ₹ 660.37 million, respectively. The percentage of the aggregate value of such related party transactions to our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020 was 12.54%, 11.59%, 13.30% and 16.48%, respectively. For further information on our related party transactions, see "***Summary of the Offer Document – Summary of Related Party Transactions***" on page 23.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. For details regarding our related part transactions, see "***Restated Consolidate Financial Information – Related Party Disclosures***" on page 366. While we believe that all such related party transactions that we have entered into are conducted on an arms' length basis in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, in the interest of the Company and its minority Shareholders and in compliance with the SEBI Listing Regulations, we cannot assure you these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and executive officers will be able to address such conflicts of interests or others in the future.

59. Our Company will not receive any proceeds from the Offer for Sale.

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the proceeds from the Offer for Sale (net of their portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer for Sale. Other than our Chairman and Managing Director (as the second holder of Offered Shares of Asha Narendra Goliya and Rishabh Narendra Goliya and in his capacity as karta of Narendra Rishabh Goliya (HUF)), none of our Directors or Key Managerial Personnel will receive, in whole or in part, any proceeds from the Offer.

60. We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements.

As of October 31, 2022, our outstanding borrowings were ₹ 957.81 million. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings, which typically contain restrictive covenants, including, requirements that we obtain consent from the lenders prior to undertaking certain matters including changing or modifying our ownership, altering our capital structure, further issuance of any shares, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, changing our shareholding pattern, and change in constitution of the Board of Directors. Further, in terms of security, we are typically required to create a charge on all our fixed and current assets (present and future), mortgage over our immovable properties and hypothecation of our movable properties. Further, our Chairman and Managing Director has provided a personal guarantee, in relation to certain borrowings availed by our Company. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. Our current or future level of leverage could have significant consequences or our Shareholders and our future financial results and business prospects, including increasing our vulnerability to a downturn in business in India and other factors which may adversely affect our operations; limiting our ability to pursue growth plans; requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts; limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; placing us at a competitive disadvantage to any of our competitors that have less debt; increasing our interest expenditure; and limiting our ability to raise additional funds or refinance existing indebtedness. Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further information, see "***Financial Indebtedness***" on page 395.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

61. The average cost of acquisition of Equity Shares by the Selling Shareholders may be less than the Offer Price.

The average cost of acquisition of Equity Shares by the Selling Shareholders may be less than the Offer Price. The details of the average cost of acquisition of Equity Shares held by the Selling Shareholders are set out below:

Name of the Selling Shareholder	Number of Equity Shares held as on December 29, 2022	Average cost of acquisition per Equity Share* (in ₹)
Asha Narendra Goliya(1)	4,500,000	0.10
Rishabh Narendra Goliya(1)	750,000	0.03
Narendra Rishabh Goliya (HUF) (2)	517,500	0.13
SACEF	400	87.05(3)

** As certified by Shah & Mantri, Chartered Accountants, by way of their certificate dated December 29, 2022.*

(1) Jointly held with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.

(2) Through its karta, Narendra Joharimal Goliya.

(3) As on the date of this Draft Red Herring Prospectus, SACEF holds 3,606,110 CCPS. As per the noting of the Board in their meeting dated December 19, 2022, pursuant to the terms of the SHA Amendment and Waiver Agreement, the CCS will be converted into maximum 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC. Accordingly, the average cost of acquisition per Equity Share by SACEF will be recomputed prior to filing of the Red Herring Prospectus with the RoC.

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

We sold certain products such as power meters, frequency meters, moving coil DC meters, moving iron AC meter, etc. outside India. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our Company's revenue from operations from outside India amounted to ₹ 1,817.42 million, ₹ 3,190.92 million, ₹ 2,641.87 million and ₹ 2,649.28 million, representing 69.59%, 67.86%, 67.75% and 66.12%, respectively, of our Company total revenue from operations in such periods. In particular, we sold small amounts of our products in Russia, among other countries. Dealings with Russia come with risks of dealing with individuals or entities that have been specifically targeted with sanctions by the United States government ("**SDN**"), and entities that are owned by SDNs ("**Blocked Persons**"). Any dealings with SDNs or Blocked Persons create risks under the United States sanctions laws. We cannot assure you that our business will not be impacted by such United States sanctions in the future, particularly if there are changes to or more stringent application of the United States sanctions laws. Since sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in certain of our business activities being deemed to have violated sanctions, or being sanctionable. Any future changes to the United States sanctions laws may also require us to discontinue our arrangements with our customers in such jurisdictions, or prevent us from having dealings in jurisdictions subject to such United States sanctions, which could have a material adverse effect on our financial condition and results of operations. We have contractually agreed not to deal with sanctioned countries and while our counter party has not declared an event of default for past instances, we cannot assure you that we will not inadvertently breach the contract or such instances will not occur in the future.

63. Certain non-GAAP financial measures and performance indicators presented in this Draft Red Herring Prospectus may have limitations as analytical tools, may vary from any standard methodology applicable across the electrical and aluminium industry, and may not be comparable with financial or statistical information of similar nomenclature presented by other peer companies.

We use certain supplemental non-GAAP measures to review and analyse our financial and operating performance from period to period, and to evaluate our business, which have been included in this Draft Red Herring Prospectus. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us and our operating and financial performance. For more information on the non-GAAP financial measures used in this Draft Red Herring Prospectus, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Non- Generally Accepted Accounting Principles Financial Measures***" and "***Definitions and Abbreviations – Conventional and General Terms and Abbreviations***" on pages 16 and 12.

Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information set out in this Draft Red Herring Prospectus. These non-GAAP financial measures and performance indicators are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools. These non-GAAP financial measures may differ from similar titled information used by our peer companies, who may calculate such information differently and hence their comparability with the measures used by us may be limited. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for measures of performance under Ind AS or as indicators of our cash flows, liquidity or profitability.

External Risk Factors

Risks Relating to India

64. Political, macroeconomic, demographic and other changes could adversely affect economic conditions in India.

Our Company is incorporated in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, and other social, political and economic developments affecting India. The Indian economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, and control of foreign exchange and allocation of resources. While the Indian economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Indian government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Indian economy but may have a negative effect on us.

Our business results depend on a number of general macroeconomic and demographic factors in India which are beyond our control. In particular, our revenue and profitability are strongly correlated to economic activity in India, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, rising interest rates or other industry-wide cost pressures could also affect the Indian economic outlook and lead to a decline in our sales and earnings.

Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- 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;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- inflation rates;
- worsening of the current Monkeypox Virus outbreak, which has been designated as a public health emergency of international concern by the WHO, or any future outbreaks of any other similar contagious disease; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

65. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war such as Russia's invasion of Ukraine, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our technological infrastructure and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. 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 price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 and the monkeypox virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares.

66. 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. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and was affirmed to be BBB- with a "negative" outlook by Fitch in November 2021; and decreased from BBB to BBB "low" by DBRS in May 2021. India's sovereign rating from S&P is BBB- with a "stable" outlook. 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 or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

67. 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 manufacturing in general, which could lead to new compliance requirements, including requiring us to obtain additional approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, which can lead to uncertainty in our operations and could adversely affect our business, prospects and results of operations.

For instance, the GoI has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which, once completely notified will consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

68. Changes in the taxation system in India could adversely affect our business.

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

The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. 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 GoI recently proposed additional tax measures in Finance Bill, 2022 and Union Budget for Fiscal 2023 which, among others, requires the taxpayers to explain sources of cash credits, introduces a separate 30% tax on income from virtual digital assets, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. There is no certainty of how these proposed tax measures may have an impact on our customers and financial institution partners, our business and operations or the industry in which we operate.

Our companies operating in India may choose not to claim any of the specified deductions or exemptions and claim the lower corporate tax, in which case, the minimum alternate tax provisions would not be applicable. Alternatively, we may choose to pay the higher rate of corporate tax; i.e., 30% or 25%, as the case may be, plus applicable surcharge and cess, after claiming the applicable deductions and exemptions or the minimum alternate tax at the rate of 15% plus applicable surcharge and cess. As such, there is no certainty on the impact that these amendments may have on our business and operations or on the industry in which we operate.

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

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.

69. 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. Furthermore, economic developments globally can have a significant impact on India. 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.

Moreover, throughout 2021, the Russian military build-up on the border of Ukraine has escalated tensions between Russia and Ukraine and strained bilateral relations. These events have continued in 2022 with Russia commencing a full-scale military invasion of Ukraine in February 2022. On February 21, 2022, Russia recognized the independence of two separatist regions within Ukraine and ordered Russian troops into these regions with a purported mission to maintain peace in the area. Following the invasion of Ukraine, countries like the United States, the European Union, Canada, Japan, Australia and some other countries have made announcements regarding imposition of sanctions and sanctions have been implemented in the meantime. The imposition of sanctions could lead to unpredictable reactions from Russia. If any sanction risk materializes, this could have a material adverse effect on our business, cash flows, financial condition and results of operations.

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. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. 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, cash flows 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, cash flows and results of operations and reduce the price of the Equity Shares.

70. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate thereby reducing our margins.

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

71. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002 ("**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.

Risks Relating to the Equity Shares and this Offer

72. Investors may have difficulty enforcing foreign judgments against our Company or our management.

Our Company is incorporated under the laws of India as a company limited by shares. As on the date of this Draft Red Herring Prospectus, the majority of our directors and Key Managerial Personnel are residents of India. A substantial portion of our Company's 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 our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon 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. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the 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 but does not include an arbitration award, even if such an award is enforceable as a decree or judgment. The United Kingdom, United Arab Emirates, Singapore and Hong Kong, among others, have been declared by the GoI to be reciprocating territories for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. 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.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered, and we cannot assure you that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Further, any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency is required to be converted into Rupees on the date the award becomes enforceable and not on the date of payment.

73. The trading volume and market price of the Equity Shares may be volatile following the Offer.

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:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- 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 key management personnel;
- changes in exchange rates;
- the public's reaction to our press releases, other public announcements and filings with the regulator;
- any additional investment or sale of investment by significant shareholders(s);
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

74. Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by the Shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

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

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

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

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

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

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Finance Act, 2020 does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

The GoI recently announced the Union Budget for Fiscal 2023 and the Finance Act, 2022 which, among others, requires the taxpayers to explain sources of cash credits, introduces a separate 30% tax on income from virtual digital assets, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. There is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act, 2022 and Union Budget for Fiscal 2023 would have an adverse effect on our business, financial condition and results of operations.

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to the applicable Indian laws and practice, permission for listing of the Equity Shares will not be granted till the Equity Shares in this Offer have been issued and allotted and all relevant documents are submitted to the Stock Exchanges. Further, certain actions must be completed prior to the commencement of listing and trading of the Equity Shares such as the Investor's book entry or 'demat' accounts with the depository participants in India, expected to be credited within one (1) Working Day of the date on which the Basis of Allotment is finalized with the Designated Stock Exchange. In addition, the Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with the depository participant could take approximately five (5) Working Days from the Bid/Offer Closing Date and trading in Equity Shares upon receipt of listing and trading approval from the Stock Exchanges, trading of Equity Shares is expected to commence within six Working Days from Bid/ Offer Closing Date. Any failure or delay in obtaining the approval or otherwise commence trading in Equity Shares would restrict your ability to dispose of your Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts or that trading in the Equity Shares will commence in a timely manner (as specified herein) or at all. We could also be required to pay interest at the applicable rates if the allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

77. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and the sale of Equity Shares by the Promoter and members of our Promoter Group may adversely affect the trading price of the Equity Shares*

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options under an employee benefit scheme may lead to dilution of your shareholding in our Company. Any future equity issuances by us (including under any employee benefit scheme) or disposal of our Equity Shares by the Promoter, members of our Promoter Group or any of our other principal shareholders or any other change in our shareholding structure to comply with the minimum public shareholding norms applicable to listed companies in India 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.

We cannot assure you that we will not issue further Equity Shares or that our existing shareholders including our Promoter and members of our Promoter Group will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI, from time to time. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is 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 you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), as consolidated in the FDI Policy with effect from October 15, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Any such approval(s) would be subject to the discretion of the regulatory authorities. This may cause uncertainty and delays in our future investment plans and initiatives.

We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. For further details, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 476.

Moreover, the exchange control regulations we are subject to constrain our ability to remit dividends to our Shareholders. There is no assurance that your dividends will not subject to any delay or deduction. In addition, the exchange control regulations we are subject to could affect the availability of cash and cash equivalents for use by our Company, which may adversely affect our business, results of operations, financial condition and cash flows.

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

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial 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. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and the Selling Shareholders in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "***Basis for Offer Price***" on page 132 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "***Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs***" on page 443. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

81. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.

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

82. Holders of Equity Shares 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 holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that holders are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the holders will be unable to exercise such pre-emptive rights unless we make such a filing. The Company may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to the holders. If the Company elects to not file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the holder's benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. In addition, to the extent that the holders are unable to exercise pre-emptive rights granted in respect of the Equity Shares, they may suffer future dilution of your ownership position and their proportional interests in our Company would be reduced.

83. A third-party could be prevented from acquiring control of us post this Offer, 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. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive 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 a shareholder of an entity in another jurisdiction.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer(1)	Up to [●] Equity Shares aggregating up to ₹ [●] million
The Offer consists of:	
Fresh Issue#	Up to [●] Equity Shares aggregating up to ₹ 750.00 million
Offer for Sale (2)	Up to 9,417,500 Equity Shares aggregating up to ₹ [●] million
Of which:	
A. QIB Portion(3)(5)	Not more than [●] Equity Shares aggregating up to ₹ [●] million
Of which:	
Anchor Investor Portion(5)	Up to [●] Equity Shares
Net QIB (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Category(3)(4)	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Of which:	
One-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] Equity Shares
Two-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] Equity Shares
C. Retail Portion(3)(4)	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	29,250,400 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of the Offer	See "***Objects of the Offer***" beginning on page 108 for information about the use of the Net Proceeds arising from the Fresh Issue. Our Company will not receive any portion of the proceeds from the Offer for Sale.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 150.00 million. The Pre-IPO Placement may be undertaken by our Company and the Selling Shareholders, in consultation with the BRLMs, at their discretion. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) *Our Board has authorised the Offer by way of its resolution dated December 19, 2022 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on December 22, 2022. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on December 19, 2022.*

(2) *The Selling Shareholders, severally and not jointly, have confirmed and authorized their respective participation in the Offer for Sale, as stated below.*

S. No.	Name of the Selling Shareholder	Date of consent letter	Date of board resolution/ corporate authorization	Maximum number of Offered Shares
1.	Asha Narendra Goliya*	December 19, 2022	-	Up to 2,500,000
2.	Rishabh Narendra Goliya*	December 19, 2022	-	Up to 400,000
3.	Narendra Rishabh Goliya (HUF)^	December 19, 2022	-	Up to 517,500
4.	SACEF	December 19, 2022	December 16, 2022	Up to 6,000,000#
	Total			**Up to 9,417,500**

* *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*

^ *Through its karta, Narendra Joharimal Goliya.*

Includes Equity Shares which will be issued upon conversion of the CCPS held by SACEF. As on the date of this Draft Red Herring

Prospectus, SACEF holds 3,606,110 CCPS which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

(3) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

(4) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. The allocation to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(5) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further information, see "***Offer Procedure***" beginning on page 458.*

For further information, see "***Offer Structure***", "***Offer Procedure***" and "***Terms of the Offer***" on pages 455, 458 and 449, respectively.

SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our Restated Consolidated Financial Information. The summary financial information as at and for the six months ended September 30, 2022 and financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 presented below should be read in conjunction with "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 303 and 400, respectively.

[*Remainder of this page intentionally kept blank*]

	As at 30 September 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
				(in ₹ million)
ASSETS				
Non-current assets				
Property, Plant and Equipment	1,756.36	1,943.54	1,980.76	1,534.00
Capital work-in-progress	73.92	51.34	20.69	316.31
Goodwill	205.46	210.57	211.62	211.23
Intangible asset under development	5.05			
Other intangible assets	34.79	42.02	51.19	61.22
Financial assets				
Investments	1.80	2.08	1.88	1.69
Other financial assets	6.81	34.62	23.08	9.63
Deferred Tax Asset	24.79	17.32	15.45	8.37
Other non-current assets	12.00	12.11	16.26	12.40
Total non-current assets	**2,120.98**	**2,313.60**	**2,320.93**	**2,154.85**
Current assets				
Inventories	1,406.62	1,284.17	794.14	733.67
Financial assets				
Trade receivables	903.77	799.79	683.15	611.73
Cash and cash equivalents	589.05	462.41	543.25	428.44
Bank balances other than cash and cash equivalents	467.66	588.88	635.96	745.88
Loans	-	-	-	39.45
Other financial assets	19.09	24.11	24.99	29.86
Current tax assets (net)	-	4.95	1.28	11.55
Other current assets	155.59	161.01	116.00	137.56
Total current assets	**3,541.78**	**3,325.32**	**2,798.77**	**2,738.14**
Total assets	**5,662.76**	**5,638.92**	**5,119.70**	**4,892.99**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	292.50	146.25	146.25	146.25
Instruments entirely equity in nature	108.18	108.18	108.18	129.23
Other equity	3,028.83	3,150.45	2,738.17	2,563.63
Equity attributable to equity holders of parent	**3,429.51**	**3,404.88**	**2,992.60**	**2,839.11**
Non-Controlling Interest	69.25	56.10	28.65	14.49
Total equity	**3,498.76**	**3,460.98**	**3,021.25**	**2,853.60**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	274.26	336.18	454.80	318.42
Lease Liabilities	0.41	0.59	68.48	132.15
Deferred tax liabilities (net)	40.95	61.76	53.62	51.65
Provisions	60.10	70.79	71.75	64.21
Total non-current liabilities	**375.72**	**469.32**	**648.65**	**566.43**
Current liabilities				
Financial liabilities				
Borrowings	707.27	629.51	464.72	499.44
Lease Liabilities	35.18	66.92	71.31	85.77
Trade payables				
i)total outstanding dues of micro enterprises and small enterprises	35.94	39.09	10.16	19.97
ii)total outstanding dues of creditors other than micro enterprise and small enterprise	698.29	639.18	611.30	497.94
Other financial liabilities	129.46	143.58	112.99	226.91
Other current liabilities	124.70	144.88	110.82	100.81
Provisions	52.19	44.33	49.41	42.12
Current tax liabilities (net)	5.25	1.13	19.09	-
Total current liabilities	**1,788.28**	**1,708.62**	**1,449.80**	**1,472.96**
Total liabilities	**2,164.00**	**2,177.94**	**2,098.45**	**2,039.39**
Total equity and liabilities	**5,662.76**	**5,638.92**	**5,119.70**	**4,892.99**

(in ₹ million except per share data)

Particulars	Period ended 30 September 2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Income				
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
Other income	37.46	96.65	125.36	86.81
Total income	**2,648.89**	**4,799.15**	**4,024.92**	**4,093.74**
Expenses				
Cost of material consumed	1,228.10	2,010.80	1,488.66	1,610.92
Purchase of Stock-in-trade	101.47	128.70	62.78	50.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(51.74)	(167.56)	10.95	(28.48)
Employee benefits expense	624.00	1,257.48	1,149.20	1,129.87
Finance costs	15.70	34.31	31.71	39.98
Depreciation and amortization expense	118.21	199.80	210.87	240.34
Other expenses	388.99	743.41	613.12	647.35
Total expenses	**2,424.73**	**4,206.94**	**3,567.29**	**3,690.70**
Profit for the year before share of profit of an associate and tax	224.16	592.21	457.63	403.04
Share of profit of an associate	0.04	0.20	0.33	0.15
Profit before tax	224.20	592.41	457.96	403.19
Tax expense				
Current tax expense	(84.10)	(117.64)	(102.09)	(94.53)
Adjustment for earlier years	-	28.21	-	-
Deferred tax	28.22	(6.46)	3.53	6.81
Total income tax expense	**(55.88)**	**(95.89)**	**(98.56)**	**(87.72)**
Profit for the year	**168.32**	**496.52**	**359.40**	**315.47**
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(117.32)	(35.38)	24.06	2.31
	(117.32)	**(35.38)**	**24.06**	**2.31**
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit liability	(0.73)	0.88	(1.55)	(5.11)
Income tax effect on these items	0.09	(0.23)	0.08	1.25
	(0.64)	0.65	(1.47)	(3.86)
Other comprehensive income/(loss) for the year, net of tax	**(117.96)**	**(34.73)**	**22.59**	**(1.55)**
Total comprehensive income for the year	**50.36**	**461.79**	**381.99**	**313.92**
Profit for the year attributable to:				
Equity holders of the parent	154.82	470.64	347.29	303.93
Non-controlling interests	13.50	25.88	12.11	11.54
Other comprehensive income/(loss) for the year attributable to:				
Equity holders of the parent	(117.61)	(36.30)	20.54	(1.26)
Non-controlling interests	(0.35)	1.57	2.05	(0.29)
Total comprehensive income for the year attributable to:				
Equity holders of the parent	37.21	434.34	367.83	302.67
Non-controlling interests	13.15	27.45	14.16	11.25
Earnings per share after bonus issue (Face value per share of Rs 10 each)				
Basic earnings per share (INR)	4.25	12.91	9.32	8.03
Diluted earnings per share (INR)	4.24	12.89	9.32	8.02

(in ₹ million)

	Period ended 30-Sep-22	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities				
Profit before tax	224.20	592.41	457.96	403.19
Adjustments for:				
Depreciation and amortization expenses	118.21	199.80	210.87	240.34
Share based payment expense	-	-	0.27	1.26
Finance cost	15.70	34.31	31.71	39.98
Interest income	(12.64)	(29.43)	(43.47)	(52.73)
Liabilities written back	-	(2.60)	-	-
Loss/ (Gain) on sale of fixed assets	(2.59)	0.50	0.02	0.42
Provision / (Reversal of excess provision) for bad and doubtful debts	(4.83)	(35.56)	(2.64)	18.19
Share of Profit of an associate	(0.04)	(0.20)	(0.33)	(0.15)
Operating profit before working capital changes	338.01	759.23	654.39	650.50
Changes in working capital				
Increase/ (Decrease) in trade payables	129.83	59.41	103.55	(68.43)
Decrease/ (increase) in inventories	(122.45)	(490.03)	(60.46)	35.85
Decrease/ (increase) in trade receivables	(93.97)	(81.08)	(68.78)	152.88
Decrease/ (increase) in loans	-	-	39.45	-
(Decrease)/ increase in other current liabilities	(30.60)	34.07	10.00	94.24
Increase / (Decrease) in provisions	(3.39)	(6.04)	14.81	83.16
Increase/ (Decrease) in other financial liabilities	15.70	9.67	(109.16)	10.32
Decrease/ (increase) in other financial assets	5.00	2.57	(2.53)	(0.09)
Decrease/(increase) in other assets	(68.15)	(43.91)	18.88	(146.61)
Cash generated from operations	169.98	243.89	600.15	811.82
Income tax paid	(75.02)	(111.07)	(70.81)	(95.32)
Net cash flow from operating activities (A)	94.96	132.82	529.34	716.50
Cash flow from Investing activities				
Purchase of property, plant and equipment and intangible assets	(122.35)	(158.46)	(354.03)	(466.64)
Acquisition of Non controlling interest/controlling interest in subsidiary	-	(14.08)	-	(155.44)
Proceeds from sale/ disposal of fixed assets	3.00	1.65	0.23	2.09
Net proceeds from /(Investment in) fixed deposits	149.59	33.72	94.91	(78.45)
Interest received	12.10	29.57	50.50	63.65
Net cash flow used in investing activities (B)	42.33	(107.60)	(208.39)	(634.79)
Cash flow from Financing activities				
Payout on buyback of compulsary convertible preference shares(including taxes)		-	(205.81)	-
Dividend Paid	(2.06)	(10.73)	(8.79)	(7.97)
Proceeds from borrowings	15.84	46.18	101.66	373.79
Interest paid	(15.21)	(31.52)	(27.77)	(39.46)
Payment of lease liabilities	(32.45)	(74.61)	(89.49)	(116.68)
Net cash flow used in financing activities (C)	(33.88)	(70.68)	(230.20)	209.68
Net increase/(decrease) in cash and cash equivalents (A+B+C)	103.42	(45.46)	90.75	291.39
Cash and cash equivalents at the beginning of the year	462.41	543.25	428.44	134.74
Net foreign exchange difference	23.22	(35.38)	24.06	2.31
Cash and cash equivalents at the end of the year	589.05	462.41	543.25	428.44
Cash and cash equivalents comprise (Refer note 16)				
Balances with banks				
On current, EEFC & Social Fund accounts	257.34	234.99	453.27	426.04
Fixed deposits with maturity of less than 3 months	331.20	227.42	89.48	1.93
Cash on hand	0.51	0.00	0.50	0.47
Total cash and bank balances at end of the year	589.05	462.41	543.25	428.44

GENERAL INFORMATION

Our Company was incorporated as "Rishabh Instruments Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 6, 1982, granted by the RoC. Pursuant to the conversion of our Company into a public limited company and as approved by our Board on September 8, 2022, and a special resolution passed by our Shareholders at the EGM on September 13, 2022, the name of our Company was changed to "Rishabh Instruments Limited" and the RoC issued a fresh certificate of incorporation on September 22, 2022.

Corporate identity number: U31100MH1982PLC028406

Registration number: 028406

Registered Office
A-54, MIDC
Opposite MIDC Bus Depot
Andheri (East) Mumbai 400 093
Maharashtra, India
Tel: +91 22 2825 4047
E-mail: cs@rishabh.co.in
Website: www.rishabh.co.in

For details of change in the registered office of our Company, see *"**History and Certain Corporate Matters – Changes in our Registered Office**"* on page 272.

Corporate Office
F-31, MIDC, Satpur
Nashik 422 007
Maharashtra, India
Tel: +91 253 220 2183
E-mail: cs@rishabh.co.in
Website: www.rishabh.co.in

Address of the Registrar of Companies
Our Company is registered with the RoC located at the following address:

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

Board of Directors

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

Name	Designation	DIN	Address
Narendra Joharimal Goliya	Chairman and Managing Director	00315870	Siddhachal Bungalow, Gangapur Road, Near Serene Meadows, Rishabh Enclave, Anandvalli, Nashik 422 013, Maharashtra, India
Parappath Kottekode Ramakrishnan	Non-Executive Director	00304272	Aradhana, 11, Walnut Creek, Gangapur Road, Near Aditya Petrol Pump, Savarkar Nagar, Nashik 422 013, Maharashtra, India
Alipt Sharma	Non-Executive Nominee Director(1)	03128439	D – 104, Oberoi Splendor, Opp. Majas Depot, Jogeshwari Vikhroli Link Road, Jogeshwari Mumbai 400 060, Maharashtra, India
Krishnan Ganesan	Non-Executive Nominee Director(1)	07885495	702, Shiv Anil, Plot 6, Union Park, Near R.K Studio, Chembur (East), Mumbai 400 071, Maharashtra, India

Name	Designation	DIN	Address
Rathin Kumar Banerjee	Independent Director	02101072	Flat No. 203, Anita Apartment, Pali Road, Near St. Joseph School, Bandra (West), Mumbai 400 050, Maharashtra, India
Siddharth Nandkishore Bafna	Independent Director	00689925	43, Jolly Maker, Apt No. 2, 94 Cuffe Parade, Colaba, Mumbai 400 005, Maharashtra, India
Astha Ashish Kataria	Independent Director	01813262	Anshuman Bungalow, Dutta Chowk, Sahdev Nagar, Near Anand Heights, Nashik 422 013, Maharashtra, India
Lukasz Jan Meissner	Independent Director	09740048	Drwesa, Ul. Bukowa 7, 62-070, Dopiewo, Poland

(1) *Nominee of SACEF*

For brief profiles and further details in respect of our Directors, see "***Our Management***" on page 280.

Company Secretary and Compliance Officer

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

Ajinkya Joglekar
F-31, MIDC, Satpur
Nashik 422 007
Maharashtra, India
Tel: +91 253 220 2183
E-mail: cs@rishabh.co.in

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

All Offer-related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

Book Running Lead Managers

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor
Unit no. 1511, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: rishabh.ipo@damcapital.in

Mirae Asset Capital Markets (India) Private Limited
1st Floor, Tower 4, Equinox Business Park
LBS Marg, Off BKC, Kurla (West)
Mumbai 400 070, Maharashtra, India
Tel: +91 22 6266 1300
E-mail: rishabh.ipo@miraeassetcm.com

Investor grievance e-mail: complaint@damcapital.in
Website: www.damcapital.in
Contact person: Gunjan Jain
SEBI registration no.: MB/INM000011336

Investor grievance e-mail: mbinvestors@miraeassetcm.com
Website: https://cm.miraeasset.co.in/
Contact person: Rohan Menon
SEBI registration no.: INM000012485

Motilal Oswal Investment Advisors Limited
10th Floor, Motilal Oswal Tower
Rahimtullah Sayani Road, Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025, Maharashtra, India
Tel: +91 22 7193 4380
Email: rishabh.ipo@motilaloswal.com
Investor grievance e-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Kirti Kanoria/ Ritu Sharma
SEBI Registration No.: INM000011005

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	BRLMs	DAM Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	BRLMs	DAM Capital
3.	Drafting and approval of all statutory advertisements	BRLMs	DAM Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI	BRLMs	Mirae Asset
5.	Appointment of Registrar and Ad agency (including coordination of all agreements)	BRLMs	DAM Capital
6.	Appointment of all other intermediaries including printer, Banker (s) to the Offer, sponsor bank, syndicate members, share escrow agent, monitoring agency, etc. (including coordination of all agreements)	BRLMs	Mirae Asset
7.	• Preparation of road show presentation and FAQs for the road show team	BRLMs	Motilal Oswal
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	BRLMs	Motilal Oswal
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	BRLMs	DAM Capital
10.	• Conduct non-institutional marketing of the Offer	BRLMs	Motilal Oswal
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; • Finalising collection centres	BRLMs	Motilal Oswal

S. No.	Activity	Responsibility	Co-ordination
	• Finalising centres for holding conferences for brokers etc. • Finalising commission structure and co-ordinate with RTA for commission payouts Follow-up on distribution of publicity and Offer material including form, RHP / Prospectus and deciding on the quantum of the Offer material		
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit including anchor coordination, anchor CAN and initiation of anchor allocation	BRLMs	Motilal Oswal
13.	Managing the book and finalization of pricing in consultation with Company and the Selling Shareholders	BRLMs	Motilal Oswal
14.	Post-Offer activities – finalisation of the basis of allotment, coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc., including responsibility for underwriting arrangements, as applicable, listing of instruments, demat credit and refunds / unblocking of funds, payment of the applicable STT on behalf of the Selling Shareholders, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	BRLMs	Motilal Oswal

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020, India
Tel: +91 11 4159 0700

Legal Counsel to the Book Running Lead Managers as to Indian Law

Khaitan & Co
10th & 13th Floors, Tower 1C
One World Centre
841 Senapati Bapat Marg
Mumbai 400 013, Maharashtra, India
Tel: +91 22 6636 5000

Legal Counsel to the Investor Selling Shareholder as to Indian Law

Bombay Law Chambers
411/A, The Capital,
G Block, Bandra Kurla Complex,
Mumbai, Maharashtra 400051
Tel: +91 22 3576 6261

Registrar to the Offer

KFin Technologies Limited
(*Formerly known as KFin Technologies Private Limited*)
Selenium, Tower B, Plot no. 31 and 32
Financial District Nanakramguda
Serilingampally Hyderabad
Rangareddi 500 032, Telangana, India
Tel: +91 40 6716 2222
Toll free number: 1800 309 4001
E-mail: rishabh.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com

Contact person: M Murali Krishna
Website: www.kfintech.com
SEBI Registration No: INR000000221
CIN: U72400TG2017PLC117649

Escrow Collection Bank(s)

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
Plot No. G 3, MIDC Area
Trimbak Road, Nashik 422 007
Maharashtra, India
Tel: +91 253 662 2897 / 662 2896
Contact person: Sudhir Bochare
Website: www.hdfc.com
Email: sudhir.bochare@hdfcbank.com
CIN: L65920MH1994PLC080618

State Bank of India
Satpur Industrial Area (03872)
P-24, MIDC, Near Sakal Circle
Trimbak Road, Satpur, Nashik 422 007
Maharashtra, India
Tel: +91 253 236 4564
Contact person: Sangram Sathe
Website: www.bank.sbi
Email: sangram.sathe@sbi.co.in

DBS Bank India Limited
41/A, Jolly Plaza, Howson Road
Deolali Camp, Nashik 422 401
Maharashtra, India
Tel: +91 253 663 2101 / 663 2100
Contact person: Mahesh Telangi
Email: maheshtelangi@dbs.com
CIN: U65999DL2018FLC329236

Self Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a Retail Individual Investor using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through mobile applications using UPI handles or through SCSBs whose names appear on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40), which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism, is provided as 'Annexure A' for SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Statutory Auditors of our Company

M/s M S K A & Associates
Cerebrum IT Park
Kalyani Nagar, Floor 6, Building #1
Pune 411014, Maharashtra, India
Tel: +91 20 6763 3404
E-mail: nitinjumani@mska.in
Firm registration number: 105047W
Peer review number: 013267

Changes in Auditors

Except as stated below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reason for change
Price Waterhouse Chartered Accountants LLP 7th Floor, Tower-A, Wing-1 Business Bay, Airport Road, Yerwada, Pune 411 006, Maharashtra, India **Tel:** +91 20 4100 4444 **E-mail:** neeraj.s@pwc.com **Firm registration number:** 012754N/N500016 **Peer review number:** 012639	April 29, 2022	Reassessment due to Company's future plans of accessing capital markets.

Particulars	Date of change	Reason for change
M/s M S K A & Associates Cerebrum IT Park Kalyani Nagar, Floor 6, Building #1 Pune 411014, Maharashtra, India **Tel:** +91 20 6763 3404 **E-mail:** nitinjumani@mska.in **Firm registration number:** 105047W **Peer review number:** 013267	May 9, 2022	Appointment to fill in the casual vacancy caused due to the resignation of Price Waterhouse Chartered Accountants LLP

Expert

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

Our Company has received written consent dated December 29, 2022 from M/s M S K A & Associates, our Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 and in respect of (i) their examination report dated December 19, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 29, 2022 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated December 28, 2022, from the chartered engineer, namely Manish M Kothari in relation to the certificate dated December 28, 2022 for procurement of plant and machinery (including software) and related items proposed to be purchased by the Company as part of the Expansion Project and to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the chartered engineer.

Our Company has received written consent dated December 23, 2022, from the architect, namely Sanjay Madhavrao Patil in relation to the report titled "*Cost Assessment Report for Civil work and Utilities for a Proposed Building to be constructed at Rishabh Instruments Limited*" (with the date of estimation: November 30, 2022), to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

As the size of the Fresh Issue does not exceed ₹ 1,000.00 million, our Company is not required to appoint a monitoring agency for this Offer in terms of Regulation 41(1) of the SEBI ICDR Regulations.

Grading of the Offer

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

Appraising Entity

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

Credit Rating

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*"; and has been filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018. It has also been filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, shall be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, shall be filed with the RoC at its office located at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India and through the electronic portal at https://www.mca.gov.in/mcafoportal/login.do.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid lot which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper), Marathi being the regional language of Maharashtra where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see "***Offer Procedure***" on page 458.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by alternatively using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

For further details on method and process of Bidding, see "***Offer Procedure***" and "***Offer Structure***" on pages 458 and 455 respectively.

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

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Explanation of Book Building Process and Price Discovery Process

For an explanation of the Book Building Process and the price discovery process, see "***Terms of the Offer***" and "***Offer Procedure***" on pages 449 and 458, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLMs shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

(in ₹ million)

Name, address, telephone and e-mail of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

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

CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORIZED SHARE CAPITAL(1)**		
	30,181,670 Equity Shares of face value of ₹ 10 each	301,816,700	-
	3,606,110 CCPS of face value of ₹ 30 each	108,183,300	-
Total		**410,000,000**	
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND PRIOR TO CONVERSION OF CCPS AS ON THE DATE OF THIS DRAFT RED HERRING PROSPECTUS**		
	29,250,400 Equity Shares of face value of ₹ 10 each	292,504,000	-
	3,606,110 CCPS of face value of ₹ 30 each#	108,183,300	-
Total		**400,687,300**	
C)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND POST CONVERSION OF CCPS**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	-
D)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to [●] million(2)	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 750.00 million(3)	[●]	[●]
	Offer for Sale of up to 9,417,500 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million(4)	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	-
F)	**SECURITIES PREMIUM ACCOUNT**		
	Prior to the Offer (*as on the date of this Draft Red Herring Prospectus*)		290,710,391
	After the Offer		[●]

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

 # As on the date of this Draft Red Herring Prospectus, SACEF holds 3,606,110 CCPS which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

(1) *For details in relation to changes in the authorized share capital of our Company in the last 10 years, see "**History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years**" on page 272.*

(2) *The Offer has been authorized by our Board pursuant to its resolution dated December 19, 2022 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution dated December 22, 2022. The Selling Shareholders, severally and not jointly, specifically confirm that they have authorized their respective participation in the Offer for Sale. For details of authorizations for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on page 436.*

(3) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 150.00 million. The Pre-IPO Placement may be undertaken by our Company and the Selling Shareholders, in consultation with the BRLMs, at their discretion. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(4) *The Selling Shareholders, severally and not jointly, have confirmed that their respective portion of the Offered Shares are eligible to be offered for sale in accordance with the SEBI ICDR Regulations.*

Notes to Capital Structure

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

(a) *Equity share capital history*

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

[*Remainder of the page intentionally left blank*]

Date of allotment/buy-back	Name(s) of allottee(s)	Reason or nature of allotment/buy-back	No. of equity shares allotted/bought back	Face value per equity share (₹)	Issue/buy back price per equity share (₹)	Nature of consideration
February 15, 1983	5 equity shares each to Narendra Joharimal Goliya, Mahesh P. Churi, Davendra Joharimal Goliya and Sohan B. Chordiya	Initial subscription to the Memorandum of Association(1)	20	100	100	Cash
February 15, 1983*	575 equity shares to Davendra Joharimal Goliya and 570 equity shares to Narendra Joharimal Goliya	Further issue	1,145	100	100	Cash
December 18, 1984*	2,930 equity shares to Narendra Joharimal Goliya, 2,925 equity shares to Davendra Joharimal Goliya, 2,000 equity shares to Joharimal Goliya, 2,000 equity shares to Surendra Goliya, 1,500 equity shares to Asha Narendra Goliya, 1,495 equity shares to Sheela Goliya, 1,495 equity shares to Santosh Goliya, 690 equity shares to J.R Goliya HUF, 500 equity shares to Abhishek Goliya and 300 equity shares to Shikha Goliya	Further issue	15,835	100	100	Cash
March 21, 1989*	1,050 equity shares to Narendra Joharimal Goliya, 1,000 equity shares to J.R Goliya, 1,000 equity shares to Shanti Instruments Private Limited and 950 equity shares to Asha Narendra Goliya	Further issue	4,000	100	100	Cash
June 25, 1992*	2,000 equity shares to Narendra Joharimal Goliya and 2,000 equity shares to Asha Narendra Goliya	Further issue	4,000	100	100	Cash
August 21, 1992*	30,000 Equity Shares allotted to Unit Trust of India and Technology Development & Information Co. of India Limited	Further issue	30,000	100	100	Cash
December 22, 1992	1,000 equity shares to Narendra Joharimal Goliya and 1,000 equity shares to Asha Narendra Goliya	Further issue	2,000	100	100	Cash
January 2, 1993	10,000 equity shares to Unit Trust of India & Technology Development & Information Co. of India Ltd.	Further issue	10,000	100	100	Cash

Date of allotment/buy-back	Name(s) of allottee(s)	Reason or nature of allotment/buy-back	No. of equity shares allotted/bought back	Face value per equity share (₹)	Issue/buy back price per equity share (₹)	Nature of consideration
March 2, 2000	4,800 equity shares to Subasish Gourgopal Roy jointly with Madhumita Subasish Roy	Further issue	4,800	100	302.08	Cash
July 14, 2001*	32,800 equity shares from Unit Trust of India and Technology Development and Information Company of India Ltd	Buy-back	(32,800)	100	(367.79)	Cash
August 14, 2003	46,965 equity shares to Narendra Joharimal Goliya, 9,000 equity shares to Asha Narendra Goliya, 1,035 equity shares to Narendra Rishabh Goliya (HUF) and 1,500 equity shares to Rishabh Narendra Goliya.	Bonus issue in the ratio of 1.5 equity shares for every one existing equity share held	58,500	100	-	N.A.
August 10, 2007	Pursuant to a resolution passed by our Shareholders at an EGM on August 10, 2007 each equity share of face value ₹ 100 each of our Company was subdivided into 10 Equity Shares of face value ₹ 10 each, therefore the aggregate authorized share capital of 1,500,000 equity shares of ₹ 100 each were sub-divided into 15,000,000 Equity Shares of ₹ 10 each and the paid-up equity share capital of our Company was sub-divided from 97,500 equity shares of ₹ 100 each to 975,000 Equity Shares of ₹ 10 each.					
December 18, 2007	10,958,500 Equity Shares to Narendra Joharimal Goliya, 2,100,000 Equity Shares to Asha Narendra Goliya, 241,500 Equity Shares to Narendra Rishabh Goliya (HUF) and 350,000 Equity Shares to Rishabh Narendra Goliya.	Bonus issue in the ratio of 14 Equity Shares for every one existing Equity Share held	13,650,000	10	-	N.A.
September 17, 2013	100 Equity Shares to SACEF	Preferential allotment	100	10	174.10	Cash
	100 class A equity shares to SACEF	Preferential allotment	100	10	174.10	Cash
September 13, 2022	100 Equity Shares to SACEF		Reclassification of class A equity shares		-(2)	N.A.
September 21, 2022	8,131,049 Equity Shares to Narendra Joharimal Goliya jointly held with Asha Narendra Goliya, 2,250,000 Equity Shares to Asha Narendra Goliya jointly held with Narendra Joharimal Goliya, 375,000 Equity Shares to Rishabh Narendra Goliya jointly held with Narendra Joharimal Goliya, 258,750 Equity Shares to Narendra Rishabh Goliya (HUF) held through its karta Narendra Joharimal Goliya, 1 Equity Share to Anushree Goliya jointly held with Narendra	Bonus issue in the ratio of one Equity Share for every one existing Equity Share held	14,625,200	10	-	N.A.

Date of allotment/buy-back	Name(s) of allottee(s)	Reason or nature of allotment/buy-back	No. of equity shares allotted/bought back	Face value per equity share (₹)	Issue/buy back price per equity share (₹)	Nature of consideration
	Joharimal Goliya, 200 Equity Shares to SACEF, 200 Equity Shares to Mohini Goliya, 10,000 Equity Shares to Ivaan Foundation, 1,800,000 Equity Shares to Rishabh Family Trust and 1,800,000 Equity Shares to Anushree Family Trust					

* *The forms for these allotments of equity shares could not be traced as the relevant information was not available in the records maintained by our Company. Accordingly, we have relied on the other corporate records maintained by the Company and the search report dated December 29, 2022 prepared by MV and Associates, Company Secretaries. However, there are inconsistencies in certain of our corporate records. For details see "**Risk Factors – We are unable to trace some of our historical records including forms filed with the RoC and there are certain discrepancies in records available with us as well as our filings with the RoC. There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected**" on page 33.*

(1) *Our Company was incorporated on October 6, 1982. The date of subscription to the Memorandum of Association was September 20, 1982 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on February 15, 1983.*

(2) *Consideration for such Equity Shares was paid at the time of allotment of class A equity shares.*

(b) Preference share capital history

The following table sets forth the history of the preference share capital of our Company.

Date of allotment	Name(s) of allottee(s)	Reason/nature of allotment/buy-back	No. of CCPS allotted/ bought back	Face value per CCPS (₹)	Issue/buy back price per CCPS (₹)	Nature of consideration
September 17, 2013	4,307,669 CCPS to SACEF	Preferential allotment	4,307,669	30	174.10	Cash
December 28, 2020	701,559 CCPS from SACEF	Buy-back of CCPS	(701,559)	30	(270.83)	Cash

[Remainder of the page intentionally left blank]

Terms of conversion of CCPS

As on the date of this Draft Red Herring Prospectus, there are 3,606,110 CCPS that are outstanding, and such CCPS shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

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

Except as disclosed below, our Company has not issued any equity shares or CCPS for consideration other than cash or by way of bonus issue since its incorporation.

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Benefits Accrued
August 14, 2003	46,965 equity shares to Narendra Joharimal Goliya, 9,000 equity shares to Asha Narendra Goliya, 1,035 equity shares to Narendra Rishabh Goliya (HUF) and 1,500 equity shares to Rishabh Narendra Goliya.	Bonus issue in the ratio of 1.5 equity shares for every one existing equity share held	58,500	100	-	N.A.	-
December 18, 2007	10,958,500 Equity Shares to Narendra Joharimal Goliya, 2,100,000 Equity Shares to Asha Narendra Goliya, 241,500 Equity Shares to Narendra Rishabh Goliya (HUF) and 350,000 Equity Shares to Rishabh Narendra Goliya.	Bonus issue in the ratio of 14 Equity Shares for every one existing Equity Share held	13,650,000	10	-	N.A.	-
September 21, 2022	8,131,049 Equity Shares to Narendra Joharimal Goliya jointly held with Asha Narendra Goliya, 2,250,000 Equity Shares to Asha Narendra Goliya jointly held with Narendra Joharimal Goliya, 375,000 Equity Shares to Rishabh Narendra Goliya jointly held with Narendra Joharimal Goliya, 258,750 Equity Shares to Narendra Rishabh Goliya (HUF) held through its karta Narendra Joharimal Goliya, 1 Equity Share to Anushree Goliya jointly held with Narendra Joharimal Goliya, 200 Equity Shares to SACEF, 200 Equity Shares to Mohini Goliya, 10,000 Equity	Bonus issue in the ratio of one Equity Share for every one existing Equity Share held	14,625,200	10	-	N.A.	-

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Benefits Accrued
	Shares to Ivaan Foundation, 1,800,000 Equity Shares to Rishabh Family Trust and 1,800,000 Equity Shares to Anushree Family Trust						

3. **Equity Shares or CCPS issued out of revaluation reserves**

Our Company has not issued any Equity Shares or CCPS out of revaluation reserves since its incorporation.

4. **Issue of Equity Shares or CCPS pursuant to schemes of arrangement**

Our Company has not issued or allotted any Equity Shares or CCPS pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act 2013, as applicable.

5. **Issue of Equity Shares under employee stock option schemes**

Our Company has not issued any Equity Shares pursuant to any employee stock option schemes of our Company.

6. **Issue of shares at a price lower than the Offer Price in the last one year**

Except as disclosed below, our Company has not issued any Equity Shares or CCPS at a price that may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
September 21, 2022	8,131,049 Equity Shares to Narendra Joharimal Goliya jointly held with Asha Narendra Goliya, 2,250,000 Equity Shares to Asha Narendra Goliya jointly held with Narendra Joharimal Goliya, 375,000 Equity Shares to Rishabh Narendra Goliya jointly held with Narendra Joharimal Goliya, 258,750 Equity Shares to Narendra Rishabh Goliya (HUF) held through its karta Narendra Joharimal Goliya, 1 Equity Share to Anushree Goliya jointly held with Narendra Joharimal Goliya, 200 Equity Shares to SACEF, 200 Equity Shares to Mohini Goliya, 10,000 Equity Shares to Ivaan Foundation, 1,800,000 Equity Shares to Rishabh Family Trust and 1,800,000 Equity Shares to Anushree Family Trust	Bonus issue in the ratio of one Equity Share for every one existing Equity Share held	14,625,200	10	-	N.A.

7. **History of build-up of Promoter's shareholding and Promoter's contribution**

As on the date of this Draft Red Herring Prospectus, our Promoter (as a first holder) holds, in aggregate, 16,262,098 Equity Shares, which constitute 55.60% of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoter are held in dematerialised form.

Build-up of Promoter's equity shareholding in our Company

Set forth below is the build-up of the equity shareholding of our Promoter (as a first holder as on the date of this Draft Red Herring Prospectus) since the incorporation of our Company:

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of transaction	% of the pre-Offer equity share capital#	% of the post-Offer equity share capital
Narendra Joharimal Goliya						
February 15, 1983*	5	100	100	Initial subscription to the Memorandum of Association	Negligible	[●]
February 15, 1983^	570	100	100	Further issue	0.02	[●]
April 7, 1983^	(5)	100	100	Transfer of equity shares to Sheela Surendra Goliya	Negligible	[●]
December 18, 1984^	2,930	100	100	Further issue	0.10	[●]
March 21, 1989^	1,050	100	100	Further issue	0.04	[●]
December 5, 1991	1,000	100	20	Transfer of equity shares from Joharimal R Goliya	0.03	[●]
June 25, 1992^	2,000	100	100	Further issue	0.07	[●]
December 22, 1992	1,000	100	100	Further issue	0.03	[●]
April 16, 1993	2,800	100	50	Transfer of equity shares from Surendra J. Goliya, Shikha Goliya and Abhishek Goliya	0.10	[●]
June 2, 1994	1,000	100	100	Transfer of equity shares from Shanti Instruments Private Limited	0.03	[●]
March 26, 1995	7,000	100	153.23	Transfer of equity shares from Unit Trust of India Technology Development and Information Company of India Limited	0.24	[●]
March 26, 1995	3,500	100	100	Transfer of equity shares from Davendra J. Goliya	0.12	[●]
April 15, 1996^	200	100	180	Transfer of equity shares from Unit Trust of India Technology Development and Information Company of India Limited	0.01	[●]
April 15, 1996^	3,450	100	100	Transfer of equity shares from Asha Narendra Goliya	0.12	[●]
December 8, 2001^	4,810	100	350	Transfer of equity shares from Subasish Roy, Sohan B. Chordiya, Mahesh Churi	0.16	[●]
August 14, 2003	46,965	100	-	Bonus issue in the ratio of 1.5 equity share for each existing equity share held	1.61	[●]
August 10, 2007	Pursuant to a resolution passed by our Shareholders at an EGM on August 10, 2007 each equity share of face value ₹ 100 each of our Company was subdivided into 10 Equity Shares of face value ₹ 10 each. Accordingly,					

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of transaction	% of the pre-Offer equity share capital#	% of the post-Offer equity share capital
	78,275 equity shares of face value of ₹ 100 each held by Narendra Joharimal Goliya were sub-divided into 782,750 Equity Shares of face value of ₹ 10 each.					
December 18, 2007	10,958,500	10	-	Bonus issue in the ratio of 14 Equity Shares for every one existing Equity Share held	37.46	[●]
September 18, 2012	(1)	10	10	Transfer of equity share from joint holding of Narendra Joharimal Goliya (first holder) and Asha Narendra Goliya (second holder) to joint holding of Narendra Joharimal Goliya (first holder) and Anushree Goliya (second holder)	Negligible	[●]
September 8, 2022	(1,800,000)	10	Nil	Transfer of Equity Shares by way of gift to Rishabh Family Trust	(6.15)	[●]
September 8, 2022	(1,800,000)	10	Nil	Transfer of Equity Shares by way of gift to Anushree Family Trust	(6.15)	[●]
September 8, 2022	(10,000)	10	Nil	Transfer of Equity Shares by way of gift to Ivaan Foundation	(0.03)	[●]
September 8, 2022	(200)	10	Nil	Transfer of Equity Shares by way of gift to Mohini Goliya	Negligible	[●]
September 21, 2022	8,131,049	10	-	Bonus issue in the ratio of one Equity Share for every one existing Equity Share held	27.80	[●]
Total	**16,262,098**				**55.60**	**[●]**

* *Our Company was incorporated on October 6, 1982. The date of subscription to the Memorandum of Association was September 20, 1982 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on February 15, 1983.*
#*These percentages have been adjusted to give effect to the sub-division of each equity share of face value of ₹ 100 each of our Company into 10 Equity Shares of face value of ₹ 10 each on August 10, 2007, as applicable.*
^ *The forms for these allotments of equity shares and the share transfer forms for these transfers of equity shares to and from the Promoter could not be traced as the relevant information was not available in the records maintained by our Company. Accordingly, we have relied on the corporate records maintained by the Company and the search report dated December 29, 2022 prepared by MV and Associates, Company Secretaries. However, there are inconsistencies in certain of our corporate records. For details see "**Risk Factors – We are unable to trace some of our historical records including forms filed with the RoC and there are certain discrepancies in records available with us as well as our filings with the RoC. There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected**" on page 33.*

All the Equity Shares held by our Promoter were fully paid-up on the respective date of allotment of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are subject to any pledge.

(i) **Shareholding of our Promoter and the members of our Promoter Group**

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

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of pre-Offer Equity Share capital	No. of Equity Shares	% of post-Offer capital
Promoter				

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of pre-Offer Equity Share capital	No. of Equity Shares	% of post-Offer capital
Narendra Joharimal Goliya[(1)]	16,262,098	55.60	[●]	[●]
Promoter Group				
Asha Narendra Goliya[(2)]	4,500,000	15.38	[●]	[●]
Rishabh Family Trust	3,600,000	12.31	[●]	[●]
Anushree Family Trust	3,600,000	12.31	[●]	[●]
Rishabh Narendra Goliya[(2)]	750,000	2.56	[●]	[●]
Narendra Rishabh Goliya (HUF) [(3)]	517,500	1.77	[●]	[●]
Ivaan Foundation	20,000	0.07	[●]	[●]
Mohini Goliya	400	Negligible	[●]	[●]
Anushree Goliya[(2)]	2	Negligible	[●]	[●]
Total	**29,250,000**	**99.99**	**[●]**	**[●]**

[(1)] *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
[(2)] *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
[(3)] *Through its karta, Narendra Joharimal Goliya.*

8. Lock-in requirements

(i) Details of minimum Promoter's contribution locked in for three years

Pursuant to Regulation 14 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter shall be considered as minimum promoter's contribution and, pursuant to Regulation 16 of the SEBI ICDR Regulations, shall be locked-in for a period of three years from the date of Allotment, as the majority of the Net Proceeds are proposed to be utilized for capital expenditure ("**Promoter's Contribution**"). Our Promoter's shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

Our Promoter has given consent to include such number of Equity Shares held by him, as constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Details of the Promoter's Contribution are as provided below:

Name of the Promoter	Date of allotment/ transfer of Equity Shares	Nature of transaction	No. of Equity Shares[#]	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	No. of Equity Shares[**] locked-in	% of the fully diluted post-Offer paid-up Capital	Date up to which the Equity Shares are subject to lock-in
Narendra Joharimal Goliya	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated prior to the filing of the Prospectus with the RoC.
[#] *Equity Shares were fully paid-up on the date of allotment/transfer.*
[**] *Subject to finalisation of Basis of Allotment.*

Our Promoter has agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares that are being locked-in for computation of Promoter's Contribution are not and will not be ineligible under Regulation 15 of the SEBI ICDR Regulations. In particular:

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

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

(iii) our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and

(iv) these Equity Shares do not and shall not consist of Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance.

(ii) Details of share capital locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

1. the Promoter's Contribution and any Equity Shares held by our Promoter in excess of Promoter's Contribution, which shall be locked in as above;

2. the Equity Shares issued to our employees under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B pursuant to exercise of options held by such employees (whether current employees or not and including the legal heirs or nominees of any deceased employees or ex-employees); and

3. the Equity Shares successfully transferred by the Selling Shareholders pursuant to the Offer for Sale;

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

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

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

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

(iii) Lock-in of Equity Shares Allotted to Anchor Investors

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

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9. **Our shareholding pattern**

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders^ (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+ (X) as a % of (A+B+C2)*	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights (X)	Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Total								
(A)	**Promoter & Promoter Group**	9	29,250,000	-	-	29,250,000	100.00	29,250,000	79.96	-	79.96	-	-	-	-	22,050,000
(B)	**Public**	1	400	-	-	400	0.00	7,332,620**	20.04**	7,332,220#	20.04	-	-	-	-	400
(C)	**Non-Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by employee trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**10**	**29,250,400**	**-**	**-**	**29,250,400**	**100.00**	**36,582,620**	**100.00**	**7,332,220#**	**100.00**	**-**	**-**	**-**	**-**	**22,050,400**

^ *Certain Equity Shares of the Company are under joint holding and the number of shareholders considers the number of first holders.*

* *Vested options have not been considered for calculation of shareholding.*

** *Assuming full conversion of all outstanding convertible securities.*

\# *As on the date of this Draft Red Herring Prospectus, SACEF holds 3,606,110 CCPS which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

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10. The BRLMs and its associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares or CCPS as on the date of this Draft Red Herring Prospectus.

11. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares or CCPS or employee stock options in our Company:

S. No	Name of the Shareholder	Number of Equity Shares held	Granted Options	Vested Options as on the date of this Draft Red Herring Prospectus	Number of Equity Shares on a fully diluted basis[(1)]	Percentage of Equity Share capital on a fully diluted basis[(1)] (%)
1.	Narendra Joharimal Goliya	16,262,098	Nil	Nil	16,262,098	44.14
2.	Nitinkumar Sudhir Deshpande	Nil	13,886	3,886	3,886	0.01
3.	Vishal Prabhakar Kulkarni	Nil	10,760	3,760	3,760	0.01
4.	Dinesh Musalekar	Nil	744,000	Nil	Nil	Nil

(1) *Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 256,062 options vested under ESOP 2016, as applicable.*

For further details on the stock options held by our Directors and Key Managerial Personnel, see "***– Employee Stock Option Schemes***" on page 98.

12. **Details of shareholding of the major Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has cumulatively 10 holders of Equity Shares and one holder of CCPS.

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

S. No.	Name of the Shareholder	Pre-Offer		
		Number of Equity Shares	Number of Equity Shares on a fully diluted basis[(1)]	Percentage of Equity Share capital on a fully diluted basis (%)[(1)]
1.	Narendra Joharimal Goliya[(2)]	16,262,098	16,262,098	44.14
2.	Asha Narendra Goliya[(3)]	4,500,000	4,500,000	12.22
3.	Rishabh Narendra Goliya[(3)]	750,000	750,000	2.04
4.	Narendra Rishabh Goliya (HUF)[(4)]	517,500	517,500	1.40
5.	SACEF	400	7,332,620	19.90
6.	Rishabh Family Trust	3,600,000	3,600,000	9.77
7.	Anushree Family Trust	3,600,000	3,600,000	9.77
	Total	**29,229,998**	**36,562,218**	**99.25**

(1) *Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 256,062 options vested under ESOP 2016, as applicable.*
(2) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(3) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(4) *Through its karta, Narendra Joharimal Goliya.*

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

S. No.	Name of the Shareholder	Pre-Offer		
		Number of Equity Shares	**Number of Equity Shares on a fully diluted basis**[(1)]	**Percentage of Equity Share capital on a fully diluted basis (%)**[(1)]
1.	Narendra Joharimal Goliya[(2)]	16,262,098	16,262,098	44.14
2.	Asha Narendra Goliya[(3)]	4,500,000	4,500,000	12.22
3.	Rishabh Narendra Goliya[(3)]	750,000	750,000	2.04
4.	Narendra Rishabh Goliya (HUF)[(4)]	517,500	517,500	1.40
5.	SACEF	400	7,332,620	19.90
6.	Rishabh Family Trust	3,600,000	3,600,000	9.77
7.	Anushree Family Trust	3,600,000	3,600,000	9.77
	Total	**29,229,998**	**36,562,218**	**99.25**

(1) *Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 256,062 options vested under ESOP 2016, as applicable.*
(2) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(3) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(4) *Through its karta, Narendra Joharimal Goliya.*

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

S. No.	Name of the Shareholder	Pre-Offer		
		Number of Equity Shares	**Number of Equity Shares on a fully diluted basis**[(1)]	**Percentage Equity Share capital on a fully diluted basis (%)**[(1)]
1.	Narendra Joharimal Goliya[(2)]	11,741,249	11,741,249	63.95
2.	Asha Narendra Goliya[(3)]	2,250,000	2,250,000	12.26
3.	Rishabh Narendra Goliya[(3)]	375,000	375,000	2.04
4.	Narendra Rishabh Goliya (HUF)[(4)]	258,750	258,750	1.40
5.	SACEF	200[(5)]	3,606,310	19.64
	Total	**14,625,199**	**18,231,309**	**99.30**

(1) *Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 128,031 options vested under ESOP 2016, as applicable.*
(2) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(3) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(4) *Through its karta, Narendra Joharimal Goliya.*
(5) *Comprises 100 Equity Shares and 100 class A equity shares.*

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

S. No.	Name of the Shareholder	Pre-Offer		
		Number of Equity Shares	**Number of Equity Shares on a fully diluted basis**[(1)]	**Percentage Equity Share capital on a fully diluted basis (%)**[(1)]
1.	Narendra Joharimal Goliya[(2)]	11,741,249	11,741,249	61.60
2.	Asha Narendra Goliya[(3)]	2,250,000	2,250,000	11.80
3.	Rishabh Narendra Goliya[(3)]	375,000	375,000	1.97
4.	Narendra Rishabh Goliya (HUF)[(4)]	258,750	258,750	1.36
5.	SACEF	200[(5)]	3,606,310	22.60
	Total	**14,625,199**	**18,231,309**	**99.33**

(1) *Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 128,031 options vested under ESOP 2016, as applicable.*
(2) *Jointly with Asha Narendra Goliya, where Asha Narendra Goliya is the second holder.*
(3) *Jointly with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(4) *Through its karta, Narendra Joharimal Goliya.*
(5) *Comprises 100 Equity Shares and 100 class A equity shares.*

13. **Employee Stock Option Schemes**

ESOP 2016

Our Company, pursuant to the resolutions passed by our Board in its meeting dated June 30, 2016 and our Shareholders in its meeting dated July 5, 2016, adopted ESOP 2016, which was amended by the Company pursuant to resolutions passed by our Board in its meeting held on September 26, 2022 and our Shareholders in its meeting held on September 26, 2022.

Under ESOP 2016 and as on the date of this Draft Red Herring Prospectus, out of the total 452,320 options, an aggregate of 323,166 options have been granted, 256,062 options have vested and no options have been exercised.

The following table sets forth the particulars of ESOP 2016, as certified by Shah & Mantri, independent chartered accountants through its certificate dated December 29, 2022 as on the date of this Draft Red Herring Prospectus.

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	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six month period ended September 30, 2022	From October 1, 2022 till the date of this DRHP
Total options outstanding as at the beginning of the period	142,408	128,031	128,031	128,031	256,062
Total options granted	Nil	Nil	Nil	Nil (Refer note 1 below)	Nil
Vesting period	1 - 4 years				
Exercise price of options in ₹ (as on the date of grant options)	273.16 (Refer note 1 below)				
Options forfeited/lapsed/cancelled	14,377	Nil	Nil	Nil	Nil
Variation of terms of options	The Scheme was amended in accordance with SEBI ESOP Regulations by the board and shareholders of the Company in their meeting held on September 26, 2022. Also Refer note 1 below.				
Money realized by exercise of options in ₹	N.A.	N.A.	N.A.	N.A.	N.A.
Total number of options outstanding in force	128,031	128,031	128,031	256,062 (Refer note 1 below)	256,062
Total options vested (excluding the options that have been exercised and options forfeited/lapsed/cancelled)	88,183	128,031	128,031	256,062 (Refer note 1 below)	256,062
Options exercised	Nil	Nil	Nil	Nil	Nil
The total number of Equity Shares that would arise as a result of full exercise of granted options	128,031	128,031	128,031	256,062 (Refer note 1 below)	256,062
Employee wise details of options granted to:					
(i) Key managerial personnel					
Nitinkumar Sudhir Deshpande Vishal Prabhakar Kulkarni	Refer note 2 below				
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A	N.A	N.A	N.A	N.A
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A	N.A	N.A	N.A	N.A
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share'	Refer note 3 below				
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	N.A	N.A	N.A	N.A	N.A
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	N.A	N.A	N.A	N.A	N.A

Impact on the profits and on the earnings per share of the last three years if the accounting policies specified in the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	Nil	Nil	Nil	Nil	Nil
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil	Nil	Nil	Nil	Nil
Intention to sell Equity Shares arising out of ESOP 2016 or allotted under ESOP 2016 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2016, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil	Nil	Nil	Nil	Nil

Notes:

1) Pursuant to the meeting of board of directors of the Company and Extra Ordinary General Meeting held on September 21, 2022, the Company had issued Bonus equity shares in the ratio of 1 (one) equity shares for every 1 (One) equity share of Rs. 10 each held in the Company resulting in the adjusted total number of options post Bonus issue of Equity shares to 256,062. Consequently, the exercise price has been changed to Rs. 136.58 per option.

2) No new options were granted to Key Managerial Personnel (KMPs) during the period mentioned hereabove. Details of their outstanding options as on the date of this Draft Red Herring Prospectus are as under:

Name of Key Managerial Personnel	Options outstanding before bonus issue	Adjusted no. of options, post Bonus issue of Equity shares (As per note 1 above)
Nitinkumar Sudhir Deshpande	1,943	3,886
Vishal Prabhakar Kulkarni	1,880	3,760
Total	**3,823**	**7,646**

3) Diluted earnings per share of Rs. 10 each pursuant to the potential issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share' (in Rupees)

Particulars	Financial Year ended March 31, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Six month ended September 30, 2022	From October 1, 2022 till the date of this DRHP
Diluted earnings per share before bonus issue	16.04	18.63	25.78	N.A	N.A.
Diluted earnings per share after bonus issue	8.02	9.32	12.89	4.24	N.A.

ESOP 2022 Scheme A

Our Company, pursuant to the resolutions passed by our Board in its meeting dated September 26, 2022 and our Shareholders in its meeting dated September 26, 2022, adopted ESOP 2022 Scheme A.

Under ESOP 2022 Scheme A and as on the date of this Draft Red Herring Prospectus, an aggregate of 744,000 options have been granted, no options have vested and no options have been exercised.

The following table sets forth the particulars of ESOP 2022 Scheme A, as certified by Shah & Mantri, independent chartered accountants through its certificate dated December 29, 2022 as on the date of this Draft Red Herring Prospectus.

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	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six month period ended September 30, 2022	From October 1, 2022 till the date of this DRHP
Total options outstanding as at the beginning of the period	N.A.	N.A.	N.A.	Nil	Nil
Total options granted	N.A.	N.A.	N.A.	Nil	744,000
Vesting period	N.A.	N.A.	N.A.	N.A	1 - 4 years
Exercise price of options in ₹ (as on the date of grant options)	N.A.	N.A.	N.A.	N.A	165
Options forfeited/lapsed/cancelled	N.A.	N.A.	N.A.	Nil	Nil
Variation of terms of options	N.A.	N.A.	N.A.	N.A.	N.A.
Money realized by exercise of options in ₹	N.A.	N.A.	N.A.	Nil	N.A.
Total number of options outstanding in force	N.A.	N.A.	N.A.	Nil	744,000
Total options vested (excluding the options that have been exercised and options forfeited/lapsed/cancelled)	N.A.	N.A.	N.A.	Nil	Nil
Options exercised	N.A.	N.A.	N.A.	Nil	Nil
The total number of Equity Shares that would arise as a result of full exercise of granted options	N.A.	N.A.	N.A.	Nil	744,000
Employee wise details of options granted to: (i) Key managerial personnel					
Dineshkumar Musalekar	N.A	N.A	N.A	Nil	744,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A	N.A	N.A	N.A	N.A
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A	N.A	N.A	N.A	N.A
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share'	N.A	N.A	N.A	N.A	N.A
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	N.A	N.A	N.A	N.A	N.A
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	N.A	N.A	N.A	N.A	N.A
Impact on the profits and on the earnings per share of the last three years if the accounting policies specified in the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	N.A.	N.A.	N.A.	Nil	Nil

Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	N.A.	N.A.	N.A.	Nil	Nil
Intention to sell Equity Shares arising out of ESOP 2022 Scheme A or allotted under ESOP 2022 Scheme A within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2022 Scheme A, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.	N.A.	N.A.	Nil	Nil

ESOP 2022 Scheme B

Our Company, pursuant to the resolutions passed by our Board in its meeting dated September 26, 2022 and our Shareholders in its meeting dated September 26, 2022, adopted ESOP 2022 Scheme B.

Under ESOP 2022 Scheme B and as on the date of this Draft Red Herring Prospectus, an aggregate of 168,000 options have been granted, no options have vested and no options have been exercised.

The following table sets forth the particulars of ESOP 2022 Scheme B, as certified by Shah & Mantri, independent chartered accountants through its certificate dated December 29, 2022 as on the date of this Draft Red Herring Prospectus.

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	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six month period ended September 30, 2022	From October 1, 2022 till the date of this DRHP
Total options outstanding as at the beginning of the period	N.A.	N.A.	N.A.	Nil	Nil
Total options granted	N.A.	N.A.	N.A.	Nil	168,000
Vesting period	N.A.	N.A.	N.A.	N.A	1 - 4 years
Exercise price of options in ₹ (as on the date of grant options)	N.A.	N.A.	N.A.	N.A	250
Options forfeited/lapsed/cancelled	N.A.	N.A.	N.A.	Nil	Nil
Variation of terms of options					N.A.
Money realized by exercise of options in ₹	N.A.	N.A.	N.A.	Nil	N.A.
Total number of options outstanding in force	N.A.	N.A.	N.A.	Nil	168,000
Total options vested (excluding the options that have been exercised and options forfeited/lapsed/cancelled)	N.A.	N.A.	N.A.	N.A.	Nil
Options exercised	N.A.	N.A.	N.A.	Nil	Nil
The total number of Equity Shares that would arise as a result of full exercise of granted options	N.A.	N.A.	N.A.	Nil	168,000
Employee wise details of options granted to: (i) Key managerial personnel					
Nitinkumar Sudhir Deshpande	N.A.	N.A.	N.A.	Nil	10,000
Vishal Prabhakar Kulkarni	N.A.	N.A.	N.A.	Nil	7,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A	N.A	N.A	N.A	N.A
Sandeep Sakhala	N.A	N.A	N.A	Nil	10,000
Naval Toshniwal	N.A	N.A	N.A	Nil	10,000
Ravi Deshmukh	N.A	N.A	N.A	Nil	10,000
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A	N.A	N.A	N.A	N.A
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share'	N.A	N.A	N.A	N.A	N.A
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	N.A	N.A	N.A	N.A	N.A
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	N.A	N.A	N.A	N.A	N.A

Impact on the profits and on the earnings per share of the last three years if the accounting policies specified in the SEBI SBEBSE Regulations had been followed, in respect of options granted in the last three years	N.A.	N.A.	N.A.	Nil	Nil
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	N.A.	N.A.	N.A.	Nil	Nil
Intention to sell Equity Shares arising out of ESOP 2022 Scheme B or allotted under ESOP 2022 Scheme B within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2022 Scheme B, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.	N.A.	N.A.	Nil	Nil

14. Except as disclosed under "– ***Share capital history of our Company***" and "– ***History of build-up of Promoter's shareholding and Promoter's contribution*** – ***Build-up of Promoter's equity shareholding in our Company***" on pages 84 and 90, our Promoter, members of the Promoter Group, our Directors or their relatives have not acquired, gifted, sold or purchased any Equity Shares or CCPS of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

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

16. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for purchase of Equity Shares being offered through this Offer from any person.

17. No person connected with the Offer, including our Company, the Selling Shareholders, the BRLMs, the members of the Syndicate, the Promoter or members of the Promoter Group, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

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

19. Except for the issue of Equity Shares pursuant to (i) exercise of options granted under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B; and (ii) the CCPS, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments which would entitle any person any option to receive Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

20. Except for issuance of Equity Shares pursuant to (i) exercise of options granted under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B; (ii) the conversion of CCPS, (iii) any Pre-IPO Placement, if undertaken, and (iv) the Fresh Issue, there will be no further issuance of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

21. Except for the issuance of any Equity Shares pursuant to exercise of options granted under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B, or pursuant to the Fresh Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares.

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

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

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 750.00 million by our Company and an Offer for Sale of up to 9,417,500 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. For details, see "***Summary of this Draft Red Herring Prospectus***" and "***The Offer***" on pages 20 and 69, respectively.

The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell up to 9,417,500 Equity Shares held by them aggregating up to ₹ [●] million. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to their respective portion of proceeds of the Offer for Sale, net of their respective proportion of the Offer related expenses and the relevant taxes thereon.

Fresh Issue

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, the "**Objects**"):

1. Financing the cost towards expansion of Nashik Manufacturing Facility I ("**Expansion Project**"); and

2. General corporate purposes

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Net Proceeds

After deducting the Offer related expenses from the gross proceeds of the Fresh Issue, we estimate the net proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The details of the Net Proceeds of the Offer are summarized in the table below.

S. No	Particulars	Amount
(a)	Gross proceeds of the Fresh Issue#	Up to ₹ 750.00 million
(b)	Less: Offer Expenses in relation to the Fresh Issue*	[●]**
(c)	Net Proceeds	[●]**

See "– Offer Related Expenses**" below on page 128.*
#Includes proceeds, if any, received pursuant to the Pre-IPO Placement. Upon completion of Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards one or more of the Objects as set out in this section. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
***To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Proposed schedule of implementation and utilisation of Net Proceeds

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

(₹ in million)

S. No	Particulars	Amount to be funded from Net Proceeds#	Amount to be deployed from the Net Proceeds in Fiscal 2024	Amount to be deployed from the Net Proceeds in Fiscal 2025
1.	Financing the project cost towards the Expansion Project	594.95	359.40	235.55
2.	General corporate purposes*	[●]	[●]	[●]
	Total Net Proceeds	**[●]**	**[●]**	**[●]**

** To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.*
#Includes proceeds, if any, received pursuant to the Pre-IPO Placement. Upon completion of Pre-IPO Placement, we may utilize the proceeds

from the Pre-IPO Placement towards one or more of the Objects as set out in this section. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Our fund requirements and deployment of the Net Proceeds for the Expansion Project are based on (a) internal management estimates as per our business plan based on current market conditions and quotations obtained from various vendors, which are subject to change in the future; (b) the cost assessment report (with the date of estimation: November 30, 2022) obtained from Sanjay Madhavrao Patil, architect ("**Project Report**") for the building and utilities cost; and (c) certificate dated December 28, 2022 from Manish M Kothari, chartered engineer ("**CE Certificate**") in relation to the plant and machinery proposed to be purchased pursuant to the Expansion Project. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently our capital and operational expenditure requirements may also change. Our Company's historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, in compliance with applicable law. For details, see "***Risk Factors – Any variation in the utilisation of the Net Proceeds shall be subject to certain compliance requirements, including prior approval from Shareholders***" on page 41.

In case of any increase in the actual utilization of funds earmarked for the Objects of the Fresh Issue, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the Objects of the Fresh Issue is lower than the proposed deployment, such balance will be used for future growth opportunities, if required and general corporate purposes in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of the Objects of the Fresh Issue

1. *Financing the project cost towards the Expansion Project*

We currently have two manufacturing facilities in India – Nashik Manufacturing Facility I and Nashik Manufacturing Facility II - both of which are located in Nashik, Maharashtra. Our Nashik Manufacturing Facility I has a total installed capacity of 4,191,960 units per annum as at March 31, 2022. According to F&S, we are a leading technology-driven engineering company engaged in the global manufacturing of electrical and electronic products and aluminium high pressure die castings catering to a variety of industries. Particularly, our Company is a global leader in manufacturing and supply of analog panel meters, and we are among the leading global companies in terms of manufacturing and supply of low voltage current transformers (*Source: F&S Report*). Leveraging our experience and expertise, we aim to expand our Nashik Manufacturing Facility I to build and strengthen our core capabilities and to build capacity for manufacturing of electrical automation products, metering, control and protection devices and solar string inverters. We also plan to invest in automation of certain assembly and test operations to achieve cost efficiency. The Expansion Project entails (a) construction of a building and civil work; (b) procurement and installation of plant and machinery for expanding the production capacity of analog panel meters, digital panel meters, multimeters, current transformers, electrical transducers, moulds and solar inverters; and (c) other necessary utilities. As we propose to expand the Nashik Manufacturing Facility I, the land on which the Expansion Project is to be undertaken is leased to us by the Maharashtra Industrial Development Corporation for a period of 95 years with effect from October 1, 1983. We intend to utilise ₹ 594.95 million of the Net Proceeds towards the cost of the Expansion Project.

Estimated Cost

The total estimated cost of the Expansion Project is ₹ 594.95 million, is based on management estimates in accordance with our business plan and specified in the Project Report and the CE Certificate. The detailed break-down of estimated cost is set forth below.

(₹ in million)

S. No.	Item	Estimated Cost

A.	Building and civil work	172.39*
B.	Plant and machinery	359.40#
C.	Utilities	63.16*
	Total	**594.95**

**As per the Project Report.*
#As per the CE Certificate.

The working capital requirements for the Expansion Project will be met from our internal accruals and the proceeds earmarked towards general corporate purposes.

Means of Finance

The total estimated project cost for the Expansion Project is ₹ 594.95 million. We intend to fund the entire cost of the Expansion Project from the Net Proceeds. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any fund towards financing the Expansion Project.

The fund requirements set out above are proposed to be funded entirely from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

1. *Building and civil work*

Building and civil works for the proposed expansion includes construction and engineering related work including construction of a building including production areas, office areas, water supply and drainage system. The total estimated cost for building and civil works for the proposed Expansion Project is ₹ 172.39 million, as per the Project Report.

The break-up for estimated cost of the building and civil work, as per the Project Report, is as follows:

S. No	Particulars of proposed building	Floor area (square meter)	Unit cost of construction (₹ per square meter)	Net cost of construction (₹ million)
1.	Production area and Office Area - Ground Floor – Height 4.80 metres	1,425.04	28,570	40.71
2.	Production area and Office Area - First Floor – Height 3.87 metres	1,425.04	27,460	39.13
3.	Production area and Office Area – Second Floor – Height 3.87 metres	1,425.04	27,460	39.13
4.	Production area and Office Area – Third Floor – Height 3.87 metres	1,425.04	27,460	39.13
5.	Production area – Fourth Floor – Height 3.87 metres	520	27,460	14.28
Total				**172.39**

2. *Procurement of Plant and machinery*

While we propose to utilise ₹ 359.40 million towards procurement of the plant and machinery (including requisite software), based on our current estimates, the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements and the details of the plant and machinery to be procured from the Net Proceeds will be suitably updated at the time of filing the Red Herring Prospectus.

An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Manish M Kothari, Chartered Engineer, pursuant to the CE Certificate.

[*Remainder of this page intentionally kept blank*]

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
A.	***Equipment*/ *Machines***										
1.	C300B - Three Phase Power Calibrator and Tester	16,780 Euro#	1.34	8	10.74	Calmet sp. Zo.o.	August 22, 2022	10 months from the date of issue	Poland	Up to 10 weeks from the proforma invoice payment plus shipping time	100% advance amount to be paid – Warranty of 12 months from the date of sale
2.	C101F – Multifunction Calibrator	6,680 Euro#	0.53	8	4.28	Calmet sp. Zo.o.	August 22, 2022	10 months from the date of issue	Poland	Up to 6-8 weeks from the proforma invoice payment plus shipping time	100% advance amount to be paid – Warranty of 12 months from the date of sale
3.	Mixed Signal Oscilloscope (“**MSO**”)	1,490,000	1.49	1	6.19	Anwita Industries	August 22, 2022	9 months	India	Within 20 to 22 weeks	100% advance amount to be paid
	Perpetual License, Software Bundle, Pro Power Bundle for 4 series MSO	367,000	0.37								
	Arbitrary Function Generator (Installed Option)	148,000	0.15								
	Computer serial triggering and analysis (Installed Option)	213,000	0.21								
	Embedded serial triggering and analysis (Installed Option)	213,000	0.21								
	Ethernet serial triggering and analysis (Installed Option)	213,000	0.21								
	USB serial triggering and analysis (Installed Option)	213,000	0.21								
	3-Phase Analysis	205,000	0.21								

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	Software (Installed Option)										
	8 Channel general purpose logic probe for 4, 5 and 6 Series MSO (includes accessory kit)	207,000	0.21								
	500 MHz galvanically isolated high impedance differential probe with standard accessory kit	1,920,000	1.92								
	Current Probe	582,000	0.58								
	Hard transit case for the 4 Series MSO (includes front cover)	121,000	0.12								
	Five-year Total Product Protection Plan includes repair-or-replacement coverage from wear and tear, accidental damage, ESD or EOS	298,000	0.29								
4.	Multi-product calibrator model: 5502A 240 along with accessories (9100-200 & 5500A/LEADS)	3,244,571	3.24	3	9.73	Fluke Technologies Private Limited	August 19, 2022	10 months	India	28 to 30 weeks from the date of order	100% advance amount to be paid – Warranty of 12 months from the date of shipment – 25% amount on the purchase order value will be deducted if the order is cancelled
5.	Three Phase Radian Reference standard meter model RX-3	3,291,789	3.29	1	3.29	RPP Engineering &	August 20,2022	360 days	India	10 to 12 weeks after purchase order along with advance	100% advance amount to be paid – Warranty of 12 months – the

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
						Consulting Private Limited					quotation includes freight, insurance and installation charges
6.	Reference multimeter model: 8588A along with accessories model 8588A LEAD	2,747,381	2.75	3	8.24	Fluke Technologies Private Limited	August 19, 2022	10 months	India	28 to 30 weeks from the date of order	100% advance amount to be paid – Warranty of 12 months from the date of shipment – 25% amount on the purchase order value will be deducted if the order is cancelled
7.	Network-3Phase Variac with Neutral input Parameter	62,500	0.06	1	0.06	S.S. Electronics	August 24, 2022	9 months	India	4 weeks from receipt of advance	100% in advance
8.	Aplab High Voltage DC Power Supply Model: H6005	240,000	0.24	1	0.24	Aplab Limited	August 22, 2022	9 months	India	16 weeks from receipt of purchase order	50% advance and balance against proforma invoice prior to dispatch – Warranty of 12 months from date of dispatch
9.	Special Purpose Semi-Automatic Vacuum Forming Machine (IP-SP-SAVFM-80 70)	565,000	0.57	1	0.66	Interpack India Enterprises	August 24, 2022	9 months from the date of quotation	India	25 working days after confirmation of the purchase order with advance amount	60% advance with the purchase order and balance 40% after successful final trial before dispatch – Installation charges are included in the price - Order once placed will not be cancelled and in case of cancellation, the entire amount of advance paid will be forfeited
	Air Compressor (5HP 2 STAGE/ 2 CYLINDER)	90,000	0.09								
10.	Hakko SMD Rework Station FR-702	162,900	0.16	1	0.16	Sumitron Exports Private Limited	August 22, 2022	270 days	India	3 to 4 weeks after receipt of order	100% advance to be paid – Revised price increase/decrease applicable after 60 days,

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
											if any change in price
11.	Hakko Soldering Station FX – 888D	9,702	0.01	5	0.05	Sumitron Exports Private Limited	August 22, 2022	270 days	India	3 to 4 weeks after receipt of order	100% advance to be paid – Revised price increase/decrease applicable after 60 days, if any change in price
12.	3 Phase PFC testing set up comprising of: • Reactor Panel • Heater Panel • Capacitor Panel	773,700	0.77	1	0.77	Elektro Controls	August 23, 2022	9 months	India	8 weeks after receiving advance and firm order	50% advance and balance against proforma invoice
13.	PV Simulator, Grid Simulator and RLC Load	75,470,258	75.47	1	75.47	Ametek Programmable Power	August 22, 2022	9 months	United States of America	28 to 30 weeks from the date of receipt of technically and commercially clear order and drawing approval	50% advance along with technically and commercially clear purchase order, 30% against drawing approval and manufacture clearance and balance 20% against installation and acceptance within 30 days of completion of work – Warranty on repair or replace at the option of the vendor, free of cost, on ex-works basis the whole or any portion of material which under normal and proper use and maintenance proves defective in material and/or workmanship within 12 months from the date of commissioning or 18

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
											months from the date of dispatch
14.	Reference Meter 3 Phase Voltage Amplifier 1 Phase Current Amplifier (three nos.) Controller All component installed in cabinet, including internal voltage, current and control wiring and command set to operate source over RS232 communication.	4,200,000	4.20	2	8.40	ZERA India Private Limited	August 23, 2022	10 months	India	Within 24 to 26 weeks from the date of receipt of technically and commercially clear order	100% Payment within 7 days from the date of receipt of techno-commercially cleared purchase order; Warranty – 12 months from the date of installation or 18 months from the date of dispatch, whichever is earlier
15.	UV Laser Marking Machine together with 3% P&F charges	1,493,500	1.49	3	4.48	JSS Laser Technology	August 26, 2022	Till March 31, 2023	India	4 to 6 weeks from techno-commercially clear purchase order and advance	60% advance payment with purchase order and balance 40% before dispatch; Warranty – 1 year from the date of dispatch
16.	Spea Flying Probe Tester 4020s2M along with accessories	319,953 Euro#	25.60	1	25.60	iNETest Technologies India Private Limited	November 30, 2022	3 months	India	20 to 22 weeks from the date of advance payment	100% Telegraphic Transfer advance payment along with purchase order - Warranty of 12 months from date of installation or 13 months from date of shipment, whichever is earlier
17.	Wave Soldering	152,278 Euro#	12.18	1	12.18	Kurtz Ersa	July 1,	9 months	India	18 to 22 weeks upon	100% advance payment

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	Machine					India	2022			receipt of written purchase order	– Warranty of 12 months (starting from acceptance, but no later than 2 months after delivery)
18.	Nitroswing PSA N2 Generator NS-56	28,000 Euro #	2.77	1	2.77	NOXERIOR s.r.l.	August 24, 2022	9 months	Italy	14 weeks from receipt of purchase order and advance payment receipt	50% against purchase order and balance before dispatch - Warranty of 2 years from the date of successful commissioning or from the date of dispatch whichever is earlier.
	O2 – Analyser	1,600 Euro #									
	Flow Meter	1,600 Euro #									
	External Flow Regulation	240 Euro #									
	Packaging in wooden crate	720 Euro #									
	Shipping Charges (Sea Freight)	2,500 Euro #									
19.	Garden Denver – Air Compressor	550,000	1.07	1	1.07	Sarwat Engineering Company (as the distributor of NOXERIOR s.r.l.)	August 24, 2022	9 months	India	8 weeks from the receipt of purchase order confirmation.	50% against purchase order and balance before dispatch - Warranty of 18 months from the date of dispatch or 12 months from the date of commissioning.
	Refrigerant Air Dryer	190,000									
	Air Tank Receiver	90,000									
	Surge Tank	90,000									
	Final Tank	90,000									
	Transportation charges till site	60,000									
20.	Magazine Un Loader	780,000	0.78	1	0.78	NMTronics India Private Limited	August 22, 2022	9 months	India	8 to 9 weeks from purchase order and after receipt of advance payment	100 % advance payment by TT remittance, and within 14 days of the proforma invoice date; Warranty – 12 months from date of installation or 13 months from LR date whichever is earlier
21.	Alkon Conductive PCB Carrier No. 5	1,065	0.0010	250	0.44	Anmol Sales Corporation	August 22, 2022	9 months	India	1 week from the date of receipt of purchase order	Payment to be made within 30 days from the date of receipt of the material.
	Alkon Conductive PCB Carrier No. 6	1,760	0.0018	63							

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	(set of 2 pieces)										
	Alkon Aluminium Guides for Adjustable PCB Carriers – 353 mm (set of 2 pieces)	213	0.0002	50							
	Alkon Aluminium Guides for Adjustable PCB Carriers – 553 mm (set of 2 pieces)	324	0.0003	150							
22.	In Line Conformal Coating Machine	25,600 USD#	2.03	1	2.03	ETA International Pte Ltd	August 20, 2022	9 months	Singapore	5 to 6 weeks after advance payment receipt	30% advance and balance payment 10 days before shipment - Warranty of 13 months from date of AWB/BL
23.	Programmable Edge Winding Machine: TTW 300EW (Automatic) Together with 3% Packing Charges	1,924,040	1.92	1	1.92	Transwind Technologies Private Limited	August 24, 2022	9 months	India	12 to 16 weeks from date of order along with advance	50% advance payment with purchase order and remaining 50% before dispatch of the machine - Warranty of 12 months on all manufacturing defective parts from date of installation – In case of cancellation of order after 1 week of PO charges would be applicable at the rate of 20% and 50% after 4 weeks of PO placement.
24.	Automatic Current Transformer Test System	3,543,750	3.54	1	3.54	Eltel Industries	August 22, 2022	Till June 30, 2023	India	10 to 12 weeks after receipt of firm order with advance payment	25% advance payment along with order and balance payment against Proforma Invoice prior to dispatch – Warranty of 13 months from date of dispatch or 12 months from date of installation,

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
											whichever is earlier
25.	Automatic transformer turns ratio meter VTRM-1C (including packaging and forwarding charges and insurance)	150,592.50	0.15	2	0.30	Veer Electronics Pvt. Ltd.	August 23, 2022	10 months	India	7 to 8 weeks after receiving payment along with purchase order	100% advance payment along with purchase order - Warranty of 12 months for manufacturing defects.
26.	Current Transformer Analyzer Advanced Package P0000848 (Cable 15m)	3,154,450	3.15	1	3.15	OMICRON Energy Solutions Private Limited	August 22, 2022	10 months	India	4 to 16 weeks from the receipt date of the order	Prepayment - Warranty of 24 months from date of delivery for new units, 6 months for cables & accessories
27.	Image Dimension Measuring System	4,415,000	4.42	1	4.42	Keyence India Private Limited	December 01, 2022	Till May 31, 2023	India	2 weeks from ordering after confirmation of order	100% payment in advance
28.	XMET 8000 Optimum Alloy + RoHS Analyzer and accessories	29,400 USD#	2.34	1	2.34	Tii Techno Testing Instruments Private Limited	August 20, 2022	10 months	India	4 to 6 weeks from date of confirmed order and receipt of 100% advance payment	100% advance payment – Warranty of 24 months limited Warranty on parts and labor from date of installation & Commissioning.
29.	IP Sand and Dust Test Chamber; DI – 800	11,798 USD#	0.94	1	0.94	XI'AN Lib Environmental Simulation Industry	August 22, 2022	10 months	China	25 days	Telegraphic Transfer of entire funds in advance – Warranty of 3 years and lifelong follow-up services
30.	IP Water Jetting Test Chamber; R56-800	14,315 USD#	1.14	1	1.14	XI'AN Lib Environmental Simulation Industry	August 22, 2022	10 months	China	25 days	Telegraphic Transfer of entire funds in advance – Warranty of 3 years and lifelong follow-up services
31.	Electrodynamic Vibration System (Long Stroke) along	6,984,276	6.98	1	6.98	Saraswati Dynamics Pvt. Ltd.	August 23, 2022	10 months	India	12 to 16 weeks from the date of receipt of purchase order and	40% advance payment along with purchase order, 50% payment

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	with its components (including 1% Handling & Packing charges and ₹0.048 million Installation & Commissioning charges)									advance	*plus* GST and other levies after pre-dispatch inspection before dispatch and balance 10% after installation & commissioning - Warranty of 12 months from installation and commissioning or 14 months from the date of supply, whichever is earlier.
32.	Impulse Generator 1.2/50 µs, 22.5 kV and accessories	39,500 CHF#	3.22	1	3.22	EMC[i] Plus	August 24, 2022	Till March 31, 2023	India	8 to 12 weeks after the date of receipt of the order	100% payment in advance - Warranty of 1 year from the date of invoice for manufacturing defects as well as 1 year from the date of invoice for consumable parts.
33.	Wirecut Electrical Discharge Machine	7,584,536	7.58	1	7.58	MC Machinery Systems India Pvt. Ltd.	August 23, 2022	10 months	India	2 weeks – for inventory machines 4 months – for specialized/non-inventory machines	30% of contract amount as advance payment and 70% of contract amount before delivery (for inventory machines)/before dispatch from the port of origin (for specialized/non inventory machines) - Warranty – 12 months from the date of installation or 15 months from the date of the seller's signed contract of sales, whichever earlier
34.	CNC EDM Drill	2,400,000	2.40	1	2.40	Sparkonix	August	540 days	India	Within 90 days	35% advance along with

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	Machine with Standard Accessories					India Pvt. Ltd.	24, 2022				purchase order & balance against proforma invoice before dispatch - Warranty of 1 year from the date of installation against manufacturing defects
35.	CNC Die-sinking Electrical Discharge Machine : SG12M-GV80	10,821,700	10.82	1	10.82	MC Machinery Systems India Pvt. Ltd.	August 23, 2022	10 months	India	2 weeks for inventory machines 5 months for specialized/non inventory machines	30% of contract amount as advance payment, 70% of contract amount before delivery (for inventory machines)/before dispatch from the port of origin (for specialized/non inventory machines)– Warranty: (a) For Inventory Machines 12 months from the date of installation or 15 months from the date of the seller's signed contract of sales, whichever earlier; (b) For specialized/ Non-Inventory Machines 12 months from date of installation; or 13 months from date of invoice; or 18 months from date of customer's Purchase order, whichever is the earliest
36.	Vertical Machining Center Machine	94,935 USD#	7.54	2	15.09	Haas Factory Outlet (USA	August 24, 2022	12 months	United States of America	5 to 6 weeks from receipt of full payment and vessel sailing time of 12-14	30% Non-Refundable Advance T/T payment along with Purchase Order/Proforma

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
						branch of Phillips Machine Tools India Pvt Ltd)				weeks	Invoice. Balance 70% T/T payment immediately against copy of shipping documents before arrival of machine at Nhava Sheva – Warranty of 12 months from date of commissioning or 15 months from the date of shipment whichever is earlier.
37.	Bilz Shrink Fit Machine	1,070,000	1.07	1	1.07	Shree Tools	August 24, 2022	9 months	India	Max 8 weeks after confirmation of purchase order	50% payment along with purchase order and 50% against proforma invoice – Warranty – 1 year against manufacturing defects
38.	CNC Surface Grinding Machine accessories	800,000	0.80	1	0.80	HMT Machine Tools Limited	August 23, 2022	9 months	India	6 to 7 months, after receipt of clear techno-commercial purchase order along with 30% advance whichever is later.	30% advance security along with order, balance with proforma invoice after inspection before dispatch – Warranty of 12 months from the date of commissioning or 15 months from the date of dispatch whichever is earlier.
39.	CNC Coordinate Measuring Machine (Including 2% of the order value towards packing & forwarding charges; 1% insurance of order value;	6,171,756	6.17	1	6.17	Mitutoyo South Asia Pvt. Ltd.	August 22, 2022	9 months	India	Within 2 to 3 months from the date of technically & commercially clear purchase order	30% Advance against purchase order (Non-Refundable), 70% against proforma invoice before dispatch - Warranty of 12 months from date of installation or 13 months from the

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	and ₹0.14 million Installation charges)										date of invoice, whichever is earlier
40.	Hydraulic die spotting press	4,950,000	4.95	1	4.95	Achieve Hydraulics & Pneumatics Pvt. Ltd.	August 24, 2022	9 to 10 months	India	Within 20 to 22 Weeks from the date of receipt of techno - commercially clear order with down payment	50% Advance with purchase order, 40% with taxes and duties against trial by vendor and before dispatch and 10% after installation and commissioning - Warranty of 12 Months against manufacturing defects from the date of dispatch (warranty does not include electric items)
41.	Injection Molding Machine (ALLROUNDER 630 S 2500 – 1300) and Multilift V Robot	281,500 Euro#	22.52	1	22.52	Unimark Hi-Tech Solutions LLP	August 25, 2022	9 months	India	6-8 months from date of confirmed purchase order	-
42.	Injection Molding Machine (ALLROUNDER 570 S 1600-800) and Multilift V Robot	213,000 Euro#	17.04	1	17.04	Unimark Hi-Tech Solutions LLP	August 25, 2022	9 months	India	6-8 months from date of confirmed purchase order	-
43.	Injection Molding Machine (ALLROUNDER 520 S 1300 – 800) and Multilift V Robot	194,000 Euro#	15.52	1	15.52	Unimark Hi-Tech Solutions LLP	August 25, 2022	9 months	India	6-8 months from date of confirmed purchase order	-
44.	Feedmax BS 210-50 (including installation charges of ₹0.01 million per unit)	215,000	0.22	6	1.29	Wittmann Battenfeld India Private Limited	August 24, 2022	9 months	India	12 weeks	100% advance payment with order - Warranty of 1 year

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
45.	Conveyor L-2500 W-500 (including installation charges. ₹0.01 million per unit)	190,000	0.19	9	8.19	Wittmann Battenfeld India Private Limited	August 24, 2022	9 months	India	12 weeks	100% advance payment with order - Warranty of 1 year
	Granulator (SMAX 2) (including installation charges. ₹0.01 million per unit)	590,000	0.59	9							
	Temperature Controller MTC PRIMUS C90 (including installation charges. ₹0.01 million per unit)	130,000	0.13	9							
46.	Mold Storage Rack (including transportation and installation charges)	1,521,900	1.52	5	7.61	Reco Storage Systems	August 27, 2022	9 months	India	4 to 6 weeks after receipt of advance payment along with purchase order	50% advance payment along with purchase order, 40% before dispatch, and balance 10% immediate after installation; Warranty – 6 months
47.	MID approval for energy meters (power distribution, energy meter – electric – active and reactive - polyphase	5,800,000	5.80	1	5.80	UL India Private Limited	August 25, 2022	9 months	India	-	100% deposit of quoted fees will be required prior to the project start date
48.	Microsoft Project (Standard 2021)	47,500	0.05	2	0.10	Digital Electro Systems	August 20, 2022	9 months	India	3-4 weeks from the date of the purchase order	100% advance payment
49.	Laser Marking Machine: AREX400	2,200,000	2.20	1	2.20	Vasundhara Enterprises	September 20, 2022	9 months	India	4 to 8 weeks after receipt of order	100% payment in advance – Warranty of one year

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
50.	Pit pot type electrical heated vacuum annealing furnace (including erection and commissioning charges)	2,230,000	2.23	1	2.23	Trimurti Furnace Private Limited	September 20, 2022	9 months	India	3 to 4 months from the date of receipt of technically and commercially clear order	50% advance and 50% against proforma invoice after inspection – Warranty of 12 months from date of dispatch of equipment or 15 months from date of commissioning, whichever is earlier
B.	***Software and related equipment***										
1.	Compliance-Scope Node-locked Perpetual license	4,317,300	4.32	1	4.32	Simyog Technology Private Limited	September 23, 2022	9 months	India	Within 15 working days of purchase order	100% payment on delivery acceptance
2.	Dell Precision Tower Workstation	605,000	0.61	1	0.62	Digital Electro Systems	August 20, 2022	9 months	India	3 to 4 weeks from the date of the purchase order	100% advance to be paid
	Dell 24 Monitor	16,500	0.017								
	Dell Wireless keyboard and mouse	1,350	0.001								
3.	NX Mach Designer software (perpetual license)	500,000	0.50	5	2.50	3D Engineering Automation LLP	August 22, 2022	9 months	India	15 to 20 working days	100% payment to be made with the purchase order - 18% interest per annum for delayed period of payment – Offer includes 1 year maintenance, enhancement and support
4.	HP Z Series Workstation	218,000	0.22	27	5.89	Digital Electro Systems	August 20, 2022	9 months	India	3 to 4 weeks from the date of the purchase order	100% advance to be paid
5.	Solidworks Standard License 2022 standalone (with initial one year	450,000	0.45	1	1.73	Best Engineering Aids & Consultan	August 23, 2022	9 months	India	3 to 4 weeks from date of confirmed purchase order	100% advance along with purchase order

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
	subscription)					cies Private Limited					
	Solidworks Simulation Premium license 2022 standalone (with initial one year subscription)	1,280,000	1.28								
6.	Matlab software	170,000	0.17	1	4.32	MathWorks India Private Limited	November 30, 2022	9 months	India	-	100% advance along with purchase order
	Simulink software	255,000	0.26								
	Control system toolbox	97,500	0.098								
	DSP System Toolbox	105,000	0.11								
	Embedded Coder	425,000	0.43								
	Matlab coder	510,000	0.51								
	Matlab compiler	340,000	0.34								
	Matlab Compiler SDK	425,000	0.43								
	Optimization toolbox	97,500	0.098								
	Signal processing toolbox	85,000	0.085								
	Simscape	170,000	0.17								
	Simscape electrical	255,000	0.26								
	Simulink coder	255,000	0.26								
	Simulink control design	105,000	0.11								
	Simulink Design Optimization	97,500	0.098								
	Stateflow	240,000	0.24								
	System Identification technology	97,500	0.098								
	Matlab web app server	590,000	0.59								
7.	ANSYS Mechanical Premium Software	2,300,000	2.30	1	2.30	CADFEM India Pvt	August 22, 2022	9 months	India	4 weeks from the date of receipt of	100% advance to be paid

S. No.	Description	Cost per unit (in ₹ unless otherwise specified)	Cost per unit (in ₹ million)*	Quantity	Amount (₹ in million)**	Name of the vendor	Date of quotation	Validity from the date of quotation	Country of vendor	Estimated delivery time	Terms relating to advance payments, bank guarantee, warranty
						Ltd				purchase order	
8.	Keyshot 11 pro FL commercial software license (perpetual) together with annual maintenance	254,000	0.25	1	0.25	Maveric Solution Inc.	August 20, 2022	9 months	India	Within 1 working day	100% advance to be paid
9.	Rhinoceros Software and Bongo 2 upgrade	82,900	0.08	1	0.08	VectraFORM Engineering Solutions	August 22, 2022	Valid till March 31, 2023	India	2 weeks from the date of receipt of confirmed purchase order along with requisite advance amount	100% advance along with confirmed purchase order
10.	CorelDRAW Graphics Suite Enterprise License	79,900	0.08	1	0.08	Digital Electro Systems	August 20, 2022	9 months	India	3 to 4 weeks from the date of the purchase order	100% advance to be paid
11.	Draftsight Enterprise Network License with initial one year subscription	75,000	0.08	2	0.15	Best Engineering Aids & Consultancies Private Limited	August 24, 2022	9 months	India	3 to 4 weeks from the date of confirmed purchase order	100% advance along with purchase order
12.	HP 280 Pro G6 MT desktop I5	64,750	0.06	3	0.19	Minitek Systems (India) Pvt. Ltd.	August 17, 2022	9 months	India	1 to 2 days from date of confirmed purchase order	100% advance to be paid
	TOTAL				**359.40**						

[#] *The quotations for certain equipment are in foreign currencies such as Euro, CHF and USD.*

[*] *The conversion rates as of August 31, 2022: (a) EUR 1.00 = ₹ 80.004; (b) USD 1.00 = ₹ 79.431; (c) CHF 1.00 = ₹ 81.541 (Source: www.x-rates.com).*

[**] *Total estimated cost excludes GST, which will be funded from internal accruals and/or by utilizing the Net Proceeds earmarked for general corporate purposes. However, certain of the quotations includes customs duty, freight, installation and packaging charges, as applicable and if any additional charges, including packaging, installation and freight charges and taxes, will be funded from internal accruals and/or by utilizing the Net Proceeds earmarked for general corporate purposes.*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to *inter alia* any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see "***Risk Factors – We have not entered into any definitive arrangements to utilise certain portions of the net proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates, a cost assessment report from Sanjay Madhavrao Patil, architect and certificate from Manish M Kothari, chartered engineer and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds***" on page 39.

No orders for purchase of the machinery/ equipment, as provided above, have been placed as on the date of this Draft Red Herring Prospectus. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

Our Promoter, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building and civil works, acquisition of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

3. *Utilities*

We propose to utilise an amount of ₹ 63.16 million towards utilities including, goods lift, passenger lift, substation/transformer, panels, cabling, fire sprinkler system with wet riser, LAN system, automatic fire alarm system, access control systems and services (electrical, water supply and sanitary). Such utilities are in addition to the existing utilities used for the purposes of the existing manufacturing facility.

The break-up of the estimated cost for the utilities, as certified by the Project Report, is as follows:

S. No	Particulars	Units	Unit cost (₹)	Unit of measure	Net cost (₹ million)
1.	Goods lift - 1 ton capacity	1	2,600,000	Numbers	2.60
2.	Passenger lift (Capacity/ Persons – 8)	1	1,600,000	Numbers	1.60
3.	11KV/415V substation/transformer, panels, cabling	1,000	12,500	Kilovolt ampere	12.50
4.	Fire sprinkler system with wet riser	4,795	1,200	Square meter	5.75
5.	LAN system	4,795	500	Square meter	2.40
6.	Automatic fire alarm system	4,795	600	Square meter	2.88
7.	Access control systems	4,795	200	Square meter	0.96
8.	Services (electrical, water supply and sanitary)	-	20% of the total building and civil work cost	-	34.48
	Total				**63.16**

Government and other approvals

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any fund towards financing the Expansion Project and has not commenced the construction of building and other civil works, including engineering related work. In relation to the Expansion Project, we are required to obtain routine approvals including building plan approval, consent to establish (air and water), electrical drawings approval, no objection certificate for fire safety which will be obtained prior to the commencement of construction and labour license for construction, occupancy certificate, final approvals for all electrical equipment, STP, DG (Air, Water and Hazardous Wastes), Fire Fighting equipment, layout approval from inspector of factories and consent to operate (air and water) which will be obtained after completion of construction of the proposed building, as certified by Sanjay Madhavao Patil, Architect, pursuant to the Project Report. These approvals would be in line with approvals already obtained by our Company for the same location which would be adjacent to the new building proposed to be constructed. Construction of the proposed building and utilities has not yet commenced as of the date of this Draft Red Herring Prospectus and accordingly, no approvals are required to be obtained as of such date.

Our Company has also obtained authorization from the Ministry of Electronics and Information Technology of GoI, for incentives in relation to manufacturing and sales of certain of our products under the Modified Special Incentive Package Scheme ("**M-SIP Approval**"). The M-SIP Approval provides that our Company may be eligible to receive the financial incentive of 25% of eligible capital expenditure by the GoI under the M-SIP Approval subject to compliance with certain terms and conditions. The incentives, if any, are not tied to the means of finance for the Expansion Project. Our Company will file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "***Risk Factors – Our proposed expansion plans relating to Nashik Manufacturing Facility I are subject to the risk of unanticipated delays in implementation and cost overruns***" on page 40.

2. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities; (ii) servicing our repayment obligations (principal and interest) under our future financing arrangements; (iii) cost of other smaller auxiliary equipment and tools, related taxes, levies and other duties, as applicable, logistics, packaging and installation costs related to procurement of plant and machinery, any exchange rate fluctuations; (iv) capital expenditure, including towards development/refurbishment/renovation of our assets; (v) meeting ongoing general corporate contingencies including working capital requirements of our Expansion Project, as needed; (vi) strategic initiatives; (vii) process improvements; and/or (viii) strengthening of our manufacturing and R&D capabilities.

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

Offer related expenses

Other than the listing fees in connection with the Offer (which shall be solely borne by the Company) and fees and expenses of the legal counsel and the chartered accountants to the Selling Shareholders (which will be borned by the Selling Shareholders), all Offer expenses, including BRLMs' fee, underwriting commissions, roadshow expenses, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, fees payable to the Self Certified Syndicate Banks, syndicate members, other Designated Intermediaries, legal advisors and any other agreed fees and commissions payable in relation to the Offer will be shared amongst the Company and the Selling Shareholders on a pro-rata basis, within the time prescribed under the agreements/engagement letters to be entered into with such persons and as set forth in the engagement letter, as applicable, in accordance with Applicable Law. The abovementioned expenses shall be borne by the Company and Selling Shareholders, in proportion of the Equity Shares issued by the Company and sold by each of the Selling Shareholders in the Offer and in accordance with Applicable Law. All such amounts payable to intermediaries shall be payable directly from the Public Offer Account after transfer of funds from the Escrow Accounts and the ASBA Accounts to the Public Offer Account and immediately on receipt of the listing and trading approvals from the Stock Exchanges. Upon successful completion of the Offer, any payments by the Company in relation to the Offer expenses on behalf of any of the Selling Shareholders shall be reimbursed by such Selling Shareholder to the Company inclusive of taxes.

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, amongst others, listing fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Sponsor Bank. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others (i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses; (ii) Printing and distribution of stationery; (iii) Advertising and marketing expenses; (iv) Fee payable to legal counsel; and (v) Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

A. *Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e., product of the Equity Shares Allotted and the Offer Price) would be as follows:*

Portion for Retail Individual Investors	*[●]% (plus applicable goods and services tax)*
Portion for Non-Institutional Investors	*[●]% (plus applicable goods and services tax)*

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

B. *Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).*

Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Interim use of funds

Our management will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only in interest bearing accounts with the Scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended for the necessary duration. Such investments will be approved by our management from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investment in any other equity or equity linked securities. Further, in accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in securities of any other listed company or for any investment in the equity markets.

Bridge loan

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

Monitoring of Utilization of Funds

As the size of the Fresh Issue is less than ₹ 1,000 million, the appointment of a monitoring agency is not required as per the SEBI ICDR Regulations.

Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the details of utilization of the Net Proceeds under separate heads in our Company's balance sheet clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for necessary action, if deemed appropriate. Additionally, in accordance with Regulation 32(5) of the SEBI Listing Regulations, our Company shall prepare, and place before the Audit Committee, an annual statement of funds utilized for purposes other than that specified in this Draft Red Herring Prospectus, as certified by our Auditor, until such time that the entire Net Proceeds have been utilized. Further, 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 (a) deviations, if any, in the utilization of the Net Proceeds of the Fresh Issue stated in this Draft Red Herring Prospectus and (b) details of category wise variation between the projected utilization of the Net Proceeds of the Fresh Issue as disclosed in this Draft Red Herring Prospectus and the actual utilization of the Net Proceeds.

Variation in Objects of the Fresh Issue

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Fresh Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Fresh Issue, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations.

Appraising entity

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any agency.

Other confirmations

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoter, members of our Promoter Group, Directors, Key Managerial Personnel and Group Companies. No part of the Net Proceeds will be paid to our Promoter, Directors, our Subsidiaries, our Group Companies or our Key Managerial Personnel, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Managerial Personnel, our Subsidiaries or our Group Companies in relation to the utilisation of the Net Proceeds of the Offer.

BASIS FOR OFFER PRICE

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

Bidders should also refer to the sections titled "***Other Financial Information***", "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", and "***Financial Information***" on pages 392, 27, 227, 400 and 303, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Ability to drive technology and innovation through advanced research and development capabilities;
- Global engineering solution provider operating in large addressable markets and well positioned to benefit from mega industrialisation trends;
- Vertically integrated operations, backed by strong manufacturing capabilities;
- Diversified product portfolio;
- Wide customer base; and
- Track record of successful integration of acquired businesses or entities across geographies.

For further details, see "***Our Business – Strengths***" on page 232.

Quantitative Factors

Some of the information presented below relating to our Company is based on or derived from the Restated Consolidated Financial Information. For details, see "***Financial Information***" on page 303.

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

1. Basic and diluted earnings per share ("EPS") at face value of ₹ 10 each:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2020	8.03	8.02	1
March 31, 2021	9.32	9.32	2
March 31, 2022	12.91	12.89	3
Weighted Average	10.90	10.89	
September 30, 2022*	4.25	4.24	

* *Not annualized*

Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year

Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders / Weighted average number of diluted equity shares and potential equity shares outstanding during the period

Notes:

(1) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

(2) *The figures disclosed above are based on the Restated consolidated Financial Statements of our Company.*

(3) *The face value of each Equity Share is ₹ 10 each.*

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

(5) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "**Restated Consolidated Financial Information**" on page 303.*

Pursuant to the Shareholder's Resolution passed at the Extra-ordinary General Meeting held on September 21, 2022 the Company has issued bonus shares in the ratio of 1:1. Hence, for the purpose of calculation of Basic and Diluted Earnings per Share, the number of equity shares outstanding at the end of the respective period/year have been considered after factoring in the aforementioned bonus issue.

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

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Financial Year 2022	[●]	[●]
Based on diluted EPS for Financial Year 2022	[●]	[●]

Industry Peer Group P/E ratio

There are no comparable listed companies in India or globally that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry peer group P/E ratio in relation to our Company.

3. Return on net worth ("RoNW")

Year ended	RONW (%)*	Weight
March 31, 2020	10.70	1
March 31, 2021	11.61	2
March 31, 2022	13.82	3
Weighted Average	12.56	
September 30, 2022#	4.51	

 # Not annualised

** RoNW = Net Profit after tax, as restated, attributable to the owners of the company*

Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

(2) The figures disclosed above are based on the Restated consolidated Financial Statements of our Company.

4. Net asset value per Equity Share (face value of ₹ 10 each)

NAV	(₹)
As at March 31, 2022	93.38
As at September 30, 2022	94.06
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Notes:

(1) Net asset value per equity share is calculated as the Net Worth (excluding non-controlling interest) divided by the weighted average numbers of equity share outstanding during the respective year.

(2) Pursuant to the Shareholder's Resolution passed at the Extra-ordinary General Meeting held on September 21, 2022 the Company has issued bonus shares in the ratio of 1:1. Hence, for the purpose of calculation of Net Asset Value per Share, the number of equity shares outstanding at the end of the respective period/year have been considered after factoring in the aforementioned bonus issue.

5. Key financial and operational performance indicators ("KPIs")

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 19, 2022 and the Audit Committee has confirmed that verified details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by Shah & Mantri, Chartered Accountants, by their certificate dated December 29, 2022.

The Company's chief operating decision makers (which includes Narendra Joharimal Goliya, Chairman and Managing Director, Nitinkumar Sudhir Deshpande, Head – Marketing, Business Development and Profit Centre Head and Vishal Prabhakar Kulkarni, Chief Financial Officer and members of the Board) monitor and review the operating result of our Company as a single operating segment, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems. However based on the geographic distribution of activities, the Company has identified Asia, USA, Europe (other than Poland), Poland and others as reportable geographical segments. Key metrics such as the following are monitored by the chief operating decision makers on a periodic basis for evaluating the overall performance of Company.

(In ₹ millions, unless otherwise mentioned)

Particulars	For the six month period ended September 30, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
% of India revenue (out of the total group revenue)	32.30	30.94	31.24	32.56
% of Europe revenue (out of the total group revenue)	58.88	59.08	59.57	62.40
% of HPDC sales (out of the total group revenue)	37.71	36.06	38.94	40.72
a. % automotive (out of the HPDC revenue)	54.24	46.50	55.32	55.86
b. % non-automotive (out of the HPDC revenue)	45.76	53.50	44.68	44.14
CAPEX (group level)	92.38	223.55	317.99	527.40
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
EBITDA	358.07	826.32	700.21	683.37
EBITDA margin (%)	13.71	17.57	17.96	17.05
Profit/(loss) after tax	168.32	496.52	359.40	315.47
PAT margin (%)	6.35	10.35	8.93	7.71
Net cash generated from operations	94.96	132.82	529.34	716.50
ROCE (%)	5.87	15.20	12.16	11.42
ROE (%)	4.91	14.58	12.01	11.11
Net debt as a percentage of equity(%)	28.62	28.36	35.40	36.48

Subject to applicable law, the Company confirms that it shall continue to disclose all the key performance indicators included in this "***Basis for Offer Price***" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "***Objects of the Offer***" on page 108.

Explanation for the key performance indicators

The following table provides the rationale for our key performance indicators that have a bearing on arriving at the basis for Offer Price:

Sr. No.	Key performance indicators	Description and Rationale
1.	% of India revenue (out of the total group revenue)	Percentage of revenue generated by our Company with respect to total revenue generated by our Company and its Subsidiaries over the globe
2.	% of Europe revenue (out of the total group revenue)	Percentage of revenue generated by Lumel SA and Lumel Alucast with respect to total revenue generated by our Company and its Subsidiaries over the globe
3.	% of HPDC sales (out of the total group revenue)	Percentage of revenue generated by Lumel Alucast (Aluminium HPDC sales) ("**HPDC Sales**") with respect to total revenue generated by our Company and its Subsidiaries over the globe
	a. % automotive (out of the HPDC revenue)	Percentage of revenue generated from HPDC Sales in the automotive sector/market with respect to total HPDC sales
	b. % non-automotive (out of the HPDC revenue)	Percentage of revenue generated from HPDC Sales in the non-automotive sector/market with respect to total HPDC Sales

4.	CAPEX (group level)	Capital expenditure includes funds utilized for enhancing the infrastructure, manufacturing facilities, addition of the plant and machinery and research and development. This metric indicates how much our Company invests in fixed assets to maintain or grow its business
5.	Revenue from operations	Revenue from operation considers the revenue generated out of the sales of products / services under all five segments i.e. electrical automation, metering control and protection devices, portable test and measurement instruments, solar string inverters and aluminium high pressure die-casting
6.	EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses. EBITDA provides information regarding operational profitability and efficiency of our Company
7.	EBITDA margin (%)	Percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses. This metric helps in benchmarking the operating profitability against the historical performance of our Company
8.	Profit/(loss) after tax	The amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company
9.	PAT margin (%)	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company
10.	Net cash generated from operations	The amount of cash a company generates (or consumes) from carrying out its operating activities. Operating activities include generating revenue, paying expenses, and funding working capital. It is calculated by taking net income, adjusting for non-cash items, and accounting for changes in working capital
11.	ROCE (%)	Return on capital employed is calculated using two components, i.e. earnings before interest and tax and capital employed and is calculated by earnings before interest and tax divided by total assets less current liabilities (capital employed)
12.	ROE (%)	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits
13.	Net debt/equity ratio (%)	Debt to equity ratio is calculated by dividing our Company's debts by shareholders' equity (as a percentage). This metric is a measurement of our Company's financial leverage

6. Comparison with listed industry peers

There are no comparable listed companies in India or globally that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

7. Weighted average cost of acquisition, floor price and cap price

a) The price per share of the Company based on the primary issuances and secondary sale/ acquisitions of shares (equity/ convertible securities)

The Company has not issued any Equity Shares or convertible securities, excluding shares issued under ESOP and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOP granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. There have been no secondary transactions (where our Promoter or members of the Promoter Group or Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction) (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Accordingly, the following are the details of the last five primary or secondary transactions (i.e., secondary transactions where the Promoter, Promoter Group entities, Selling Shareholders and/or shareholders of the Company having the right to nominate Director(s) on our Board, are a party to the transaction), excluding issuance of bonus shares and excluding gifts, during the three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

Date of allotment/ transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue/ Transaction price per Equity Share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration
			Primary issuances			
September 13, 2022*	100	10	87.05	Reclassification of Class A equity shares	Reclassification of Class A equity shares	8,705*
Total	**100**					8,705*
WACA (primary issuances)						**87.05#**
			Secondary transactions			
Total	Nil					Nil
WACA (secondary transactions)						**Not applicable#**

The above details related to WACA have been certified by Shah & Mantri, Chartered Accountants by their certificate dated December 29, 2022.

**Adjusted for the bonus issuance of Equity Shares in the ratio of 1:1 undertaken by our Company on September 21, 2022, where applicable.*

*** Class A equity shares acquired by SACEF Holdings II on September 17, 2013 at a price of ₹ 174.10 per share have been reclassified into Equity Shares on September 13, 2022. Hence, the date of reclassification has been considered as date of acquisition and original cost for acquiring the Class A equity shares has been considered as the acquisition price. Further, the weighted average cost of acquisition has been adjusted for the bonus issue in the ratio of 1:1 undertaken by our Company on September 21, 2022.*

#There has only been one primary issuance by our Company (other than a bonus issuance) as mentioned above during the three years preceding the date of this Draft Red Herring Prospectus. There have been no secondary transactions in Equity Shares of the Company (i.e., secondary transactions where the Promoter, Promoter Group entities, Selling Shareholders and/or shareholders of the Company having the right to nominate director(s) on the board of directors of the Company, are a party to the transaction) (excluding gifts), during the three years prior to the date of this Draft Red Herring Prospectus.

b) *Weighted average cost of acquisition*

Based on the above transactions, below are the details of the weighted average cost of acquisition pursuant to last five primary or secondary transactions during the last three years prior to the date of this Draft Red Herring Prospectus, irrespective of the size of the transactions, as compared to the Floor Price and Cap Price:

Past transactions	WACA (in ₹)	Floor Price in ₹ [●]#	Cap Price in ₹ [●]#
Weighted average cost of acquisition pursuant to primary issuances of shares (Equity Shares/ convertible securities) of our Company (excluding shares issued under a bonus issuance)	87.05**	[●] times	[●] times
Weighted average cost of acquisition pursuant to secondary transactions of shares (Equity Shares/ convertible securities) (where the Promoter, Promoter Group entities, Selling Shareholders and/or shareholders of the Company having the right to nominate director(s) on the board of directors of the Company, are a party to the transaction) (excluding gifts)	Not applicable	[●] times	[●] times

The above details related to WACA have been certified by Shah & Mantri, Chartered Accountants by their certificate dated December 29, 2022.
#To be updated at Prospectus stage.
***Class A equity shares acquired by SACEF Holdings II on September 17, 2013 at a price of ₹ 174.10 per share have been reclassified into Equity Shares on September 13, 2022. Hence, the date of reclassification has been considered as date of acquisition and original cost for acquiring the Class A equity shares has been considered as the acquisition price. Further, the weighted average cost of acquisition has been adjusted for the bonus issue in the ratio of 1:1 undertaken by the Company on September 21, 2022.*

c) *Detailed explanation for Offer Price/Cap Price being [•] times of WACA of past five primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for six months ended September 30, 2022 and Fiscal 2022, 2021 and 2020 and in view of the external factors which may have influenced the pricing of the issue, if any.*

[●]*

**To be included post finalization of the Price Band in the Prospectus.*

Bidders should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Financial Information***" on pages 27, 227, 400 and 303, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "***Risk Factors***" on page 27 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

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STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
Rishabh Instruments Limited
(*formerly known as Rishabh Instruments Private Limited*)
A-54, MIDC, Opposite MIDC Bus Depot
Andheri (East), Mumbai-400 093
Maharashtra, India

Dear Sir/Madam

Sub: Statement of possible special tax benefits available to Rishabh Instruments Limited (the "Company"), its shareholders and the Material Subsidiaries (as defined hereinbelow) of Rishabh Instruments Limited, under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations').

1. We, M S K A & Associates ("the Firm"), Chartered Accountants, the statutory auditors of the Company hereby confirm that the enclosed statement in the Annexure prepared and issued by the Company (the "**Statement**"), which provides the possible special tax benefits available to the Company and its shareholders under the direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 ,the Customs Tariff Act, 1975 and the Foreign Trade Policy 2015-2020 (which has been extended up to March 31, 2023), Modified Special Incentive Package Scheme ('**M-SIPS**'), Maharashtra Electronic Policy, 2016, each as amended (collectively the "**Indian Taxation Laws**") and the rules, regulations, circulars and notifications issued in connection with the Indian Taxation Laws, each as amended by the Finance Act, 2022 and as applicable to the assessment year 2023-24 relevant to the financial year 2022-23 and to the material subsidiaries of the Company, namely (i) Lumel Spółka Akcyjna and (ii) Lumel Alucast Spółka z ograniczoną odpowiedzialnością (jointly referred to as "**Material Subsidiaries**") (identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) under the taxation laws of Poland, as presently in force and applicable to the assessment year 2023-24 relevant to the financial year 2022-23 (the "**Polish Taxation Laws**" and collectively with the Indian Taxation Laws, the "**Taxation Laws**"). Several of these benefits are dependent on the Company, and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Similarly, the benefits available to the Material Subsidiaries are dependent on the relevant provisions of the Polish Taxation Laws and the Material Subsidiaries adhering to such provisions. Hence, the ability of the Company, its shareholders, and/or Material Subsidiaries to derive the possible special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company, its shareholders, and/or the Material Subsidiaries face in the future, the Company, its shareholders and/or the Material Subsidiaries may or may not choose to fulfil such conditions for availing special tax benefits.

2. With respect to the possible special tax benefits mentioned in the Statement in the case of the Material Subsidiaries in Poland, the certified auditors (as set out in Appendix-I), who have conducted the audit of the Material Subsidiaries in accordance with the International Standards on Auditing adopted by the National Council of Certified Auditors as National Standards on Auditing, and in compliance with the Act on Certified Auditors, Audit Firms and on Public Supervision (the Certified Auditors Act – 2019, Journal of Laws, item 142 with subsequent amendments), have been engaged to identify the possible special tax benefits available in Poland. We have placed reliance on the statement of possible special tax benefits issued by

such certified auditors of the Material Subsidiaries and our work relating to the statement of possible special tax benefits available to the Material Subsidiaries in Poland is solely based on such statement of possible special tax benefits issued by the aforementioned certified auditors of the Material Subsidiaries in Poland.

3. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the Material Subsidiaries, the same would include those benefits as enumerated in the Statement. Any benefits under the Indian Taxation Laws other than those specified in the Statement are considered to be general tax benefits available to the Company and its shareholders, and therefore not covered within the ambit of the Statement. With respect to the benefits available to the Material Subsidiaries under the Polish Taxation Laws, we have relied on the certificate on the statement of possible special tax benefits issued by the certified auditors of the Material Subsidiaries. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by the Statement.

4. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its shareholders, and the Material Subsidiaries and do not cover any general tax benefits available to them.

5. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the "**Offer**") and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

6. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

7. Our views are based on the existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

8. We do not express any opinion or provide any assurance on whether:
   - The Company, its shareholders and/or the Material Subsidiaries will continue to obtain these benefits in the future;
   - The conditions prescribed for availing the benefits have been/would be met; and
   - The revenue authorities/courts will concur with the views expressed herein.

9. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the Material Subsidiaries. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges,

interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

10. This Statement is addressed to board of directors of the Company and has been issued at the specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the draft red herring prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number:105047W

Jiger Saiya
Partner
Membership No: 116349

UDIN: 22116349BGJQYI3513
Place: Mumbai
Date: 29 December 2022

<u>Annexure to the Statement of Possible Special Tax Benefits available to Rishabh Instruments Limited ('the Company'), its shareholders, and its Material Subsidiaries</u>

A. <u>Company and its shareholders</u>

Direct Taxation

<u>Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This portion of the statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2022 read with the relevant rules, circulars and notifications applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India</u>

1. Possible Special income-tax benefits available to the Company

(i) Section 115BAA of the Income-tax Act, 1961 ('the Act'), as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

The Company has opted for the concessional tax regime as per the provisions of section 115BAA of the Act for the AY 2022-23.

(ii) Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided. Said deduction shall be available subject to satisfaction of specified conditions .

(iii) As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in one Indian subsidiary and in overseas subsidiaries, it may avail above-mentioned benefit under section 80M of the Act.

(iv) As per section 80G of the Act, in case the Company makes eligible donations, the Company shall be entitled to a deduction of the amount donated. However, in certain cases, the amount of deduction shall be restricted to a lower of 50% of the amount donated or 10% of Gross Total Income.

(v) Section 35(1)(iv) of the Act provides for deduction of capital expenditure incurred for the purpose of scientific research relating to its business. Subject to the prescribed conditions, the Company is entitled to claim a deduction of eligible capital expenditure under section 35(1)(iv) of the Act.

2. Possible Special Income-tax Tax Benefits available to the Shareholders of the Company

Resident Shareholders

(i) There are no possible income-tax special tax benefits available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).

(ii) Section 112A of the Act provides for a concessional rate of tax with effect from April 1, 2019 (i.e. AY 2019-20). Any income, exceeding INR.1,00,000 arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

(iii) Section 111A of the Act provides for a concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short term capital asset (i.e., a capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

(iv) Separately, any dividend income received by shareholders would be subject to tax deduction at source by the Company under section 194 of the Act @ 10%. However, in the case of individual shareholders, this would apply only in case the dividend income exceeds INR 5,000. Further, dividend income is now taxable in the hands of shareholders.

Non-Resident Shareholders

(i) In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

(ii) Apart from the tax benefits available to each class of shareholders as such, there are no possible special income tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Customs Tariff Act"), as amended by the Finance Act 2022, Foreign Trade Policy 2015-20, Modified Special Incentive Package Scheme ('M-SIPS'), Maharashtra Electronic Policy, 2016 including the relevant rules, regulations, notifications and circulars issued there under, applicable for the Financial Year 2022-23, presently in force in India.

1. Possible Special indirect-tax benefits available to the Company

I. Possible Special Indirect Tax Benefits available under the GST Acts

(i) The Company exports goods without payment of GST under a Letter of Undertaking.

(ii) The said goods are also supplied by the Company in domestic market which attract GST at the prescribed rates.

(iii) Apart from the above, no other possible special Indirect tax benefits by availed by the Company under the GST Acts in India.

II. Possible Special indirect tax benefits available under Customs Act and Customs Tariff Act

(i) The Company has claimed Basic Custom Duty and Social Welfare Cess exemption/concession amounting to INR 24,22,211/- and 2,42,221/- respectively during Financial Year 2021-22 with respect to import of certain machineries under Sr No 29, 33, 51 and 57 of Exemption notification No 25/2002 -Customs, F. No 334/1/2002-TRU, Dated 1 March 2002 for use in the manufacture of the specified finished goods.

(ii) Apart from the above, no other possible special Indirect tax benefits are availed by the Company under the Customs Act and Tariff Act.

III. Possible Special indirect tax benefits available to the Company under Foreign Trade Policy 2015-20

(i) The company has received export benefit in the form of duty credit scrips under 'Merchandise Exports from India Scheme' ('MEIS') or 'Remission of Duties and Taxes on Export Products' ('RODTEP') (as the case may be) during Financial Year 2021-22. The aforesaid scrips are used for payment of Custom Duty on import of goods.

(ii) Apart from the above, no other possible special Indirect tax benefits are availed by the Company under the Foreign Trade Policy.

IV. Possible special indirect tax benefits available under the M-SIPS

(i) During the Financial Year 2021-22, the company has received approval of projects under the M-SIPS from Ministry of Electronics & Information Technology, New Delhi for expansion of existing unit. Under this project, the company is expected to receive a financial incentive of 25% of eligible capex amounting to INR 12,69,32,497/- as per Notification No 175, dated 27 July 2012 as amended. The incentive under the M-SIPS scheme will be available on the investment amounting to INR 250.77 crores to be incurred within a maximum period of 10 years from the date of acknowledgement of the application i.e., 27 September 2016.

V. Possible special indirect tax benefits available under the Maharashtra Electronic Policy, 2016

(i) During the Financial Year 2021-22, the Company has also applied for incentives prescribed under the Maharashtra Electronic Policy, 2016 for the proposed investment. However, the said application is yet to be approved by the competent state authorities. Under the aforesaid scheme, the Company can avail refund of SGST on gross basis, refund of employer's contribution towards employees state insurance and employees provident fund, Power Tariff subsidy, electricity duty exemption, stamp duty wavier and property tax exemption.

2. Possible Special Indirect Tax Benefits available to the Shareholders of the Company

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST.

Apart from above, the shareholders of the Company are not eligible for any possible special tax benefits under the provisions of the GST Acts, Customs Act, Customs Tariff Act, as amended by the Finance Act 2022, Foreign Trade Policy 2015-20, Modified Special Incentive Package Scheme ('M-SIPS'), Maharashtra Electronic Policy, 2016 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of Indian Taxation Laws.

2. The above Statement of possible special tax benefits sets out the provisions of the Indian Taxation Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

4. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are 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 Offer.

5. This part A of the statement (Company and its Shareholders) does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.

6. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

7. The above views are based on the existing provisions of Indian Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

B. Possible Special Tax Benefits to Lumel Spółka Akcyjna, Poland ("Lumel S.A.").

Glossary

- the "CIT" or "Polish" CIT Act - The act of 15 February 1992 on Corporate Income Tax
- Excise Tax Act - The act of 6 December 2008 on Excise Tax
- Duty/Customs Regulations - The act of 19 March 2004 on Customs Law
- VAT Act - The act of 11 March 2004 on Tax on Goods and Services
- CIT - Corporate Income Tax
- VAT - Value Added Tax

1. Brief description of CIT rates in Poland

Standard CIT rate in Poland is 19%.

However, the CIT rate of 9% can be applied for income other than capital gains if the taxpayer:

- is a small taxpayer (i.e. taxpayer whose value of sales revenue – including the amount of VAT due – did not exceed in the previous fiscal year, the amount corresponding to the equivalent of EUR 2 million, expressed in PLN) or
- started its business activity, if the establishment of the company was not a result of transformation or merger (in the first tax year

The lower rate does not apply to tax capital groups and as a result of certain restructuring operations (mergers, contribution of a going concern etc.).

The preferential rate – 5 % of the tax base – apply to income from qualified intellectual property rights created, developed or improved by a taxpayer as part of his R&D activities, e.g.: the rights to an invention (patents), additional protective rights for an invention, the rights for the utility model etc. The tax rate on the qualified income obtained by a taxpayer from the intellectual property rights amount to 5 % of the tax base. The tax base is calculated as the sum of income from qualified intellectual property rights in a given tax year.

Also under Polish tax regulations there is a 'minimum income tax level' for taxpayers holding substantial real estate, which has initial value over PLN 10 million. The minimum threshold of PLN 10 million is applicable to a whole portfolio of buildings possessed by a given taxpayer. 'Minimum tax' is payable monthly at 0.035% of excess of the initial value of the building over PLN 10 million (0.42% annually). Consequently, tax will be due regardless of the level of actual income derived by the taxpayer. This minimum tax can be set-off against CIT if CIT is higher.

Tax rates applicable to Lumel S.A.

The 19% tax rate is applicable to Lumel S.A. in relation to its business activities.

2. **Details of any special income-tax incentives, benefits, and additional tax deductions, that Lumel S.A. i) is entitled to claim; and ii) is claiming in its income-tax returns in Poland.**

<u>Relief from tax liabilities under Tax Code</u>

The tax authority at the request of the taxpayer may, subject to the provisions of Article 67b of the Tax Ordinance, in cases justified by the important interest of the taxpayer or the public interest:

- defer the date of payment of the tax or
- spread the tax payment into instalments;
- postpone the date of payment of tax arrears with interest on arrears or interest;
- spread the payment of a tax arrear with default interest or interest into instalments;
- write off, in whole or in part, the tax arrears, interest on arrears or a prolongation fee.

<u>Brief description of tax incentives, benefits and additional tax deduction in Polish CIT</u>

Polish tax regulations provides for a number of CIT exemptions. For instance, investment funds, pension funds, public service organisations, church organisations and special economic zone companies are exempt from tax upon meeting appropriate requirements. Furthermore, CIT does not apply to agricultural business, with the exception of income from special departments of agricultural production.

Tax reliefs in Poland:

1. R&D tax credit (art. 18d of the CIT Act relief allows for deduction of 200% of R&D costs – firstly the costs are deducted as operating costs (100%), secondly they are deducted from the tax base (revenue), also 100%.))
2. Prototype tax relief (Deduction of 30% of costs incurred for the production or preparation of the production of a new product. Can be deducted up to a total amount not exceeding 10% of income.)
3. Robotics tax relief (additional deduction of 50% of eligible investment costs from the tax base.)
4. Relief for innovative employees (entities holding the R&D relief not deducted in an earlier year are entitled to deduct it from the advance payments for income tax deducted monthly from the salaries of selected employees. The condition is the participation of a given employee in R&D works for at least 50% of his working time in a given month.)
5. Venture capital relief (the investor has the right to deduct the investment costs from his income on entry up to 50% of the investment amount. He will deduct this amount from his income, up to a maximum of PLN 250,000.)

6. Expansion relief (expenses for business expansion - developing business and finding new markets can be deducted twice - once as tax deductible costs, and the second time as relief in the amount up to PLN 1 million.)
7. IPO relief (inclusion in the tax account of 150% of expenses directly related to entering the stock exchange (expenses on the preparation of the prospectus, notary, court, fiscal and stock exchange fees, and expenses on the preparation and publication of announcements required by law. Deduction of an additional 50% of expenses for advisory, legal and financial services directly related to the issue (max. PLN 50,000 excluding VAT)).
8. Consolidation relief (allow taxpayers obtaining revenue other than from capital gains to deduct qualified expenditures for the acquisition of shares in companies from their CIT tax base, up to the amount of the taxpayer's income in a tax year other than capital gains. The deduction cannot exceed PLN 250,000 in a tax year.)
9. Sponsorship tax relief (that relief is available to entrepreneurs when they engage in CSR (Corporate Social Responsibility) activities. the cost of CSR activities undertaken can be later deducted from the tax base in the total amount of 150% of the costs incurred, in the following scheme a. 100% of the amount allocated to the CSR initiative can be deducted as a tax-deductible cost, b. then 50% of the amount allocated to the CSR initiative will be eligible for a sponsorship discount.)

Other tax deductions:

1. Donations for the purposes of public benefit and to volunteer activity organisations up to a total amount not exceeding 10% of income (however, deductions may not be made for donations to: **a.** natural persons or **b.** legal persons or organisational units having no legal personality who carry on economic activity consisting in the production of electronic goods; fuel; tobacco; spirits, wines, beers, and other alcohol beverages containing over 1.5% alcohol; products made of noble metals or containing such metals; or incomes received from trading in such goods)
2. Donations for religious practice purposes can be deducted up to a total amount not exceeding 10% of income.
3. Donations for vocational education provided by public vocational schools can be deducted up to a total amount not exceeding 10% of income.

<u>Possible Special Tax benefits applicable to Lumel S.A.</u>

Lumel S.A. benefits only from Research & Development tax relief under art. 18d of the Polish CIT Act.

Lumel S.A. deducts the following costs within this relief: employee salary, materials and raw materials, depreciation charges on fixed assets and intangible assets.

Lumel S.A. does not benefit from other income deductions under Polish CIT Act.

Lumel S.A. does not carry out CIT-exempt activities in the special economic zone and on the basis of decision on support.

Lumel S.A. does not benefit from relief from repayment of tax liabilities.

3. Possible Special Tax implications with respect to dividends paid to shareholders.

According to art. 22.1. of the CIT Act, dividend paid to foreign shareholders (stockholders) are taxed at a rate of 19%.

However, two options are possible:

1. Full tax exemption on the basis of EU Directive 2011/96/EU (art. 22.4. of the Polish CIT Act);
2. Application of tax exemption / reduced tax rate from a Double Tax Treaty.

For the application of both of the aforementioned options, specific conditions set forth in the Polish CIT Act must be met.

In addition, in the case of dividend payments above PLN 2 million, the pay & refund mechanism introduced from 2022 will apply (for payments above PLN 2 million). In brief, that mechanism works in such a way that on the excess over PLN 2 million, the Polish company, as the tax remitter, must collect tax without applying an exemption or reduced tax rate.

Impact on Lumel S.A.

Lumel S.A. did not pay dividends to its shareholders in the last tax year.

However, if Lumel S.A. will make future dividend payments to foreign shareholders the conditions described above will apply.

4. Tax laws in relation to set off and carry forward of tax losses, along with its applicability to Lumel S.A., if any.

Brief description of Polish tax regulations

According to art. 7.5 of the CIT Act, tax loss may be deducted from income deriving from the given source of revenue during five subsequent tax years (loss carry-forward system). The deduction in a single year cannot exceed 50% of the value of the loss.

Also, taxpayer may deduct from the tax base once over the next five consecutive tax years up to PLN 5 million of the loss incurred. Any loss above this limit may be deducted in the other years, but no more than 50% of the loss incurred in the year for which it was reported.

There is no possibility to carry back tax losses in Poland.

Impact on Lumel S.A.

Lumel S.A. did not settle the loss in its tax return for the previous tax year.

If Lumel S.A. settles a loss in subsequent tax years, the rules described above will apply.

5. Tax laws applicable to the shareholders of Lumel S.A.(taxability of capital gains, dividend income, etc.).

According to art. 22.1. of the CIT Act, capital gains (e.g. dividends) are taxed under a flat rate of 19%.

6. Details of any special incentives, benefits or exemption that Lumel S.A. i) is entitled to claim; and ii) is claiming in their returns or otherwise in Poland from indirect tax law perspective (i.e. VAT, Excise tax, Duty and Customs/Import Duty etc.).

VAT

Lumel S.A. resold (re-invoiced) VAT-exempt services, i.e. medical package services.

Lumel S.A. does not benefit from other VAT exemptions / reliefs under Polish VAT Act (e.g. company does not take advantage of the bad debt relief allowing to adjust VAT when a contractor does not pay an invoice on time).

Excise tax

Lumel S.A. does not enjoy any exemptions provided by the Excise Tax Act.

Lumel S.A. does not benefit from any relief provided by the Excise Tax Act.

Duty and Customs / Import Duty

Lumel S.A. benefits only from customs exemption for electronics import.

Lumel S.A. does not benefit from any relief provided by the Duty/Customs regulations.

7. Details of any special/reduced VAT rate applicable to goods and services supplied by Lumel S.A.

Lumel S.A. uses the following reduced VAT rates in its business activity (other than regular 23%):

- 0% VAT rate - universal meters for measuring or checking voltage, current, resistance or power, without a recording device.
- 0% VAT rate – sea transport of goods, intra-community delivery of goods, export of goods. (according to Polish VAT Act in order to apply this rate, it is necessary to meet certain requirements and collect the appropriate documentation.)
- 8% VAT rate - photovoltaics and solar power system.

C. **<u>Possible Special Tax Benefits to Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością, Poland ("Lumel Alucast sp. z o.o.")</u>**

1. <u>Brief description of CIT tax rates in Poland</u>

Standard CIT rate in Poland is 19%.

However, the CIT rate of 9% can be applied for income other than capital gains if the taxpayer:

- is a small taxpayer (i.e. taxpayer whose value of sales revenue – including the amount of VAT due – did not exceed in the previous fiscal year, the amount corresponding to the equivalent of EUR 2 million, expressed in PLN) or
- started its business activity, if the establishment of the company was not a result of transformation or merger (in the first tax year).

The lower rate does not apply to tax capital groups and as a result of certain restructuring operations (mergers, contribution of a going concern etc.).

The preferential rate – 5 % of the tax base – apply to income from qualified intellectual property rights created, developed or improved by a taxpayer as part of his R&D activities, e.g.: the rights to an invention (patents), additional protective rights for an invention, the rights for the utility model etc. The tax rate on the qualified income obtained by a taxpayer from the intellectual property rights amount to 5 % of the tax base. The tax base is calculated as the sum of income from qualified intellectual property rights in a given tax year.

Also in Polish tax regulations there is a 'minimum income tax level' for taxpayers holding substantial real estate, which has initial value over PLN 10 million. The minimum threshold of PLN 10 million is applicable to a whole portfolio of buildings possessed by a given taxpayer. 'Minimum tax' is payable monthly at 0.035% of excess of the initial value of the building over PLN 10 million (0.42% annually). Consequently, tax will be due regardless of the level of actual income derived by the taxpayer. This minimum tax can be set-off against CIT if CIT is higher.

<u>Tax rates applicable to Lumel Alucast sp. z o.o.</u>

The 19% tax rate is applicable to Lumel Alucast sp.z o.o. in relation to its business activities.

2. **Details of any special income-tax incentives, benefits, and additional tax deductions, that Lumel Alucast sp. z o.o. i) is entitled to claim; and ii) is claiming in its income-tax returns in Poland.**

<u>Relief from tax liabilities under Tax Code</u>

The tax authority at the request of the taxpayer may, subject to the provisions of Article 67b of the Tax Ordinance, in cases justified by the important interest of the taxpayer or the public interest:

- defer the date of payment of the tax or

- spread the tax payment into instalments;
- postpone the date of payment of tax arrears with interest on arrears or interest;
- spread the payment of a tax arrear with default interest or interest into instalments;
- write off, in whole or in part, the tax arrears, interest on arrears or a prolongation fee.

<u>Brief description of tax incentives, benefits and additional tax deduction in Polish CIT</u>

Polish tax regulations provides for a number of CIT exemptions. For instance, investment funds, pension funds, public service organisations, church organisations and special economic zone companies are exempt from tax upon meeting appropriate requirements. Furthermore, CIT does not apply to agricultural business, with the exception of income from special departments of agricultural production.

Tax reliefs in Poland:

1. R&D tax credit (art. 18d of the CIT Act allows for deduction of 200% of R&D costs – firstly the costs are deducted as operating costs (100%), secondly they are deducted from the tax base (revenue), also 100%.))
2. Prototype tax relief (Deduction of 30% of costs incurred for the production or preparation of the production of a new product. Can be deducted up to a total amount not exceeding 10% of income.)
3. Robotics tax relief (additional deduction of 50% of eligible investment costs from the tax base.)
4. Relief for innovative employees (entities holding the R&D relief not deducted in an earlier year are entitled to deduct it from the advance payments for income tax deducted monthly from the salaries of selected employees. The condition is the participation of a given employee in R&D works for at least 50% of his working time in a given month.)
5. Venture capital relief (the investor has the right to deduct the investment costs from his income on entry up to 50% of the investment amount. He will deduct this amount from his income, up to a maximum of PLN 250,000.)
6. Expansion relief (expenses for business expansion (developing business and finding new markets can be deducted twice - once as tax deductible costs, and the second time as relief in the amount up to PLN 1 mln.)
7. IPO relief (inclusion in the tax account of 150% of expenses directly related to entering the stock exchange (expenses on the preparation of the prospectus, notary, court, fiscal and stock exchange fees, and expenses on the preparation and publication of announcements required by law. Deduction of an additional 50% of expenses for advisory, legal and financial services directly related to the issue (max. PLN 50,000 excluding VAT)).
8. Consolidation relief (allow taxpayers obtaining revenue other than from capital gains to deduct qualified expenditures for the acquisition of shares in companies from their CIT tax base, up to the

amount of the taxpayer’s income in a tax year other than capital gains. The deduction cannot exceed PLN 250,000 in a tax year.)

9. Sponsorship tax relief (that relief is available to entrepreneurs when they engage in CSR (Corporate Social Responsibility) activities. the cost of CSR activities undertaken can be later deducted from the tax base in the total amount of 150% of the costs incurred, in the following scheme a. 100% of the amount allocated to the CSR initiative can be deducted as a tax-deductible cost, b. then 50% of the amount allocated to the CSR initiative will be eligible for a sponsorship discount.)

Other tax deductions:

1. Donations for the purposes of public benefit and to volunteer activity organisations up to a total amount not exceeding 10% of income (however, deductions may not be made for donations to: **a.** natural persons or **b.** legal persons or organisational units having no legal personality who carry on economic activity consisting in the production of electronic goods; fuel; tobacco; spirits, wines, beers, and other alcohol beverages containing over 1.5% alcohol; products made of noble metals or containing such metals; or incomes received from trading in such goods)
2. Donations for religious practice purposes can be deducted up to a total amount not exceeding 10% of income.
3. Donations for vocational education provided by public vocational schools can be deducted up to a total amount not exceeding 10% of income.

Possible Special Tax benefits applicable to Lumel Alucast sp. z o.o.

Lumel Alucast sp. z o.o. benefits only from Research & Development tax relief under art. 18d of the Polish CIT Act. Lumel Alucast sp. z o.o incurs the following types of costs related to the relief: employee salary, depreciation charges on fixed assets and intangible assets.

Lumel Alucast sp. z o.o. does not benefit from other income deductions under Polish CIT Act.

Lumel Alucast sp. z o.o. does not carry out CIT-exempt activities in the special economic zone and on the basis of decision on support.

Lumel Alucast sp. z o.o. does not benefit from relief for repayment of tax liabilities.

3. Possible Special Tax implications with respect to dividends paid to shareholders.

According to art. 22.1. of the CIT Act , dividend paid to foreign shareholders (stockholders) are taxed at a rate of 19%.

However, two options are possible:

1. Full tax exemption on the basis of EU Directive 2011/96/EU (art. 22.4. of the Polish CIT Act);
2. Application of tax exemption / reduced tax rate from a Double Tax Treaty.

For the application of both of the aforementioned options, specific conditions set forth in the Polish CIT Act must be met.

In addition, in the case of dividend payments above PLN 2 million, the pay & refund mechanism introduced from 2022 will apply (for payments above PLN 2 million). In brief, that mechanism works in such a way that on the excess over PLN 2 million, the Polish company, as the tax remitter, must collect tax without applying an exemption or reduced tax rate.

Impact on Lumel Alucast sp. z o.o.

Lumel Alucast sp. z o.o. paid dividends to its shareholders in the last tax year, and applied the exemption for that dividend payment.

4. Tax laws in relation to set off and carry forward of tax losses, along with its applicability to Lumel entities, if any.

Brief description of Polish tax regulations

According to art. 7.5 of the CIT Act, tax loss may be deducted from income deriving from the given source of revenue during five subsequent tax years (loss carry-forward system). The deduction in a single year cannot exceed 50 per cent of the value of the loss.

Also, taxpayer may deduct from the tax base once over the next five consecutive tax years up to PLN 5 million of the loss incurred. Any loss above this limit may be deducted in the other years, but no more than 50% of the loss incurred in the year for which it was reported.

There is no possibility to carry back tax losses in Poland.

Impact on Lumel Alucast sp. z o.o.

Lumel Alucast sp. z o.o. did not settle the loss in its tax return for the previous tax year.

If Lumel Alucast sp. z o.o. settles a loss in subsequent tax years, the rules described above will apply.

5. Tax laws applicable to the shareholders of Lumel Alucast sp. z o.o. (taxability of capital gains, dividend income, etc.).

According to art. 22.1. of the CIT Act, capital gains (e.g. dividends) are taxed under a flat rate of 19%.

6. Details of any special incentives, benefits or exemption that Lumel Alucast sp. z o.o. i) is entitled to claim; and ii) is claiming in their returns or otherwise in Poland from indirect tax law perspective (i.e. VAT, Excise tax, Duty and Customs/Import Duty etc.).

VAT

Lumel Alucast sp. z o.o. does not benefit from any VAT exemptions.

Lumel Alucast sp. z o.o. does not benefit from any relief provided by the VAT Act.

Excise tax

Lumel Alucast sp. z o.o. uses products exempt from excise tax (gas products).

Lumel Alucast sp. z o.o. does not benefit from any relief provided by the Polish Excise Tax Act in Poland.

Duty and Customs / Import Duty

Lumel Alucast sp. z o.o. does not benefit from any Duty/Customs exemption under Polish regulations.

Lumel Alucast sp. z o.o. does not benefit from any relief provided by the Duty/Customs regulations.

7. Details of any special/reduced VAT rate applicable to goods and services supplied by Alucast sp. z o.o.

Lumel Alucast sp. z o.o. uses the following reduced VAT rates in its business activity (other than regular 23%):

- 0% VAT rate –intra-community delivery of goods, export of goods (according to Polish VAT Act in order to apply this rate, it is necessary to meet certain requirements and collect the appropriate documentation.)

For and on behalf of the Board of Directors of
Rishabh Instruments Limited

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date: 29 December, 2022

Appendix I

Certified auditors of the Material Subsidiaries of the Company

BDO spółka z ograniczoną odpowiedzialnością sp.k.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from "Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India" dated December 14, 2022 ("**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**") and exclusively commissioned by and paid for by us pursuant to an engagement letter dated May 19, 2022. A copy of the F&S Report is available on the website of our Company at https://rishabh.co.in/uploads/Investor_Relations/Industry%20Report%20Rishabh%20Instruments%20Ltd.pdf .The data included herein includes excerpts from the F&S Report and may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See also, "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**" on page 56. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

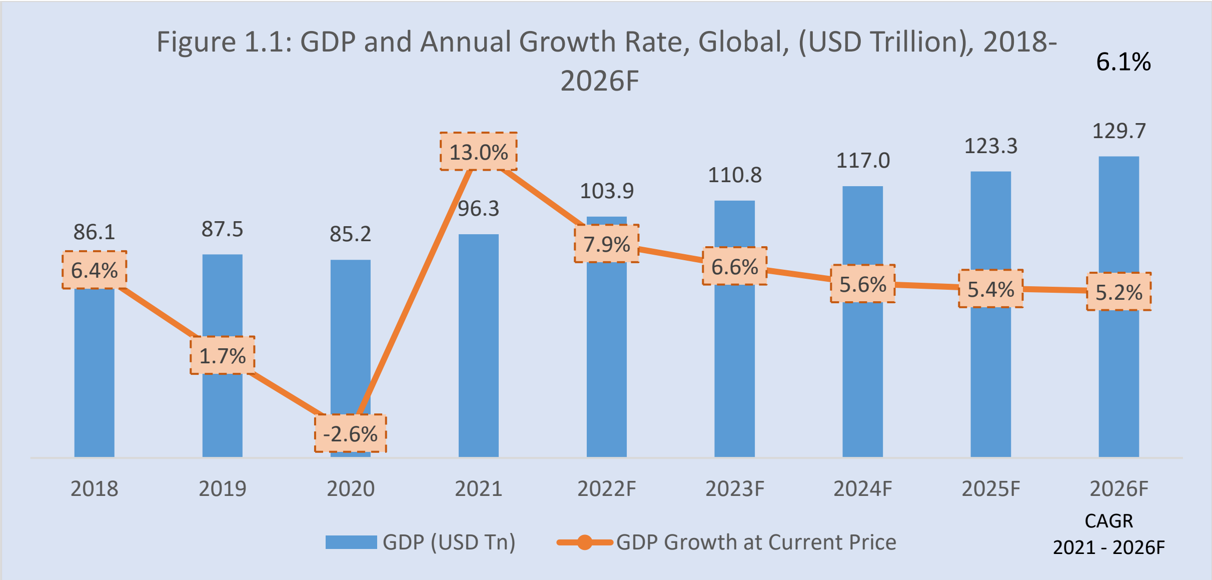
F&S has prepared the F&S Report through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts and compiling inputs from publicly available sources, including official publications and research reports. The estimates provided by F&S and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain, however, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

MACROECONOMIC OUTLOOK

Overview of the Global Macro Economy

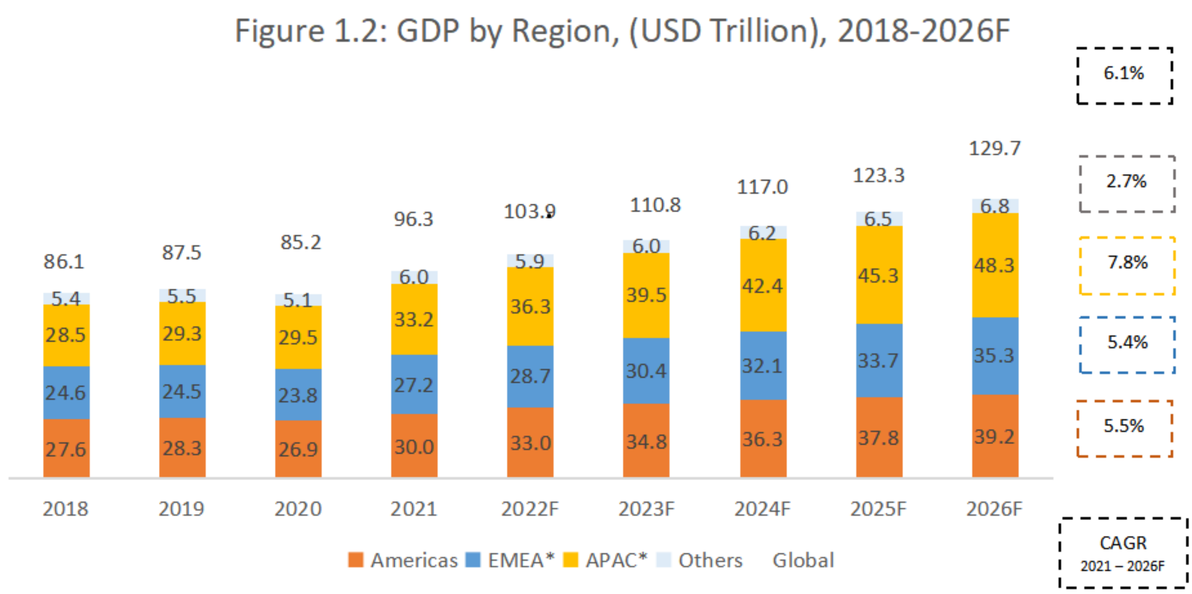
The global economy witnessed significant stress in the last three years due to extended trade conflicts, lower investments, geopolitical tensions, and the COVID-19 pandemic.

In 2021, the global gross domestic product (GDP) bounced back at an unprecedented annual growth rate due to a surge in consumer demand and the release of funds for the stagnated investments caused by pandemic related uncertainties. In 2022 and 2023, the International Monetary Fund (IMF) expects the GDP to grow but at a lower rate than its January 2022 forecast primarily because of the economic slump created by the Russia-Ukraine war, ongoing supply chain issues, and higher commodity prices (an indicator of inflation). Assuming no further disruption but considering 2022's economic issues including increasing repo rates, a weakening Chinese economy and realignment of global trade, annual growth beyond 2023 will stabilize in the 5% to 6% range.



Source: IMF, World Economic Outlook, 2022; Frost & Sullivan Analysis
Note: F is Forecast estimate. GDP Growth is calculated Year-on-Year

Even though growth normalizes to pre-pandemic levels, growth beyond 2023 is marginally lower compared to pre-pandemic performance because of economic issues in 2022 such as increasing repo rates, weakening Chinese economy, and re-alignment of global trade. These issues have overall affected the long-term growth prospects, albeit with a marginal impact.



Source: IMF, World Economic Outlook, 2022; Frost & Sullivan Analysis
*Note: GDP is in USD trillion at current price; **EMEA includes 27 countries of the European Union, the United Kingdom, the Middle East, and Africa; *APAC includes 30 countries of emerging and developing Asia (including China and India), Japan, Australia, and Taiwan. Others include countries that are not accounted for in **EMEA, and *APAC indicates forecast estimate. F indicates forecast estimate.*

Impact of COVID-19 and the Russia-Ukraine War

The pandemic caused supply chain disruptions, labor shortages, sluggish demand, and a decline in exports. Many companies in 2020 cut jobs, reduced salaries and delayed payments, which affected the larger economy as consumers spent less. The travel, hospitality, banking, construction, and manufacturing industries and African and Latin American countries that rely on material and energy exports were especially hard hit.

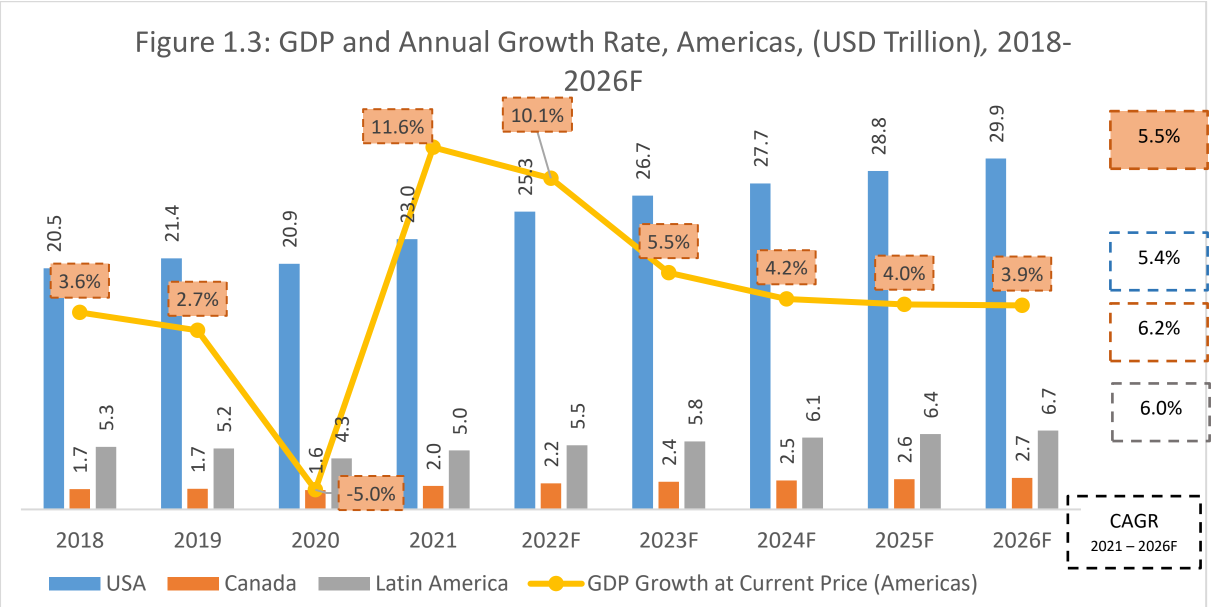
As vaccine rollouts began and people adapted to social distancing and rigorous hygiene practices in 2021, the economy began to recover Russia's invasion of Ukraine in early 2022, however, has had repercussions on trade, supply chains, food security and inflation. Lower business and consumer confidence undermines global growth, slowing the pace of recovery. Russia and Ukraine are leading suppliers of wheat, oil and gas, neon and palladium that are vital for semiconductor fabrication.

Even though certain regional economies stand to benefit, the large-scale negative impact stemming out of trade and supply disruptions is inevitable. Hence the global GDP is now expected to grow only 3.6% (GDP growth at constant price) in calendar year 2022, against the pre-war projection of 4.4%.

Economic Outlook by Region

Americas

The Americas, which includes North and South America, is the second-largest regional economy. Its GDP was USD 30.0 trillion in 2021. The United States, the region's largest economy, contributed USD 23.0 trillion. Latin American countries' combined GDP was USD 5.0 trillion, and Canada's was USD 2.0 trillion. Year-over-year growth was due to a resurgence of consumer demand and improved industrial output. Beyond 2022, growth will return to pre-pandemic levels.



Source: IMF, World Economic Outlook, 2022; Frost & Sullivan Analysis
Note: GDP is in USD trillion at current price. F is forecast estimate. GDP growth rate is calculated Year-on-Year

United States

The US economy grew 4.1 % in 2019 but contracted 2.2% in 2020—a decline that was worse than the economic recession of 2009. In 2021, a rebound with 10.1% growth was in line with global trends of heightened consumer demand and investments to expand domestic production. Federal stimulus packages provided additional relief for businesses and consumers. Unemployment rates declined significantly in 2021, household expenditure has been rising gradually since April 2021, and retail and housing sales have gathered pace and exceeded pre-pandemic levels. Beyond 2021, the US economy is expected to grow at a CAGR of 5.5% up till 2026.

Impact of COVID-19 and the Russia-Ukraine War

The United States became the epicenter of the pandemic with highest number of reported cases and deaths of any country in the world. The US Bureau of Labor Statistics found that the unemployment rate almost tripled between Q4 2019 and Q2 2020, increasing from 3.6% to 13%, as a result of initial lockdowns. By Q4 2020, the unemployment rate dropped back to 6.7% because of a slew of federal economic measures that continued into 2021. Fiscal policies and widespread vaccinations helped the economy grow by 10.1% in 2021—the fastest rate since 1984. While small businesses will have a longer road to recovery, the services sector, construction, retail, trade, management companies and enterprises, real estate, technical services and healthcare are propelling economic recovery.

The effects of Russia-Ukraine war is rippling through the economy. In response to rising inflation, the Federal Reserve is considering additional interest rate increases even if it slows the economy. On the other hand, the country stands to benefit from the reorientation and diversification of global gas trade flows.

Latin America

Latin America consists of Mexico, Central and South American countries and Caribbean countries. The region's GDP witnessed high growth in 2010 after the end of the Great Recession but it has slowed since then and was struggling even before COVID-19 hit, with year-over-year declines in 2016 and 2019 and a further 16.4% decline in 2020 because of the pandemic. In 2021, the regional economy bounced back with a 15.4% growth rate and even higher growth in Argentina (25.5%), Chile (25.4%), Colombia (16.2%), and Peru (21.5%). Brazil's economy grew 11.0% for the year.

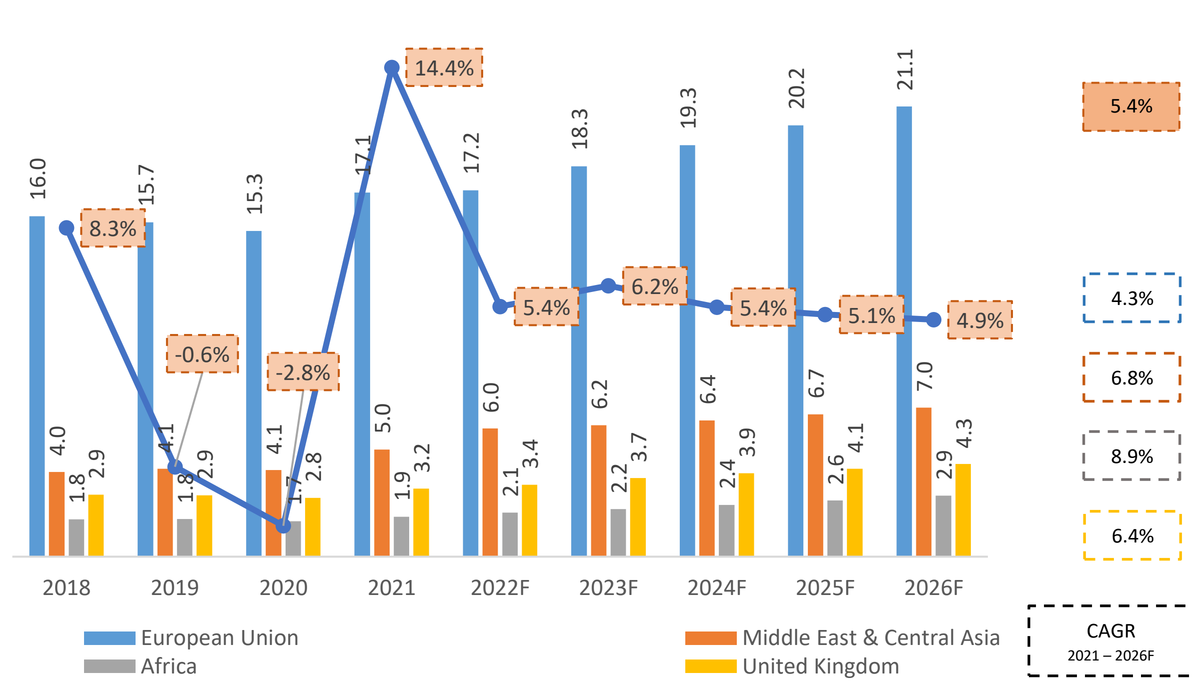
The GDP is poised to grow at a CAGR of 6.0% from 2021 to 2026 and reach USD 6.7 trillion. Exports and investments will be the key growth drivers but high inflation rates will affect low-income households and be exacerbated by a high level of income inequality and the erosion of income among the poor.

Europe, the Middle East and Africa

Europe

The European economy is shaped by the European Union and the European Free Trade Association, creating a trade bloc of European countries. The union helped the European economy recover after the 9/ 11 terrorist attacks in the United States in 2001. The Great Recession in 2008 also affected Europe's economy; it started to recover in 2010 but struggled to grow beyond its size in 2008, and experienced growth fluctuations. Its GDP stood at USD 18.6 trillion in 2019 but declined by 2.7% in 2020 because of the COVID-19 pandemic.

Figure 1.4: GDP and Annual Growth Rate, EMEA, (USD Trillion), 2018-2026F



Source: IMF, World Economic Outlook, 2022; Frost & Sullivan Analysis
Note: EMEA numbers include 27 countries in the European Union, Middle East (including Central Asia), and Africa, GDP is in USD trillion at current price, F is forecast estimate. GDP Growth rate is calculated Year-on-Year.

The European Union and United Kingdom have adopted various trade control measures since the pandemic began such as export bans, notification requirements for exports and the power to seize goods to ensure the availability of essential items including medicine and medical equipment. Additionally, EU region has been experiencing a low production due to decreasing labor productivity. As a response, European companies have started redesigning production facilities and embracing innovative business models to revive productivity. In 2021, the economy rebounded with annual GDP growth of 11.9%. Beyond 2021, the European economy is anticipated to grow at pre-pandemic levels.

Middle East and Africa

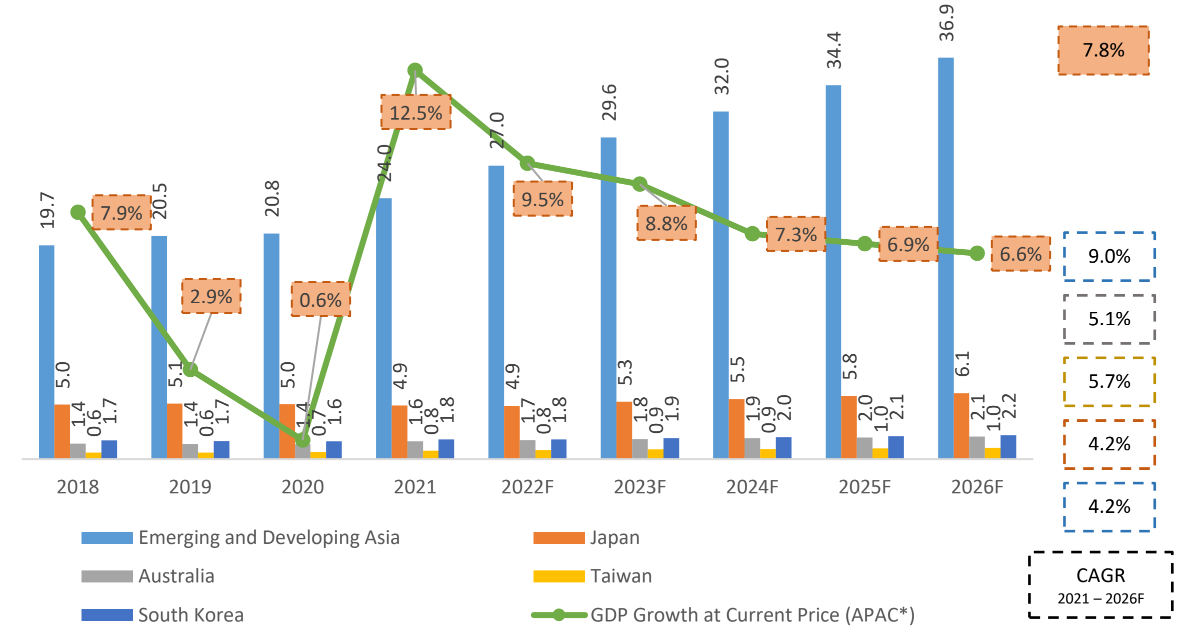
The Middle Eastern economy primarily is based on energy, banking, cotton, dairy, textiles, medical instruments, defense equipment and oil-related equipment. Iraq, Saudi Arabia, the United Arab Emirates and Kuwait predominantly generate revenue from oil exports. Social unrest and high unemployment in parts of the region hamper economic growth. The Middle East's GDP grew at a 3.5% CAGR from 2015 to 2019 and peaked at USD 4.1 trillion in 2019. In 2020, GDP declined 1.5% because of the pandemic but the following year rebounded by 23.8% as trade recovered. In 2022 and beyond, growth rates will stabilize as demand for energy and commodities aligns with global demand.

The African economy runs primarily on the trading of natural resources, commodities and agriculture products. Its GDP is one of the fastest growing in the world, driven by infrastructure investments, improving literacy and competitive labor costs. Infrastructure investments are particularly directed toward transportation, energy, communication technologies and water supply. A booming middle-class population leads to increased consumerism. As the initial shock of the pandemic receded in 2021, the region registered 12.5% annual GDP growth. The effects of the Russia-Ukraine war and inflation are expected to slow 2022 growth only slightly to 10.3%. The region is projected to stabilize and grow at an 8.9% CAGR from 2021 to 2026. Social unrest, corruption, health challenges and lack of good governance dampens economic growth are key factors that hinder a higher growth rate in the region.

Asia-Pacific

The region includes 30 countries of emerging and developing Asia (including China and India), Japan, Australia and Taiwan. Its economy is poised to grow faster than any other region in the world primarily because of the large and favorable population demographic, increasing urbanization, and movement toward digitalization. The APAC economy witnessed and average growth of 5.4% between 2017 and 2019. In 2020, APAC economic growth dropped to 0.6% because of COVID-19's effect on business operations. Even though growth slowed in 2020, the region performed better than the Americas and EMEA.

Figure 1.5: GDP and Annual Growth Rate, APAC, (USD Trillion), 2018-2026F



Source: IMF, Asia and Pacific: Regional Economic Outlook, 2022; Frost & Sullivan
Note: APAC numbers represented above includes 30 countries in Emerging and Developing Asia (including China and India), Japan, Taiwan, and Australia. F is for forecast estimate. GDP is at current price. GDP growth is calculated Year-on-Year

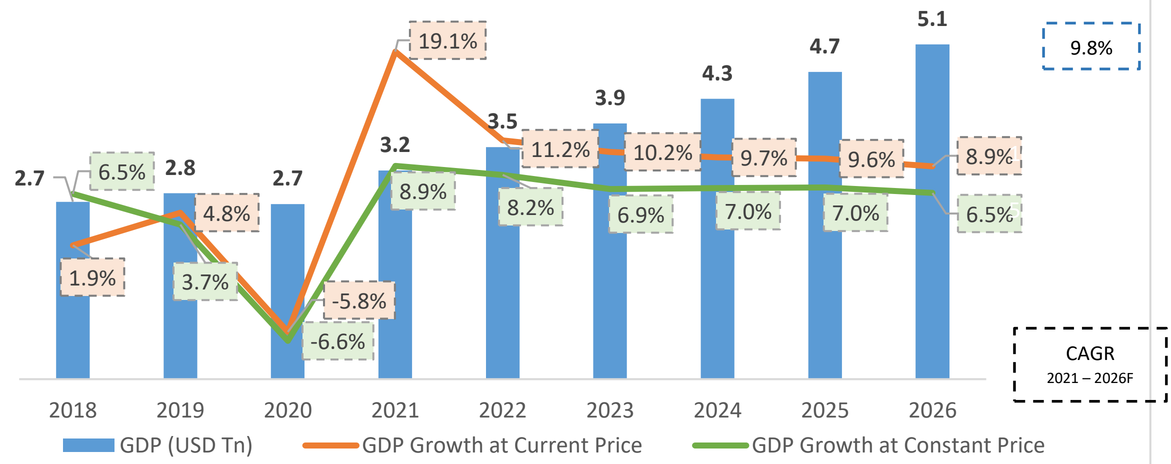
The projected 2021-2026 GDP CAGR of 7.8% will be primarily driven by emerging and developing economies including China, India, Southeast Asia (Thailand, Vietnam, Indonesia, Malaysia, Cambodia)–and South Asia - these regions' GDP is anticipated to grow at 9%. On the other hand, advanced economies of Asia including Australia, New Zealand, Japan, Taiwan, Korea and Singapore are anticipated to grow 5-6% in the next 5 years.

India

The Indian economy grew moderately at 3.3% between 2017 and 2019. As the government took measures to counter the slowdown, COVID-19 wreaked havoc in 2020 resulting in a 5.8% contraction. The unemployment rate exceeded 20% in April and May 2020 and individual income dropped by more than 40% during this period. Private consumption, the mainstay of aggregate demand, was severely affected. The National Statistics Office estimated that private final consumption expenditure contracted 9.0% in 2020-21, reflecting the impact of a nationwide lockdown and social distancing measures; heightened uncertainty as a result of job losses; closures of small, micro and unincorporated businesses and wage resets.

The country, however, has shown tremendous resilience. Macroeconomic indicators started improving in Q3 2020. The medium-term growth outlook is positive, with 8.9% GDP growth (at constant price) in 2021 and a projected 8.2% (at constant price) in 2022. The healthy growth is attributed to strong macroeconomic fundamentals including moderate inflation, implementation of key structural reforms and improved fiscal policies. Among all large economies, India is likely to demonstrate rapid and sustainable growth post COVID-19, driven by manufacturing-led industrial expansion and private sector consumption. The manufacturing sector's GDP contribution increased from 16% to more than 18% in the past 10 years, bolstered by the Make in India campaign and sector-specific initiatives to make India a global manufacturing destination.

Figure 1.6: GDP and Annual Growth Rate, India, (USD Trillion), 2018-2026F



Source: IMF, World Economic Outlook 2022; Frost & Sullivan Analysis. Note: GDP is at current price. F is forecast estimate. GDP Growth is calculated Year-on-Year

In line with the global focus on sustainability, India has stepped up its efforts to lower emissions and use more renewable energy. India is a signatory to the Paris Agreement, which requires at least 40% of its energy to be from renewable sources by 2030. By end of 2030, India targets 500 GW from renewable sources, out of which 300 GW is planned to come from solar sources with rooftop solar contributing about 40 GW. To achieve this target, the Ministry of Renewable Energy launched several schemes and introduced policy measures such as renewable purchase obligations (RPOs) with mandates on increasing renewable sources' contribution to power distribution. The solar inverters market is expected to grow from USD 780.1 million in 2020 to USD 945.4 million in 2025 at a 3.9% CAGR.

The Indian automotive industry will join forces on sustainability initiatives. Automakers are creating separate electric vehicle (EV) business units to be prepared for higher demand. India will increase charging infrastructure and introduce more safety regulations and standards. Frost & Sullivan estimates that electric 4-wheeler sales will increase at a CAGR of 75.5% from 2019 to 2025, and electric 2-wheeler sales at a CAGR of 87.3% in the same period.

Impact of COVID-19 and the Russia-Ukraine War

India's nationwide lockdown was much more strict than most of its Western counterparts. Its economy contracted more than most countries in the world—23.9%—in Q2 2020, but it remains resilient. The *Atmanirbhar Bharat* or Self-Reliant India initiative has found traction among industries. Higher consumer and industrial demand resulted in record growth of 20.1% in Q2 2021 compared with the same quarter of 2020.

The expected GDP growth rate (at constant price) for 2022 was reduced by 1% because of the Russia-Ukraine war and stands at 8.1%. The immediate impact on India was rising inflation caused by higher petrol and diesel prices. Given that India imports about 80% of its oil, the increase in oil price has had an adverse effect on the entire economy. To tackle the issue, India has worked on various trade policies such as a rupee-ruble payment system for Russian oil and gas and adapting to digital currency to facilitate trade payments. The India-Japan clean energy partnership signed in March 2022 will prioritize clean tech development to foster the growth of renewables and green transportation over the medium term to enhance energy security. India also has increased wheat exports to fill the supply gap from Russia and Ukraine, the largest grain exporters in the world. These swift responses will help the country limit a negative impact.

OVERVIEW OF SEGMENTS

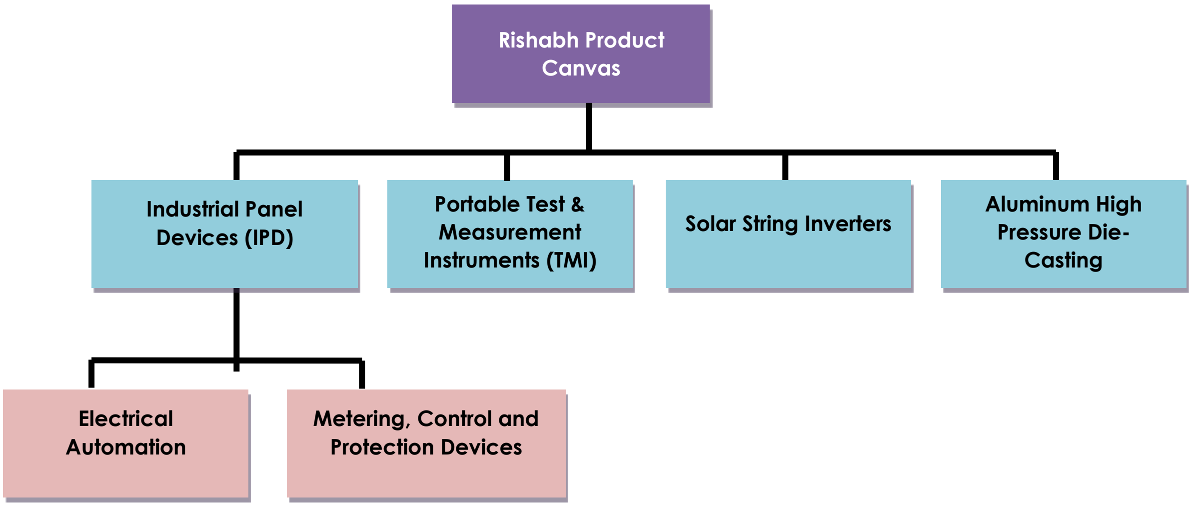


Figure 2.1: Rishabh Instruments' Product Segments

Industrial Panel Devices (IPD) are mainly used in different type of panels like PCC, MCC, Automation Panel, Power Factor Correction panel, Distribution Panel etc. to measure and control the standard signals like Electrical signals, Electro-mechanical signals, Digital and Analog type of signals, Process Signals etc., and protect the overall system. The various types of measured signals can be monitored via different devices like Analog/Digital Panel Meters, Multi-Function Meters, Current Transformers, Power Factor Controllers, Transmitters, Temperature Controllers etc. and the system protection can be ensured by devices like Protection relays. The main function of IPDs is to measure, record, analyze different type of signals and to protect and control the complete electrical system or processes. IPDs provide system transparency and integration, and remote system monitoring and control along with necessary protection to maintain the overall safety of the installation and operating personnel. IPD is categorized into two product segments.

a) **Electrical Automation** – A complex electrical network requires complete integration of various signals to build an intelligent system and to automate the overall operation. This integration and automation work is done by system integrators. The main function of system integrators is to collect the various types of signals from the multiple devices like Transmitters, Temperature Controllers, Electrical Transducers, integrate them, and automate the whole system. The electrical automation products are used by these system integrators mainly for collection of signals. The panels built by these system integrators are called "Automation panels." The Electrical Automation Market caters to a wide variety of customer segments like Processing industry (Cement, Chemicals), FMCG, Power utilities (Generation, Transmission, Distribution) etc.

b) **Metering, Control and Protection Devices** – The Metering, Control and Protection Devices, such as Analog/Digital Panel Meters, Multi-Function Meters, Current Transformers, APFC relays, Protection relays etc. are used in centralized system to measure, control, record, analyze, and protect the electrical system. The centralized system comprises of PCC (Power Control Centre), MCC (Motor Control Centre) and APFC (Automatic Power Factor Control Centre) etc. The system mainly monitors the Electrical Power Distribution Network, Performance of electrical Motors and Power Factor Correction in the electrical network and provides necessary protections. These types of panels are mainly used in Power utilities (Generation, Transmission, Distribution), Railways, OEMs (Transformer, Motor, Cables, etc.), Processing industries, Manufacturing Industries, Pharmaceuticals Industries, DG Set Manufacturer etc. The Metering, Control and Protection Devices are mainly mounted on the front side of the panel or inside the panel to provide the necessary functionality.

c) **Portable Test & Measurement Instruments (TMI)** are used to measure the electrical parameters of wide-ranging industrial, utility and consumer products. These instruments are used to test and measure the various electrical parameters, e.g., voltage, current, power, etc. onsite. TMI largely include Hand-held as well as portable instruments such as Digital Multimeter, Clamp Meters, Insulation Testers, Earth Testers, Portable Power quality analyzers, etc. These instruments are basically used for maintenance and repairs by end users. They cater to a wide variety of customer segments like Power utilities (Generation, Transmission, Distribution), Railways, OEMs (Transformer, Motor, Cables, etc.) Defense, Processing industry, Service industries, Electrical Procurement and Constructions (EPCs), Electrical Contractors, etc.

d) **Solar string inverters** refer to the inverters connected in string formation with each row of a solar panel equipped with an inverter box that connects to the main grid. Inverters are classified into micro inverters, string inverters and central inverters. Micro inverters are typically limited to 300W-500W each and are suitable for only small installations of 1kW-2kW size. Central inverters are used for 105 MW scale ground mount PV projects but are now getting replaced by string inverters 175kW-255kW ratings because string inverters are easy to use, easy to service and flexible in installing near to the PV array. String inverters can be used for residential and medium-sized commercial solar PV installations. It is smaller in size than central inverters. This market is dependent on the adoption of renewable energy across the globe

e) **Aluminium High Pressure Die-Casting** is the process of creating aluminium alloy-based products by forcing the molten metal into a die casted mold cavity. Aluminium Die Casting is usually done with a cold chamber under high-pressure as aluminium alloys have lower melting point. High Pressure Aluminium Die Casting is particularly employed for high volume manufacturing for automotive components. The high pressure die casting tooling (or die casting mold) is generally made of hardened steel to withstand high pressure and temperature. The die usually consists of two halves with negative geometry of the part to create the form factor. This segment mainly caters Automotive, Automation, Heating and Cooling, Lighting and Oil & Pumps industries.

OVERVIEW OF INDUSTRIAL PANEL DEVICES (IPD)

Value Chain Analysis of Industrial Panel Devices/Portable Test & Measurement Instruments

Figure 3.1: Value Chain of the Industrial Panel Devices/Portable Test & Measurement Instruments

The key players in the Industrial Panel Devices/Portable Test & Measurement Instruments industry value chain are:

- *Raw material and component supplier*: IPD/Portable T&M companies procure raw materials and components required for manufacturing the equipment. Components such as chip sets, cables and other electronic components can be procured from local sources or imported.
- *Equipment Suppliers (Outsourced Equipment manufacturers)*: ESDM companies like Sanmina and Jabil support the design and manufacturing of components.
- *Original equipment manufacturers*: IPD/Portable T&M companies design and manufacture the equipment. Some outsourcing occurs. IPD/Portable T&M OEMs either directly sell to end users or sell through indirect sales channels consisting of integrators and distributors.
- *Integrators and distributors*: System integrators add more value and functionality for specific customer requirements. Distributors procure equipment from OEMs to provide last-mile sales to end users.
- *Service providers*: Examples include companies that provide Asset Management, Data analytics, Consulting, calibration and repair service, and financial solutions

In some product segments such as Electrical automation components; Metering, Control and Protection Devices; and Solar string inverters, service providers may directly procure from OEMs for bulk requirements. In such a case, the OEMs supply to service providers in addition to integrators and distributors. Online and E-commerce sales are also emerging as a new form of distribution.

A. Electrical Automation

Overview

Note: As part of this study, the scope of Electrical Automation includes Sensors and Transmitters, Field Instruments, Human-Machine Interface, Temperature controllers, Chart Recorders, Electrical Transducers, and I/O Converters.

A complex electrical network requires complete integration of various signals to build an intelligent system and to automate the overall operation. This work is done by various system integrators whose main function is to collect the various types of signals from the multiple devices like Transmitters, Temperature Controllers, Electrical Transducers, integrate them and automate the whole system. Rishabh Instruments supplies the products that are used in automating processes.

The market for electrical automation components is very mature globally. Electrical automation components are used to continuously monitor, analyze and take control of real-time field equipment such as motors, pumps and other manufacturing equipment. Digitization and Industry 4.0 initiatives are pushing every industry to transform their operations to become more efficient and flexible, thus positively affecting the electrical automation components market. The global electrical automation industry has experienced steady growth over the last four years. The global electrical automation market was valued at USD 139.1 billion in 2021 and is expected to grow at CAGR of 7.9% to reach USD 203.6 billion by 2026. India is forecasted to grow the fastest, driven by industrial end users.

The Indian market for industrial panel devices and electrical automation consists of end users from large, established automotive and food and beverage manufacturers and process industries such as oil and gas and steel mills. The rise of automation has been steady in the Indian market. Hence the demand for electrical automation components such as sensors, transmitters, field instruments and Human-machine interfaces has been steadily growing as manufacturers embrace automation to deliver products of global quality. The concept of the Industrial Internet of Things is widespread in India and manufacturers are aware of the gains of digitization, accelerating growth for the Indian electrical automation market. The Company, with its products such as I/O converters, IoT enable Transmitters, Dataloggers, FTP & HTTP inbuilt web-server based Chart Recorders, is well positioned to capitalise on this growth trend.

Overview of Global Electrical Automation Market

The global electrical automation market was valued at USD 139.1 billion in 2021 and is expected to grow at CAGR of 7.9% to reach USD 203.6 billion by 2026. Asia-Pacific is the fastest growing region and is expected to become the largest by 2026. The market push is expected to come from new building automation facilities, greenfield factories, and digitization initiatives in brownfield factories.

Figure 3.2: Electrical Automation Market Size and Growth Estimates, (USD Billion), Global, 2018-2026F

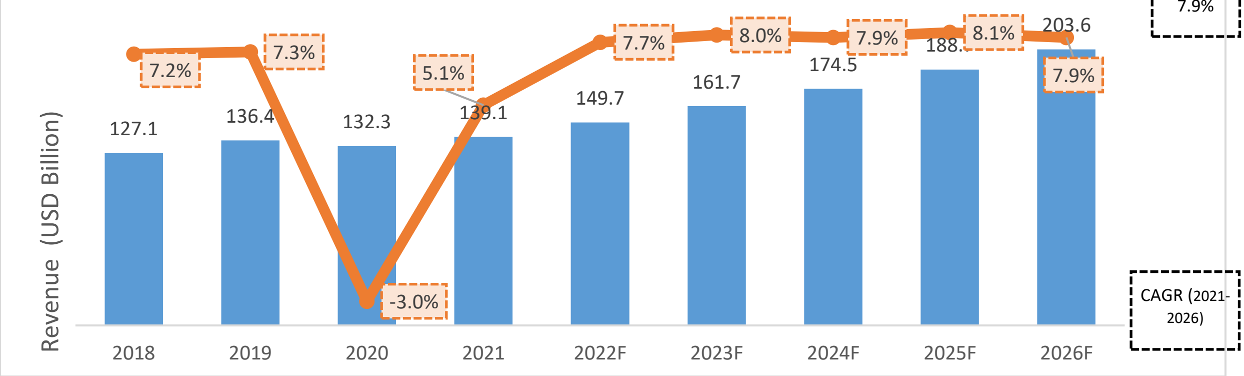


Figure 3.3: Electrical Automation Market Size and Growth Estimates by Region, (USD Billion), 2018-2026F

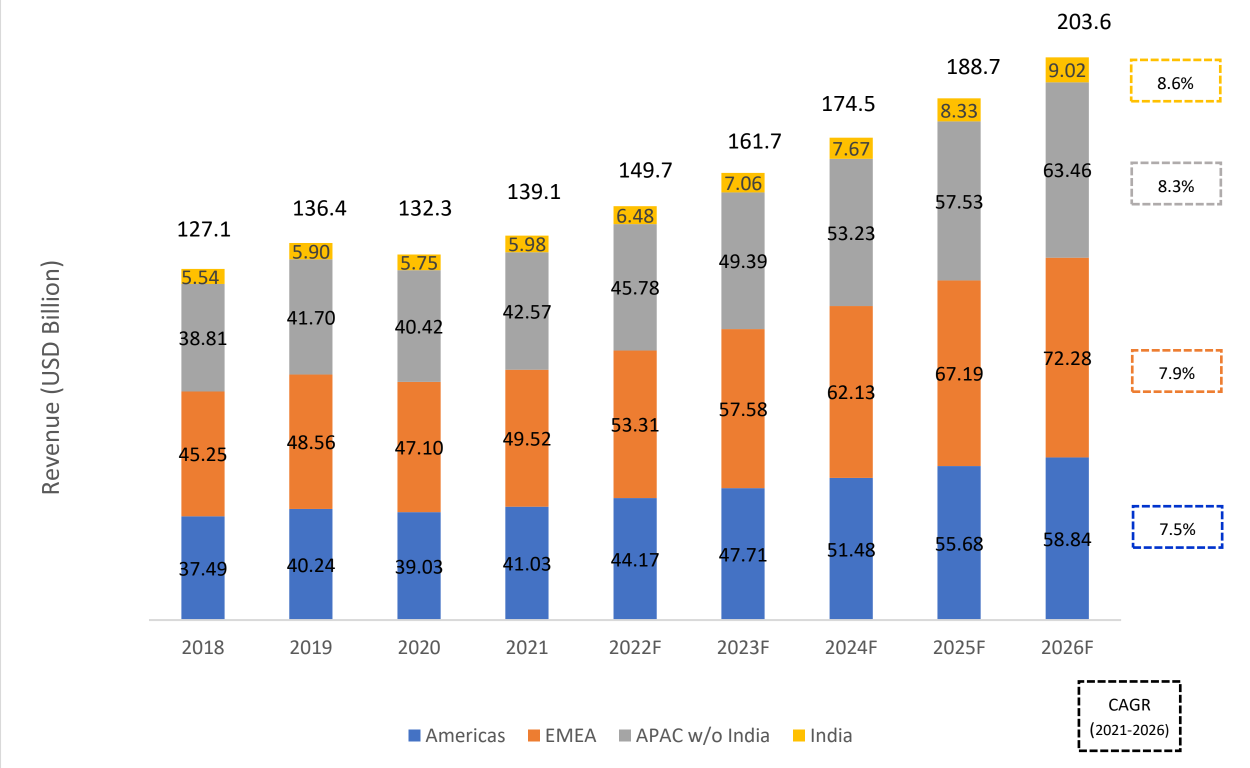
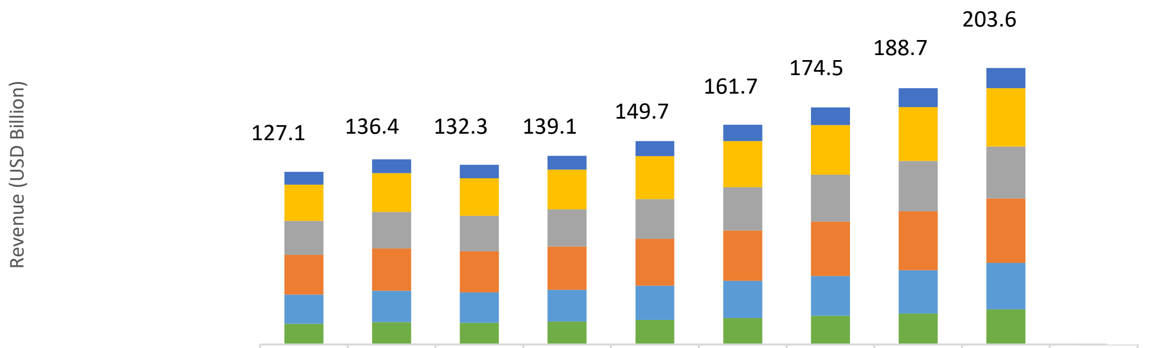


Figure 3.4: Electrical Automation Market Size and Growth Estimates by End User, Global, (USD Billion), 2018-2026F



	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	CAGR
Power Gen. & Dist., Labs	9.38	10.06	9.77	10.26	11.05	11.94	12.89	13.95	14.83	7.7%
Pharma., FMCG	26.74	28.68	27.82	29.23	31.48	34.02	36.73	39.73	42.91	8.0%
O&G, PetroChem., S&C	24.98	26.79	25.99	27.32	29.41	31.78	34.30	37.10	38.38	7.0%
Comm., CE,Semicon,BA	29.21	31.34	30.40	31.95	34.40	37.17	40.11	43.38	47.30	8.2%
Auto,Transp.&Def.	21.43	22.99	22.30	23.44	25.24	27.27	29.44	31.84	34.28	7.9%
Others	15.37	16.48	15.99	16.80	18.09	19.55	21.11	22.83	25.93	9.1%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Regional Overview

The Americas was the third-largest market in 2021 with a 29.5% share. Electrical Automation market in the Americas is projected to grow from USD 41.03 billion in 2021 to USD 58.84 billion in 2026 at a CAGR of 7.5%. The region is seeing a shift from product-to service-based business models in process industries. Hybrid industry revenue is expected to increase, driven by the adoption of remote monitoring solutions, directly driving the demand for electrical automation products. Investments in smart factories in North America will boost market growth during the forecast period. The automotive industry will primarily drive the Americas market with increasing investments in automation technologies.

EMEA, with a 35.6% market share, is the largest regional market. The market is estimated to grow from USD 49.52 billion in 2021 to USD 72.28 billion in 2026 at a CAGR of 7.9%. The region is at the forefront of industrial technology with Industry 4.0 initiatives. To tackle a lack of manpower, industries are turning to automation and digitization, which drives the demand for electrical automation components. Electrical automation in building automation and data centers is fast growing, with CAGRs of 8.5% and 7.9%, respectively.

APAC (without India) is the second-largest market, with a 30.6% share in 2021. Electrical Automation market in APAC w/o India is estimated to grow from USD 42.57 billion in 2021 to USD 63.46 billion in 2026 at a CAGR of 8.3% (the second-largest growth rate of any region). Investments will increase as organizations accelerate digital transformation, adding $1.16 trillion to the region's GDP and boosting yearly development rates by 0.8%. The region will gain a significant share in the digital manufacturing market with steady growth from the automotive and power generation industries. Building automation will be a high-growth market with a forecasted 14.1% CAGR due to construction of new smart buildings, smart cities and renovation of old commercial buildings to make them customer friendly, energy efficient and smart.

Total Addressable Market (TAM) for the Electrical Automation Market

Region	***Total Market Size, 2021 (USD Billion)***	***Estimated TAM, 2021 (USD Billion)***	***TAM as % of Total Market****	***Comments***
Global	139.1	49.38	35.5%	The Global TAM is expected to be driven by organizational investments

				in sustainable, smart assets, facilities and factories.
Americas	41.03	14.52	35.4%	Steady investments in sustainable factory set ups will increase demand for temperature controllers, chart recorders and electrical transducers in Americas.
EMEA	49.52	17.33	35%	A serious shortage of labor in EMEA is forcing companies to turn to automation and digitization, increasing demand for TAM products.
APAC excluding India	42.57	15.45	36.3%	Data centers and building automation are fast-growing end-user segments that are expected to increase demand for transducers, temperature controllers, chart recorders and I/O converters.
India	5.98	2.2	35.6%	Automotive and transportation, food, and beverage, FMCG, chemicals, and textiles are major end users for Electrical Automation products like temperature controllers, recorders, transducer and I/O converters

**Note: Total market includes Sensors and Transmitters, Field Instruments, Human-Machine Interface, Temperature controllers, Chart Recorders, Electrical Transducers, I/O Converters. TAM calculated for the following products: Temperature controllers, Chart Recorders, Electrical Transducers, I/O Converters*

Overview of Indian Electrical Automation Market

The Indian Electrical Automation market was valued at USD 5975.6 million in 2021 and is forecasted to grow at a CAGR of 8.6% to reach USD 9024.6 million by 2026. The market experienced a slowdown in 2020 due to the COVID-19 pandemic, but it has bounced back strongly and showcases a strong and positive outlook.

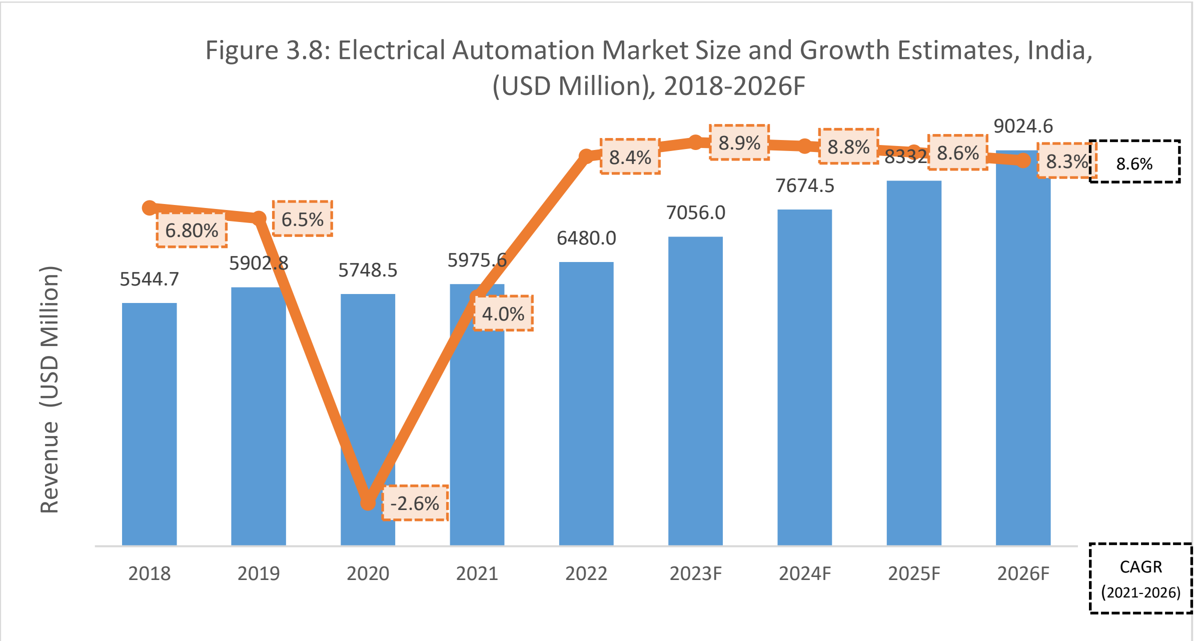
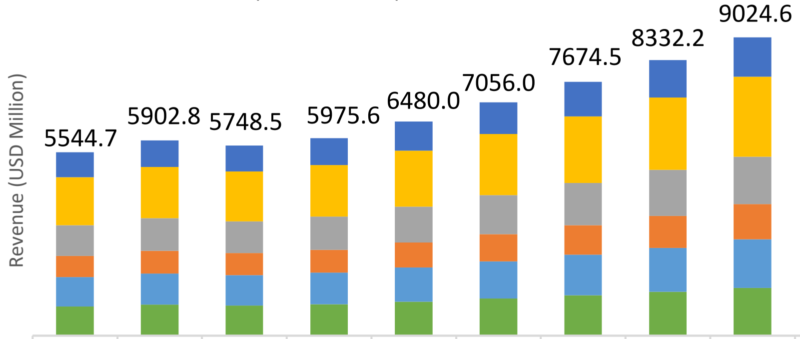


Figure 3.8: Electrical Automation Market Size and Growth Estimates, India, (USD Million), 2018-2026F

In India, Automotive and transportation, food and beverage, FMCG, chemicals and textiles are major end users. Steel, semiconductor and defense growth is less due to muted economic situation across the globe. Building automation and data centers are the emerging end-user segments. The push for localized manufacturing, development of IT infrastructure and home automation systems can be seen as driving factors for electrical automation components.

Figure 3.9: Electrical Automation Market Size and Growth Estimates by End User, India, (USD Million), 2018-2026F



	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	CAGR
Power Gen. & Dist., Labs	754.1	802.8	781.8	812.7	881.3	959.6	1043.7	1133.2	1191.2	7.9%
Pharma., FMCG	1452.7	1546.5	1506.1	1565.6	1697.8	1848.7	2010.7	2183.0	2418.6	9.1%
O&G, PetroChem., S&C	926.0	985.8	960.0	997.9	1082.2	1178.4	1281.6	1391.5	1439.4	7.6%
Comm., CE,Semicon,BA	643.2	684.7	666.8	693.2	751.7	818.5	890.2	966.5	1055.9	8.8%
Auto,Transp.&Def.	887.2	944.5	919.8	956.1	1036.8	1129.0	1227.9	1333.1	1475.5	9.1%
Others	881.6	938.6	914.0	950.1	1030.3	1121.9	1220.2	1324.8	1443.9	8.7%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Total Addressable Market (TAM) for the Indian Electrical Automation Market

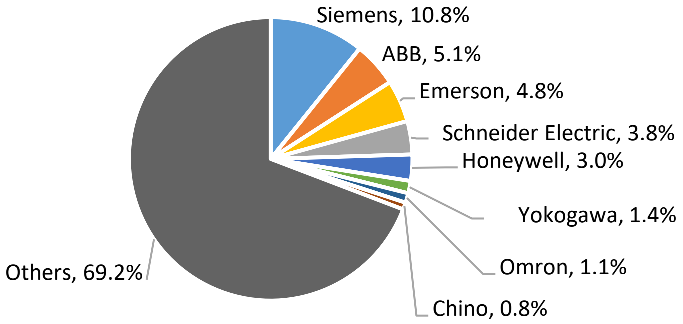
Total Market, 2021, (Mn USD)	*Estimated TAM, 2021, (Mn USD)*	*TAM as % of Total Market**	*Product subcategories considered for TAM*
5975.6	2127.2	35.6%	Temperature controllers, Chart Recorders, Electrical Transducers, I/O Converters

**Note: Total market includes Sensors and Transmitters, Field Instruments, Human-Machine Interface, Temperature controllers, Chart Recorders, Electrical Transducers, I/O Converters.*

Competitive Landscape of Electrical Automation

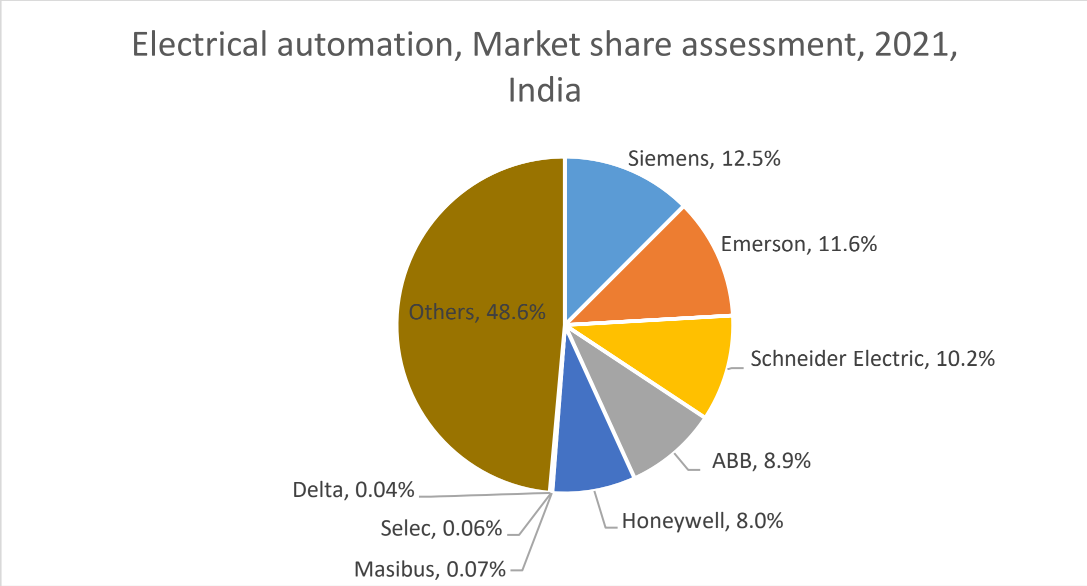
Key Industry Players (Global and India)
Yokogawa, Chino, Omron, Phoenix, Masibus, Honeywell, Allen Bradley, Gefran, Waree, Baumer, Radix, Siemens, ABB, Schneider Electric, Selec, Delta, Emerson Multispan and Rishabh Instruments

Electrical automation, Market share *assessment*, 2021, Global



Note: Total Market Size = USD 139 Billion, 2021

Globally, the electrical automation component market has been dominated by international players like Siemens, ABB, Emerson, and others. The top 5 players occupy 27.5% of the global market share followed by a long tail of regional and small players. The top companies have retained their market positioning by developing a strong product portfolio based on digitization. For example, Yokogawa with its Digital YEWFLO Sizing program provides customers easy means to product sizing and configuration, offering them the ability to generate flow-related calculations quickly and with high accuracy. Schneider Electric is integrating edge compute capabilities into its I/O modules as a part of its Ecostruxure portfolio. All the market leaders have infused digitization into their electrical automation products to provide added value to the customer and maintain market positioning. They also have a global presence and strong brand equity in this product segment that makes competition difficult.



Note: Total Market Size: USD 5975.6 MN, 2021

In **India**, the market is dominated by international players. The top 5 companies occupy approximately 50% market share. Local players compete with global brands on price points and customer service and are emerging competition. Industrial end users prefer a single vendor for all their needs, so international players have an advantage because of their wide product portfolio in this segment. Local players form a major part of others (48.8%) and in large part supply SMEs that make up the country's manufacturing base in India. Rishabh Instruments is the number one player in electrical transducers in India and holds approximately 37% of market share and with respect to TAM, it holds 0.07% market share in the electrical automation segment.

Technology Trends

Trend	Description
Direct-to-cloud connectivity in sensors	Sensors are being developed with inbuilt communication modules that can connect to the internet via gateway devices to automatically transfer data for remote monitoring.
Natural language processing and low-code user interfaces in HMI products	In order to simplify interface design and integration of HMI to controllers, low code and natural language processing is being used. Low code makes it extremely easy for operators to integrate HMI with controllers using a drag-and-drop interface. Natural language processing allows users to interact with HMI using verbal language, improving operational efficiency.
Wireless I/Os and converters offer better access to IoT capabilities	I/O modules are being developed with LPWAN technology, making them completely wireless and long lasting. These modules are particularly useful for transmitting data across a large factory area or remote sites.

Drivers and Restraints

<u>*Global Driver 1: Rising adoption of Industrial Internet of Things solutions*</u>

The electrical automation market had depended on CAPEX investments, but a shift to TOTEX (CAPEX + OPEX) is likely to encourage the adoption of Industrial Internet of Things (IIoT) solutions and increase the demand for electrical automation. With the rise of IIoT and as-a-service models, the investment focus is shifting to OPEX and TOTEX, which allows projects to progress without the burden of high CAPEX investments—an important factor especially for small and medium-sized companies. Products such as Sensors and Transmitters, HMI, Temperature controllers, Chart Recorders, and I/O Converters are expected to witness increased demand.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Electrical Automation		

Impact of the trend on the product category: **Very High** **No Impact**

Global Driver 2: Rising integration of OT-IT shop floor data to business and enterprise systems because of COVID-19

The pandemic accelerated digitization initiatives around the world. The potential business benefits of the integration of operational and enterprise/business data steer the focus to customers adopting digital solutions to bridge the divide and streamline integration. The integration process involves the procurement and commissioning of new and updated electrical automation components that enable data collection and transfer to the higher-level systems. While digital solutions seem to be more software-oriented, the realization of such integrations is inclined toward meticulously developed automation solutions that include robust hardware equipment such as sensors, transmitters and Chart Recorders, and I/O Converters.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Electrical Automation		

Impact of the trend on the product category: **Very High** **No Impact**

India Driver 1: Make in India campaign

The Indian government has announced a string of policies focusing on the development of key industrial verticals. India has set up an Electronic Development Fund with a total target corpus of INR 150 crores to foster R&D and innovation in technology sectors like electronics, IT, and Nanoelectronics. To position India as a global hub for Electronics System Design and Manufacturing, the government has proposed three schemes: Production Linked Incentive Scheme (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0). While large firms can tap into domestic production incentives to drive export growth, local MSMEs stand to gain from backward linkages from manufacturing growth. The logistics and connectivity push has created public-private partnerships across commercial infrastructure, transport and logistics and manufacturing. These initiatives will result in new manufacturing facilities with automation technologies, driving the demand for electrical automation components.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Electrical Automation		

Impact of the trend on the product category: **Very High** **No Impact**

India Driver 2: Initiatives to lower factory costs

Manufacturers are looking for ways to lower operational and maintenance expenses and create more cost-effective solutions to embrace wide-scale digital transformation activities and initiatives. Brownfield projects such as plant modernization and upgrades with real-time monitoring and predictive maintenance capabilities, particularly in process industries, are set to increase demand for electrical automation equipment (the estimated CAGR for this market between 2021 and 2026 in India is 8.6%). OEMs are gradually moving toward as-a-service models that decrease CAPEX. After the COVID-19 outbreak, the requirement for electrical automation has expanded to enable the remote monitoring of plant facilities.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***

Electrical Automation	●	

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

Global Restraint 1: Lack of a clear digitization roadmap

Whether to invest in digital is a 2-way equation for solution providers and customers. Companies are clear that the pivot to digitization is inevitable, but how much to invest, where to focus, whether it will be profitable, and what business models to pursue are questions that slow the scale of investments.

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Electrical Automation	◔	○

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

Global Restraint 2: Unclear ROI from digital technologies

Organizations are hesitant to invest in digital technologies such as edge analytics because they cannot define clear return on investment parameters and make a large resource commitment.

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Electrical Automation	◔	○

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

India Restraint 1: Higher initial investment

Small and medium enterprises suffer a lot when the investment requirements form a major chunk of their CAPEX investments. A higher initial investment cost and limited visibility into ROI impede investment. Additionally, cutting down CAPEX budgets due to economic uncertainties further delays investment in the short term. Companies like Rishabh Instruments have already incurred the CAPEX and hence are ahead of the curve.

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Electrical Automation	◑	◔

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

B. Metering, Control and Protection Devices

Overview

Note: As part of this study, the scope of Metering, Control and Protection Devices include Current Transformers, Electrical measuring & recording instruments like Analog Panel Meter, Digital Panel Meter, Multifunctional Instruments (multifunctional measurements like current, voltage, power factor, frequency, etc.), Selector & Rotary Switches, Power factor controllers, Power supplies & Battery Chargers and LV protection Relays, Shunt, Synchronizing unit, Genset Controller

The Metering, Control and Protection Devices, such as Analog/Digital Panel Meters, Multi-Function Meters, Current Transformers, APFC relays, Protection relays etc. are used in centralized system to measure, control, record, analyze and protect the electrical system. The centralized system comprises of PCC (Power Control Centre), MCC (Motor Control Centre) and APFC (Automatic Power Factor Control Centre) etc. The system mainly monitors the Electrical Power Distribution Network, Performance of electrical Motors and Power Factor Correction in the electrical network and provides necessary protections.

Panel instruments are used not only in the electrical switch boards which are used for distribution of electricity, but also for industrial applications such as multiload monitoring, cloud and connectivity, and energy monitoring systems

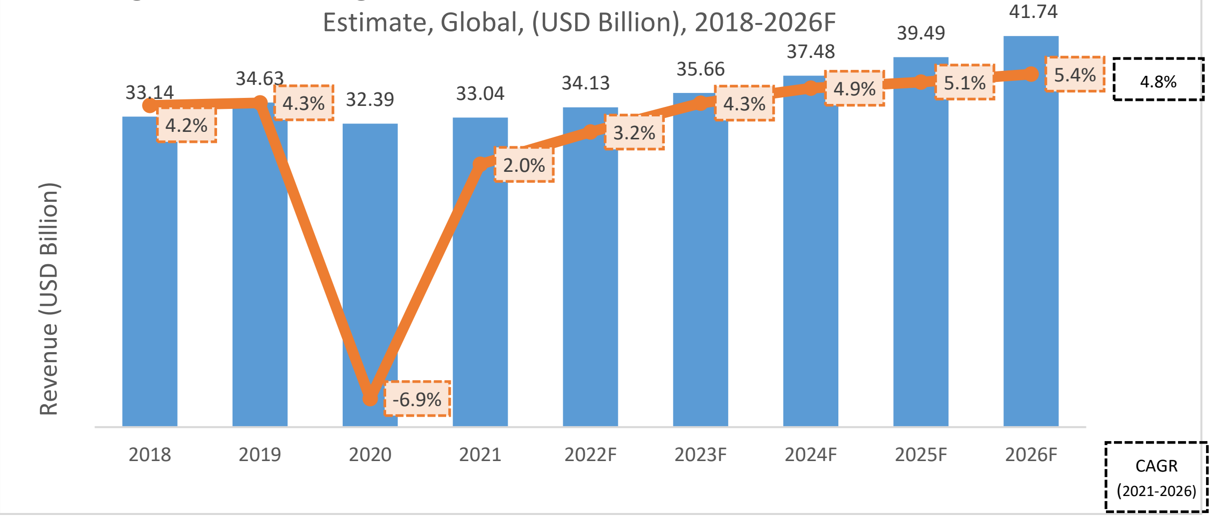
The Metering, Control and Protection Devices market is well established globally. The components are used in applications such as electrical distribution, industrial panels and process control, and their end users include residential buildings, commercial buildings, industrial buildings and other industries such as Railways, Defense, Steel & Cement, Oil & Gas and Utilities. The COVID-19 pandemic caused a slowdown in multiple industries in 2020 and most of 2021, notably delaying construction activities and new investments in retrofits of building systems. The market is expected to improve when economic investments gain momentum. The global Metering, Control and Protection Devices market is estimated at USD 33 billion in 2021 is expected to witness a 4.8% CAGR to reach USD 41.7 billion by 2026. Resumption of infrastructure development is expected to push adoption from commercial and utility applications across the globe.

The Indian Metering, Control and Protection Devices market witnessed growth mainly due to increased demand from the utility sector. The market is dominated by MNCs having domestic manufacturing facilities; imports, mainly those from China and South Korea, are less prevalent. Product availability influences panel builders' brand selection, resulting in a strong distribution network across growth markets. Global companies Schneider, Satec, and Janizta, and homegrown companies Rishabh Instruments, Elmeasure, and Selec are among the leading players in this segment. Product innovation that improves reliability and user safety during maintenance, and reduced installation time are the key differentiating factors in the market. Rishabh Instruments has products with Ingress Safety feature, UL 94V-0 flame proof housing meters, meters with plug and play connection and modular/upgradable features.

Overview of Global Metering, Control and Protection Devices Market

Global Metering, Control and Protection Devices market was estimated at USD 33 billion in 2021 and is expected to witness a 4.8% CAGR to reach USD 41.7 billion by 2026. The market is expected to gain momentum in 2022 as construction and facility development activities resume.

Figure 3.13: Metering, Control and Protection Devices Market Size and Growth Estimate, Global, (USD Billion), 2018-2026F



With an enhanced focus on Distributed Energy Resources, new Metering, Control and Protection Devices will be required to support changes in buildings' power systems. However, the market faces challenges resulting from end users' preference for lower-priced and substandard devices. It may be necessary to create awareness about device standards and safety among end users.

Figure 3.14: Metering, Control and Protection Devices Market Size and Growth Estimates by Region, (USD Billion), 2018-2026F

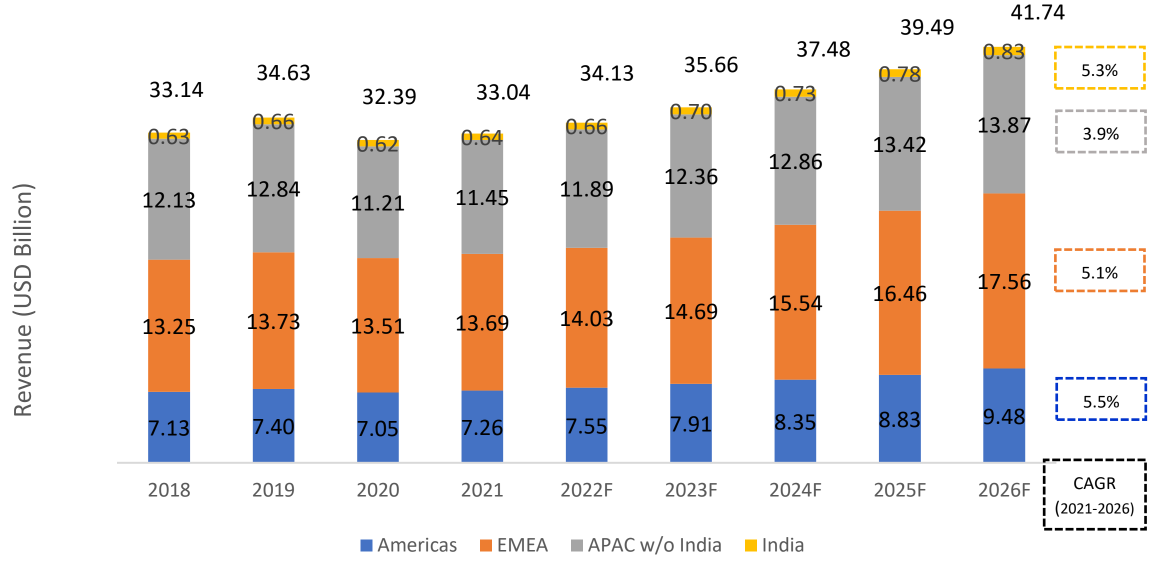
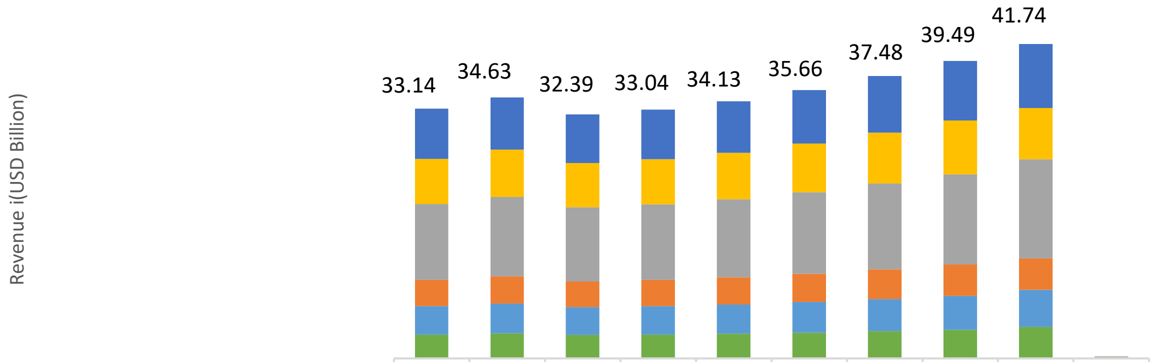


Figure 3.15: Metering, Control and Protection Devices Market Size and Growth Estimates by End User, Global, (USD Billion), 2018-2026F



	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	CAGR
Power Gen. & Dist., Labs	6.64	6.93	6.47	6.61	6.83	7.13	7.50	7.90	8.51	5.2%
O&G, PetroChem., S&C, Pharma., FMCG	6.00	6.27	5.87	5.98	6.18	6.46	6.78	7.15	6.79	2.6%
Resid. & Comm	10.08	10.53	9.84	10.04	10.37	10.82	11.38	11.98	13.16	5.6%
Comm., CE,Semicon,BA	3.48	3.64	3.41	3.47	3.58	3.74	3.94	4.15	4.15	3.7%
Auto,Transp.&Def.	3.77	3.95	3.69	3.77	3.90	4.06	4.27	4.51	4.95	5.6%
Others	3.2	3.3	3.1	3.2	3.3	3.4	3.6	3.8	4.2	5.7%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Regional Overview

In 2021, the Americas was the third-largest market with a 21.9% market share. Growth in the established region will largely come from replacement and retrofit activities. The region is expected to grow from USD 7.26 billion in 2021 to USD 9.48 billion in 2026 at a CAGR of 5.5%. The US government announced a $1.30 trillion recovery plan in 2021, and hence the Metering, Control and Protection Devices market is likely to experience positive effect in the short to medium term. Latin America's demand for Metering, Control and Protection Devices is attributed to its pipeline of infrastructure projects including construction of transportation systems and hubs. Building construction, especially residential buildings also contributes to the demand.

EMEA remains a key region for Metering, Control and Protection Devices despite its relative maturity. The region is expected to have 5.1% CAGR during the forecast period, mainly because of construction activities of industries and commercial centers in the Middle East. The pandemic masked Brexit's impact on the market in 2020. The market stood at USD 13.6 billion in 2021 for a 41.4% share of the global market share. The market size is expected to reach USD 17.5 billion in 2026 growing at a CAGR of 5.1% from 2021 to 2026. Europe is a mature market with moderate growth rates due to a slowdown in infrastructure projects, but high growth is projected in Middle Eastern countries.

APAC excluding India is the second-largest market and is expected to grow at a 3.9% CAGR. Most construction projects were halted in 2020 but resumed in 2021. This is expected to benefit all value chain participants including Metering, Control and Protection Device manufacturers. In 2021, market was USD 11.45 billion, which was 34.6% of the global market. The market size is expected to reach USD 13.87 billion in 2026, growing at a CAGR of 3.9%. China (and India) are the region's key growth engines as their rapid urbanization and economic development spur the construction of infrastructure, commercial and industrial buildings, and residential buildings. The Chinese government still hold strongly to their vision of smart city development. These factors will drive the demand for Metering, Control and Protection Devices in these 2 large economies.

Total Addressable Market (TAM) for the Metering, Control and Protection Devices Market

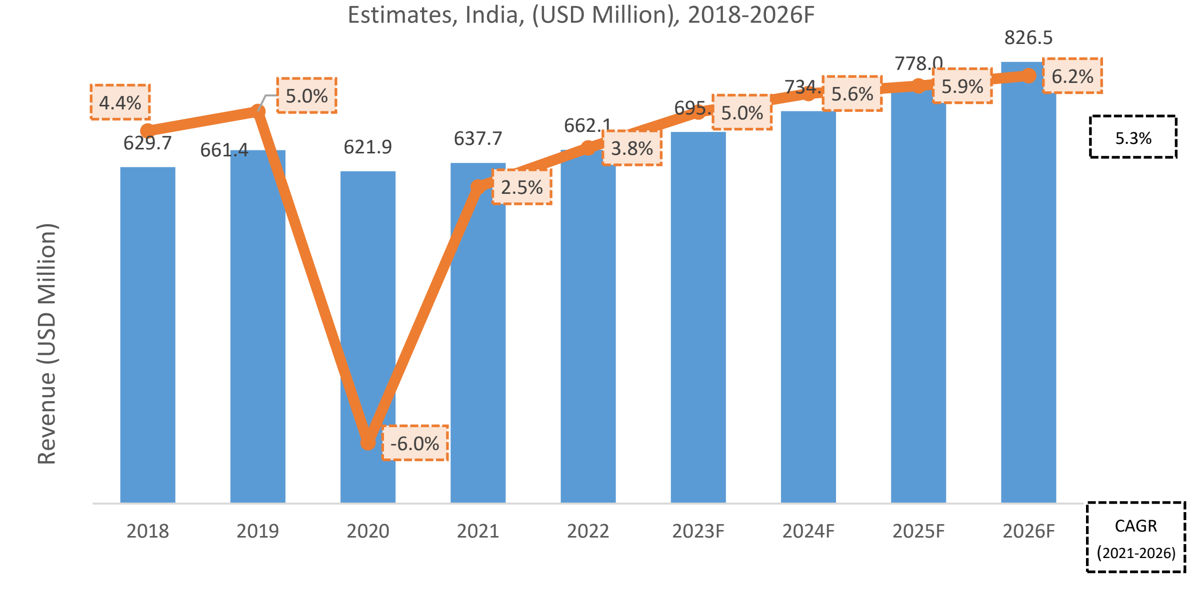
Region	***Total Market Size, 2021 (USD Bn)***	***Estimated TAM, 2021 (USD Bn)***	***TAM as % of Total Market****	***Comments***
Global	33.04	6.88	20.8%	The TAM is driven by the development of smart grids, EV charging stations, new data centers, and smart buildings that are focused on efficient energy management.
Americas	7.26	1.75	24.2%	Smart grid practices for better power management and more electric vehicle charging stations will drive demand for all TAM products in the Americas.
EMEA	13.69	2.33	17%	Investments in construction of utility infrastructure with better energy management practices will increase demand for all TAM Metering, Control and Protection Devices such as electrical measuring and recording instruments in EMEA region.
APAC excluding India	11.45	2.68	23.4%	Large-scale investments in new factories, commercial complexes that include smart buildings, and data centers is expected to drive demand for all TAM products in this region.
India	0.638	0.086	13.5%	The Residential and Commercial space is expected to witness increased demand especially because of rapid urbanization of Tier II and III cities, eventually demanding expansion of electrical utilities.

**Note: Total market includes Current Transformers; Electrical measuring instruments such as Analog Panel Meter, Digital Panel Meter, Multifunctional Instruments; Selector & Rotary Switches; Power factor controllers; Power supplies & Battery Chargers; LV protection Relays; Shunt; and Genset controller. TAM calculated for the following products: Current Transformers, Electrical measuring & recording instruments like Analog Panel Meter, Digital Panel Meter, Multifunctional Instruments, Selector & Rotary Switches, Power factor controllers, Power supplies & Battery Chargers and LV protection Relays, Shunt*

Overview of Indian Metering, Control and Protection Devices Market

The Indian Metering, Control and Protection Devices market was valued at USD 637.7 million in 2021 and is forecasted to grow at a CAGR of 5.3% to reach USD 826.5 million by 2026. Expansion of power generation and distribution facilities and construction of new factories would contribute to major revenues in the future.

Figure 3.19: Metering, Control and Protection Devices Market Size and Growth Estimates, India, (USD Million), 2018-2026F

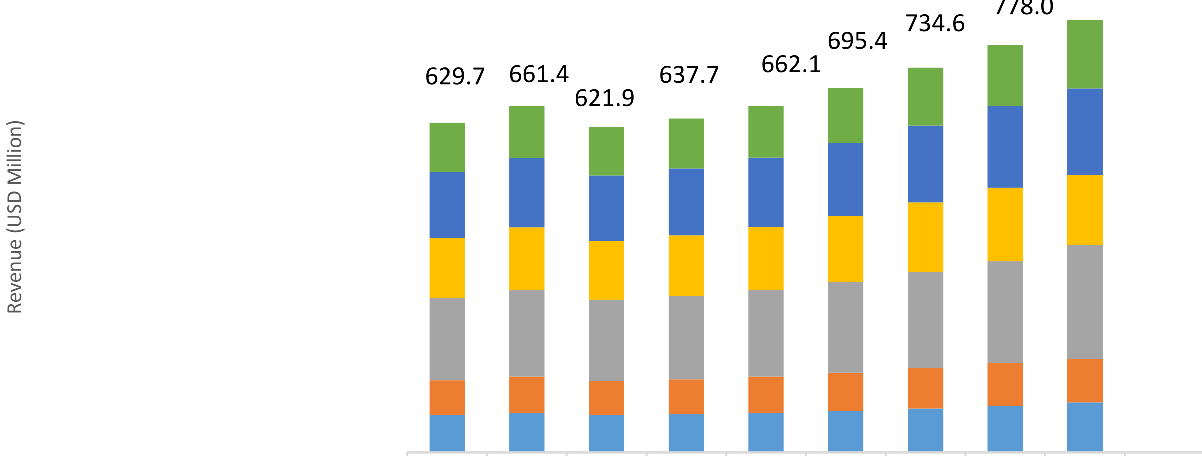


Investments in real estate, industries, power generation projects, transmission & distribution, renewable energy projects, rural electrification programs, commercial infrastructure development, utility substation projects and industrial projects are taken into consideration for forecasts. An uptick in demand in 2021 was mainly from utilities (aided by Deen Dayal Upadhyaya Gram Jyoti Yojana and Sau Bhagya programs) and real estate (which staged a recovery post RERA implementation).

The Indian government appears determined to reinvigorate growth and attract large investments from domestic and foreign sources, creating healthy demand from industrial and real estate (residential and commercial) end, which will help register healthy growth for industry-driven Metering, Control and Protection Devices. Increasing awareness about the protection and metering devices, rising energy cost and safety aspects among real estate (residential and commercial) end users continue to drive demand for such products.

The main end users of the Metering, Control and Protection Devices are broadly categorized as residential, commercial, industrial and utilities. The industrial segment accounted for about 60% of market in 2021. Its share is expected to decrease a bit due to increased off-take from other segments such as utilities (included in Residential & Commercial). Commercial and residential together accounted for a 25.5% market share in 2021, mainly driven by increasing penetration of modular Metering, Control and Protection Devices in Tier II and Tier III cities.

Figure 3.20: Metering, Control and Protection Devices Market Size and Growth Estimates by End User, India, (USD Million), 2018-2026F



	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	CAGR
Others	94.4	99.2	93.3	95.7	99.3	104.3	110.2	116.7	130.8	6.5%
Power Gen. & Dist., Labs	125.9	132.3	124.4	127.5	132.4	139.1	146.9	155.6	165.3	5.3%
O&G, PetroChem., S&C, Pharma., FMCG	114.0	119.7	112.6	115.4	119.8	125.9	133.0	140.8	134.1	3.0%
Resid. & Comm	157.4	165.4	155.5	159.4	165.5	173.8	183.7	194.5	218.0	6.5%
Comm., CE,Semicon,BA,DC	66.1	69.5	65.3	67.0	69.5	73.0	77.1	81.7	82.6	4.3%
Auto,Transp.&Def.	71.8	75.4	70.9	72.7	75.5	79.3	83.7	88.7	95.3	5.6%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

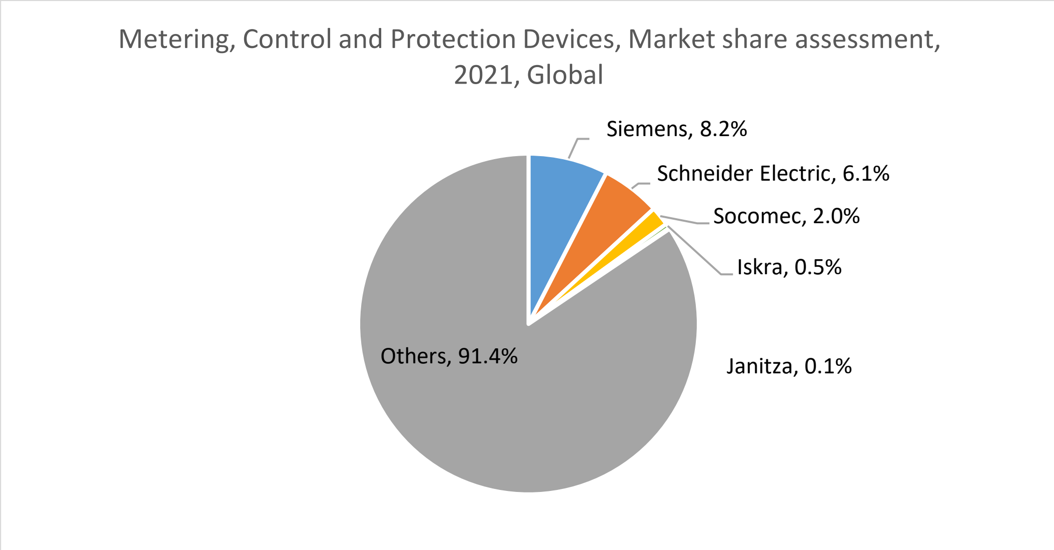
Total Addressable Market (TAM) for the Metering, Control and Protection Devices Market

Total Market, 2021, (Mn USD)	***Estimated TAM, 2021, (Mn USD)***	***TAM as % of Total Market****	***Product subcategories considered for TAM****
637.7	86.1	13.5%	• Current Transformers, • Electrical measuring & recording instruments like Analog Panel Meter, Digital Panel Meter • Multifunctional Instruments • Selector & Rotary Switches • Power factor controllers • Power supplies & Battery Chargers and LV protection Relays, Shunt

**Note: Total market includes Current Transformers; Electrical measuring instruments such as Analog Panel Meter, Digital Panel Meter, Multifunctional Instruments; Selector & Rotary Switches; Power factor controllers; Power supplies & Battery Chargers; LV protection Relays; Shunt; and Genset controller.*

Competitive Landscape of Metering, Control and Protection Devices Market

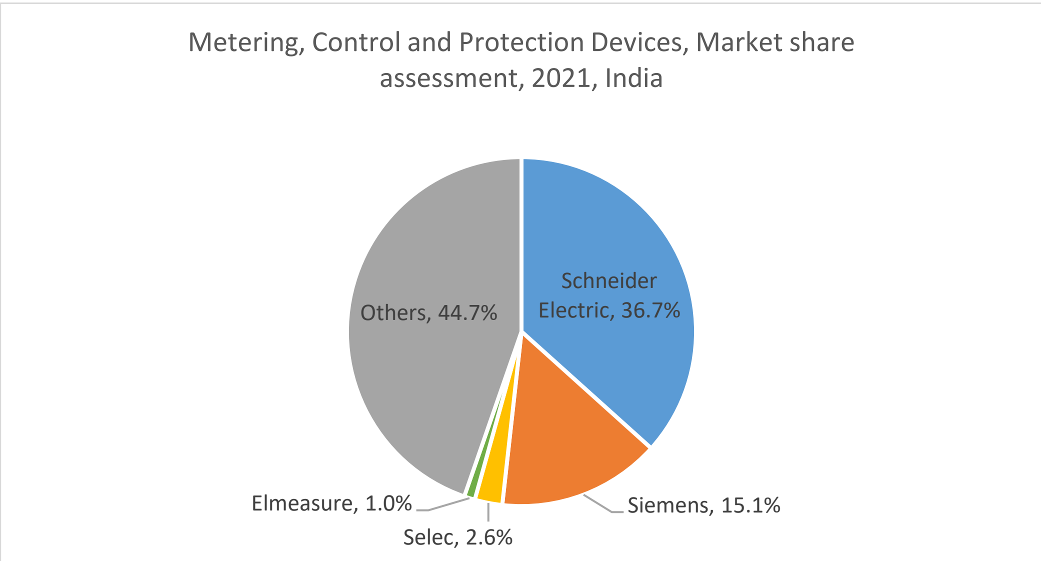
Key Industry players - Global & India
Schneider Electric, Socomec, Iskra, Janitza, MBS, Weigel, Kraus & Naimer, Entes, Rayleigh, Chint, Eastron, Hobut, Tyco, Satec, Siemens, Secure, Elmeasure, Selec, Salzer, Newtek Electricals, Nippen Electrical Instruments, AE, Multispan, Trinity, Accuenergy, & Rishabh



Note: Total Market Size = USD 33.04 Billion, 2021

Globally, the Metering, Control and Protection Devices market is highly fragmented. The players can be classified as Tier 1, Tier 2 and Tier 3 companies. Tier 1 companies such as Siemens & Schneider Electric have 4 – 8% market share each. These companies are large companies with international presence and possess the ability to deploy advanced Metering, Control and Protection Devices. Usually, these companies have multiple business units in the energy, grid and buildings segments beyond just Metering, Control and Protection Devices. Tier 2 companies consist of companies such as Weigel, Kraus & Naimer and Chint. They have an international presence, and offer products from more than one category, but smaller footprint than Tier 1 companies. Tier 3 companies are usually local manufacturers with limited geographical footprint, largely catering to local and regional country demands. The Metering, Control and Protection Devices market is pretty fragmented due to the numerous numbers of players, esp. in the tier 2 & tier 3 category. Even the larger global players have single digit percentage in market share. Rishabh instruments is a global leader in Analog Panel meters and is among the leading global companies in low voltage current transformers. Lumel is the most popular brand for meters, controllers and recorders in Poland.

In **India**, the market is consolidating at the top and is dominated by a handful of players. Schneider Electric, with its inorganic growth strategy, is dominating the Indian Metering, Control and Protection Devices market following the completion of its acquisition of L&T's electrical business unit. Schneider Electric has the largest market share in India, with its wide product portfolio. Siemens is another leading company with approximately15% market share. Rishabh Instruments is one of the top three players in digital panel meters in India and with respect to TAM, it holds 8.01% market share within digital panel meters.



Note: Total Market Size = USD 637.7 Million, 2021

Technology Trends

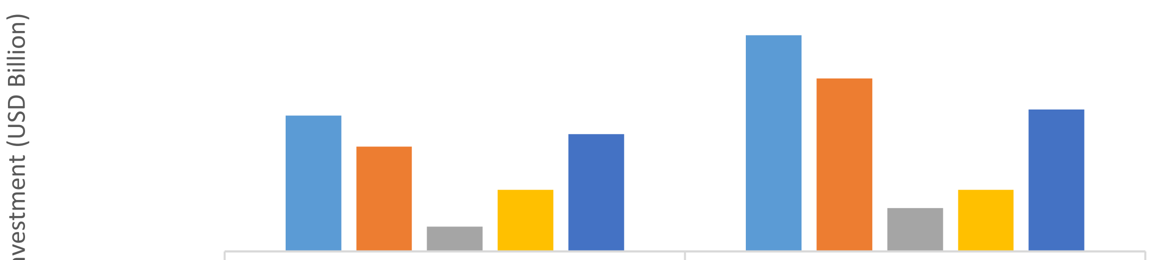
Trend	Description
Metering, Control and Protection Devices transforming into intelligent energy management hubs	New-age Metering, Control and Protection Devices are becoming holistic energy management equipment. For example, low-voltage current transformers embedded with sensors and cloud connectivity can be used to control demand and monitor power consumption in buildings. They can also be embedded with transducers to diagnose the performance of electrical equipment to which they supplying power.
Embedded connectivity features in panel meters	Panel meter manufacturers are embedding connectivity features so that the end user can connect multiple meters from the same vendor to a cloud platform to monitor, optimize and control the complete electrical system.
Enhanced power management functionality and features provided through IoT platforms	Improved features such as remote monitoring, predictive maintenance, and performance tracking of diverse Metering, Control and Protection Devices are being delivered through IoT platforms.

Drivers & Restraints

Global Driver 1: The continuous emphasis on distributed energy resources (DER) expands the need for Metering, Control and Protection Devices in new buildings, presenting retrofit opportunities in old buildings for newly installed DER systems.

Investments in distributed energy are expected to increase from USD 7.4 billion in 2019 to USD 10.4 billion in 2030 because of regulatory support, rural electrification goals and decreasing project costs. Distributed wind energy is the exception. The installed capacity of DERs is estimated to expand along with investments, requiring new Metering, Control and Protection Devices and other control systems in facilities and buildings. The continuous development of DERs will drive demand for new Current Transformers, Multifunctional Instruments, Selector & Rotary Switches, Power factor controllers, Power supplies & Battery, Genset controllers etc.

Figure 3.24: DER Market Investment Forecast by Selected Product Group, Global, 2019 and 2030F



	2019	2030
Diesel gensets	2.2	3.5
Gas gensets	1.7	2.8
Industrial turbines	0.4	0.7
Distributed wind	1	1
Small hydropower	1.9	2.3

Diesel gensets Gas gensets Industrial turbines Distributed wind Small hydropower

Source: Frost & Sullivan Analysis

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices		

Impact of the trend on the product category: **Very High** **No Impact**

Global Driver 2: Building energy management systems (BEMS) and home energy management systems (HEMS) creates opportunities for new devices with monitoring and analytics capabilities. The growth due to BEMS and HEMS will largely come from retrofit activities.

Frost & Sullivan anticipates BEMS and HEMS market growth. The total global BEMS and HEMS market registered USD 6.77 billion in 2020 and is forecasted to reach USD 16.59 billion, growing at a 16.1% CAGR. Energy management will remain a key focus area for building owners. As energy costs are one-third of commercial buildings' OPEX, cost efficiency will be a priority as businesses begin to recover from the pandemic. Hospitals, educational institutions, factories and malls will continue to have energy management improvements. The growth of BEMS will spur upgrades and new installations of Metering, Control and Protection systems with monitoring and analytics capabilities. The DER market also drives the use of BEMS in commercial and industrial buildings.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices	◕	●

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

India Driver 1: Government's focus on infrastructure and rural electrification

Government spending on infrastructure projects will continue to be a key growth driver. Rural electrification projects/schemes (Sau Bhagya and Deen Dayal Upadhyaya Gram Jyoti Yojana) are expected to augment and expand the country's electricity distribution infrastructure wherein Metering, Control and Protection Devices are widely used. It is estimated that India will require around USD 62 billion in infrastructure investments by 2022 to achieve sustainable economic development. To this end, the government is allowing 100% FDI through the automatic route and granting infrastructure status of affordable housing schemes. Metro, smart city, airport, railway, and road infrastructure projects also will accelerate the demand for Metering, Control and Protection Devices.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices	●	●

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

India Driver 2: Renewable energy and metro projects

The Indian government's push for renewable energy is ambitious but the government is confident and has set a target of 500 GW of renewable capacity by 2030. With such a clear long-term vision, global players are expected to step up investments. The solar sector is already witnessing a healthy revival after a slump in the early month of the pandemic. In 2021, 10 GW of new solar installations were completed, more than 300% jump from 2020, where it fell to 3.2 GW. The Metering, Control and Protection Devices market is expected to benefit considerably, especially through more demand for DC measurement solutions.

More than 700 metro stations and 800 kms of metro lines are expected to be commissioned during the next five years. The government also is planning to introduce an alternative mode of transport (LRT Metrolite) across 50 Tier I and II cities. It costs 40% less than conventional metro projects, making it attractive for private sector participation. These ongoing and upcoming metro projects will have significant demand for Metering, Control and Protection Devices.

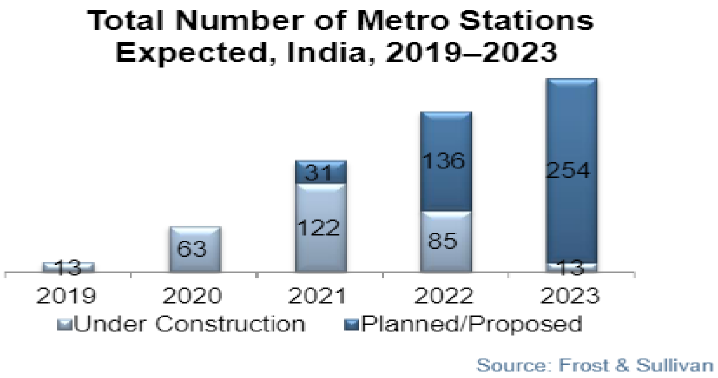


Figure 3.26: Number of Metro stations planned in India, 2019 - 2023

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices	◕	●

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

<u>*Global Restraint 1: End users' preference for lower-priced and substandard Metering, Control and Protection Devices*</u>

Cheaper alternatives produced by smaller market participants usually do not adhere to standards and certifications IEC 61557-12 (for entire Power Monitoring Device PMD), IEC 62053-22/23 for energy monitoring devices, IEC 60529 IP standard, IEC 61869-2 for Current Transformers, IEC 60947 for Cam Switches, and many more.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices	◔	◔

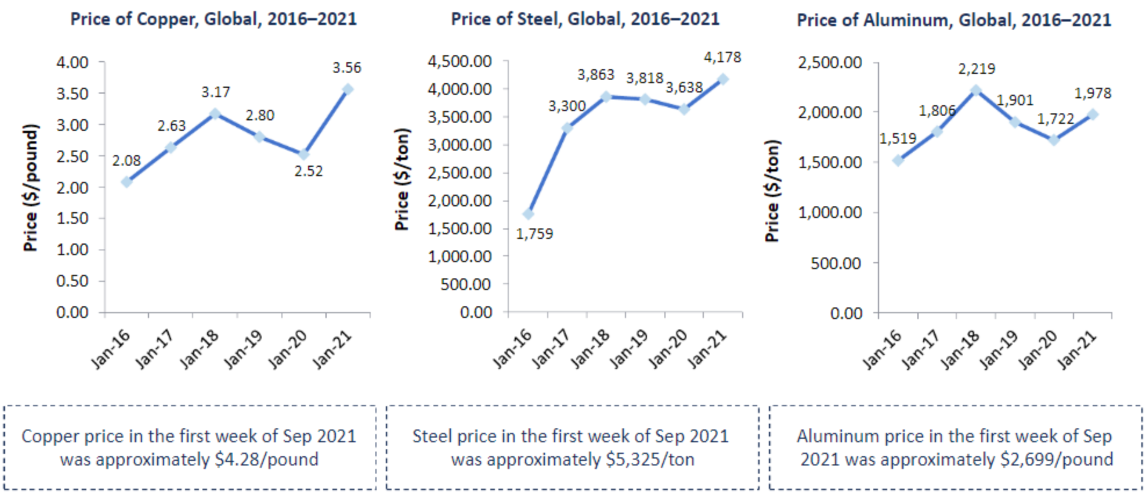
Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

<u>*Global Restraint 2: Price volatility due to constrained availability of raw materials and limited skilled labor*</u>

Prices of copper, steel, and aluminium—key raw materials for the production of Metering, Control and Protection Devices —have been on the rise since 2020, with copper and steel reaching their highest prices to date in 2021. This trend may put cost pressures on market participants and affect the construction industry, which also requires these materials. With end users becoming increasingly price sensitive, device manufacturers may have to develop new pricing and business models.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices	◑	◔

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**



Source: Frost & Sullivan Research
Figure 3.26: Raw Material Price Trends, Global, 2016-2021

<u>India Restraint 1: Increasing pricing pressures due to high competition</u>

The Indian Metering, Control and Protection Devices market is well established with more than 40 participants including Schneider, Satec, Rishabh Instruments, and Elmeasure. The market is very competitive, especially for volume-driven products, making it difficult for large MNCs to sustain their market share. Factors inhibiting the market from realizing its true potential are fluctuating raw material prices, imports from other Asian nations, and the pressure on companies to reduce prices and sustain their business.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices		

Impact of the trend on the product category: **Very High** **No Impact**

<u>India Restraint 2: Economic slowdown that could further delay private sector investments</u>

A liquidity crunch, weak consumer demand, and rising inflation are slowing the economy and affecting the country's industrial growth. This slowdown is expected to weigh on the Metering, Control and Protection Devices market, dampening its growth prospects.

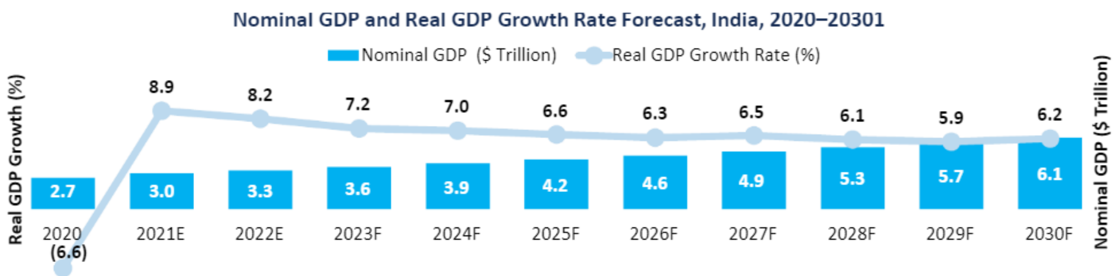


Figure 3.27: GDP growth rate forecast, India, 2020 – 2030

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Metering, Control and Protection Devices		

Impact of the trend on the product category: **Very High** **No Impact**

OVERVIEW OF PORTABLE TEST & MEASUREMENT INSTRUMENTS (TMI)

Overview

Note: As part of this study, the scope of Portable Test & Measurement systems includes DAQ, Digital Multimeters, Electrical testers & Environmental testers, Logic analyzers, Network analyzers, Power meters, Clamp meters, electric signal isolators, Ohm meters etc.

Portable Test & Measurement Instruments (TMI) are used to measure the electrical parameters of wide-ranging industrial, utilities and consumer products. These instruments are used to test and measure the various electrical parameters, e.g., voltage, current, power, etc. onsite. Portable Test & Measurement equipment play a central role in enabling digital transformation, IoT, Industry 4.0, and autonomous living as the need for highly reliable and advanced electronic device increases. Frost & Sullivan estimates the Portable (TMI) market at USD 4.9 billion in 2021. The market is expected to grow at 5% and reach USD 6.3 billion by 2026. Growth will be led by APAC and India. End users that will drive demand includes the automotive and power industries.

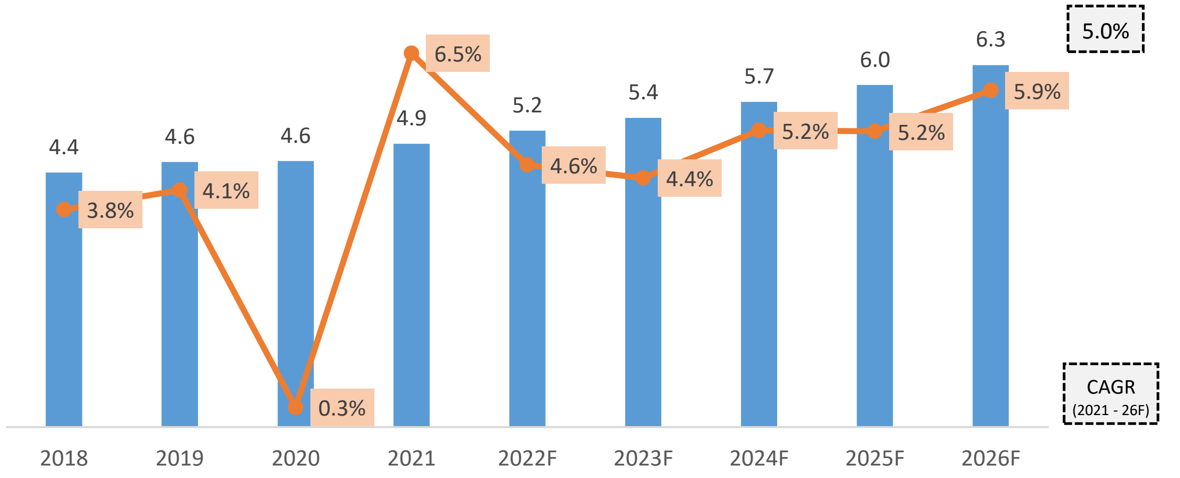
The market in India is in the growth phase, bolstered by increasing urbanization, industrialization and consumerism and favorable government policies. The competitive landscape consists of home-grown companies such as Rishabh Instruments and foreign companies such as Fluke, Megger, Hioki, and Kyoritsu. In Portable test and measurement market, where both Indian and Chinese players limit themselves to low-end maintenance and repair solutions, Rishabh Instruments has extended its offerings to professional, industrial TMI products capable of serving needs in modern laboratories and even aerospace. In terms of the utility sector, the products cover measurement and control of all vital electrical parameters in the power frequency range.

The demand for Portable Test and Measurement equipment in India stems from the automotive, industrial (process and discrete), defense, lab (research and educational), telecommunications and consumer electronics industries. Rishabh Instruments has set of products such as Digital Multimeters, Digital Clamp meters and Insulation testers along with earth tester to cater this demand.

Overview of Global Portable Test & Measurement systems Market

Global Portable Test and Measurement market was estimated at USD 4.9 billion in 2021 and is forecasted to grow at a CAGR of 5.0% to reach USD 6.3 billion by 2026. Demand for digitization across industries, vehicle electrification and the need for energy drives growth across regions.

Figure 4.1: Portable Test and Measurement Market Size and Growth Estimate, Global, (USD Billion)*, 2018-2026F*



Digital transformation initiatives, electric vehicles and in-vehicle infotainment, and renewable energy projects will keep demand strong.

Figure 4.2: Portable Test and Measurement Market Size and Growth Estimates by Region, (USD Billion), 2018-2026F

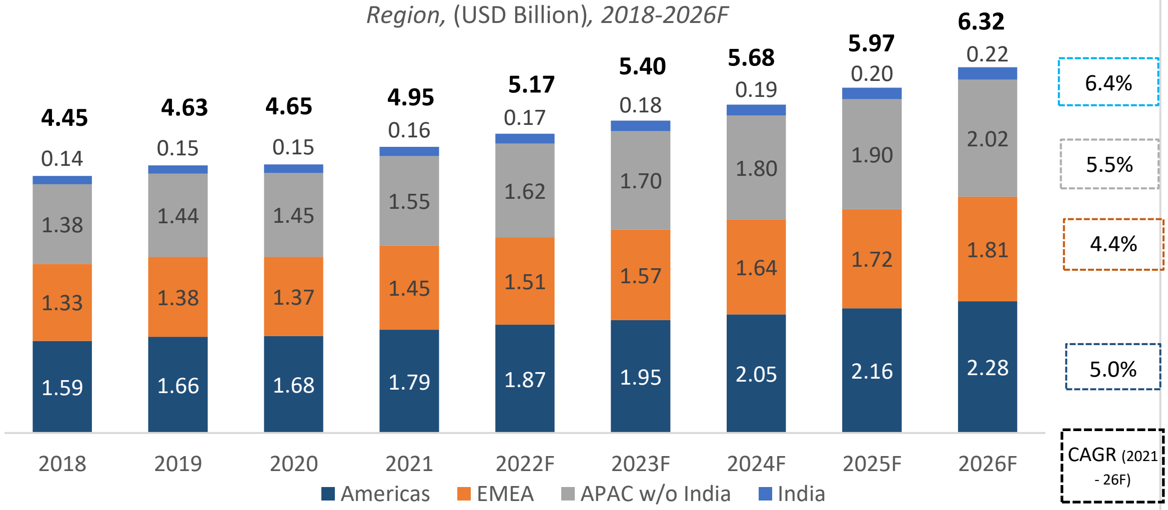
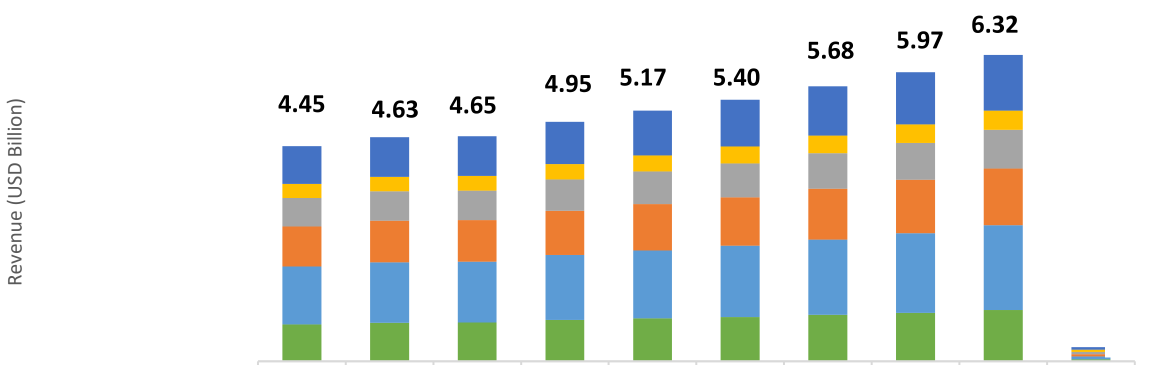


Figure 4.3: Portable Test and Measurement Market Size and Growth Estimate by End User, Global, (USD Billion), 2018-2026F



	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	CAGR
Power Gen. & Dist., Labs	0.78	0.82	0.82	0.87	0.92	0.97	1.0	1.1	1.1	5.5%
Pharma., FMCG	0.29	0.30	0.30	0.32	0.33	0.35	0.4	0.4	0.4	4.7%
O&G, PetroChem., S&C	0.59	0.61	0.61	0.64	0.67	0.70	0.7	0.8	0.8	4.4%
Comm., CE,Semicon,BA	0.83	0.86	0.86	0.92	0.96	1.00	1.1	1.1	1.2	4.9%
Auto,Transp.&Def.	1.19	1.25	1.25	1.34	1.41	1.47	1.6	1.6	1.7	5.5%
Others	0.76	0.80	0.80	0.85	0.88	0.92	1.0	1.0	1.1	4.5%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Regional Overview

The Portable Test & Measurement market in the Americas is estimated to grow from USD 1.79 billion in 2021 to USD 2.28 billion in 2026 at a CAGR of 5%. The Americas will remain the dominant region during the forecast period. In Americas, renewable sources, particularly solar and wind, is a strong focus enabled by falling installation cost and government support. Federal policies provide a 26% tax credit for solar and wind systems that were installed between 2020 and 2022 and installation costs are dropping. Increasing implementations of smart grids, growth in automotive manufacturing (especially in Latin America), electrification, development of connected cars, higher spend on defense and development of medical devices are driving growth. Power Generation, Distribution, Transmission and Labs segment is estimated to witnesses a growth at 5.5% between 2021 & 2026.

In EMEA, Portable Test and Measurement market revenue was estimated at USD 1.45 billion in 2021. Demand for test and measurement products mainly is from automotive, aerospace & defense, power and industrial. At a CAGR of 4.4% between 2021 and 2026, the market is expected to reach USD 1.8 billion by 2026, representing a cumulative opportunity of USD 8.2 billion between 2022 and 2026. The Power Generation, Distribution, Transmission and Labs segment is estimated to witnesses a CAGR of 5% between 2021 and 2026.

APAC (excluding India) region's market stood at USD 1.55 billion in 2021. The region is expected to witness the highest CAGR at 5.5% between 2021 and 2026 to reach a market size of USD 2.02 billion. APAC witnessed high resilience after the 2020 decline, partly attributed to fast recovery in China. 5G deployments, increasing focus on EVs, and movement toward smart grids are the main drivers. The Power Generation, Distribution, Transmission and Labs segment is estimated to witness a CAGR of 5.9% between 2021 and 2026.

Total Addressable Market (TAM) for the Portable Test and Measurement Market

Region	*Total Market Size, 2021 (USD Bn)*	*Estimated TAM, 2021 (USD Bn)*	*TAM as % of Total Market**	*Comments*
Global	4.9	2.60	52.7%	-
Americas	1.79	0.85	47.7%	Proportion of revenue from DAQ is higher in Americas (more than 40%), hence TAM for Rishabh Instruments is lower in the region.
EMEA	1.45	0.79	54.6%	-
APAC w/o India	1.55	0.88	56.8%	-
India	0.159	0.089	56.0%	-

**Note: Total market includes DAQ, Digital Multimeters, Electrical testers & Environmental testers, Logic analyzers, Network analyzers, Power meters, Clamp meters, electric signal isolators, Ohm meters etc. TAM calculated for the following products: Digital Multimeters, Electrical testers and Environmental testers (includes insulation testers, earth testers, installation testers, High Voltage Testers, Oil breakdown voltage testers), Clamp meters, electrical signal isolators, Network Analyzers and Power Quality Analyzers*

Overview of Indian Portable Test & Measurement systems Market

Indian Portable Test and Measurement market was USD 159 million in 2021—3.2% of the global total. The market is estimated to grow at a CAGR of 6.4% between 2021 and 2026 and reach USD 216.9 million. The country's growth rate is highest among all regions. Manufacturing of EVs, increase in defense testing, a growing focus on solar PV installations and electronics manufacturing activities pertaining to communications and consumer electronics are the primary drivers for the Indian market. Growth prospects are expected to be relatively high over the next 5 to 10 years owing to increasing investments in electronics and automotive manufacturing, government initiatives such as Make in India and other financial incentives given to OEMs for setting up or expanding manufacturing capabilities across the value chain.

Figure 4.7: Portable Test and Measurement Market Size and Growth Estimate, India, (USD Million), 2018-2026F

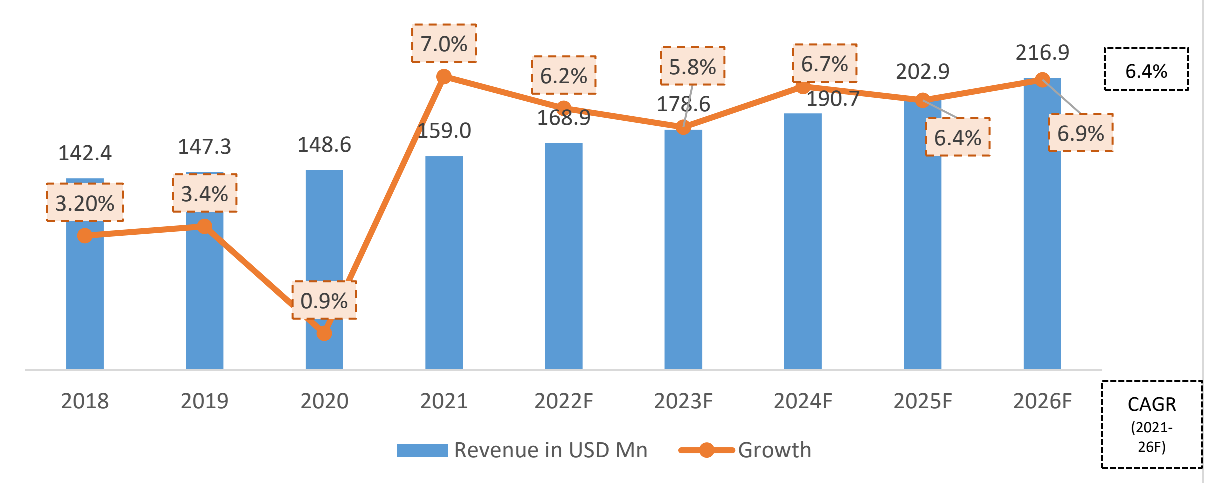
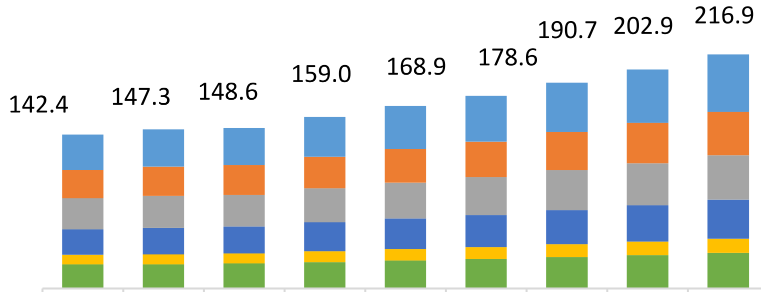


Figure 4.8: Portable Test and Measurement Market Size and Growth Estimates by End User, India, (USD Million)*, 2018-2026F*



	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	CAGR (2021 - 2026F)
Auto, Transp. & Def.	32.6	34.3	34.2	36.9	39.6	42.5	45.8	49.3	53.3	7.7%
Comm., CE, DC, Semicon, BA	26.3	27.3	27.6	29.5	31.3	33.2	35.4	37.6	40.2	6.4%
O&G, PetroChem., S&C	28.8	29.5	29.5	31.5	33.2	34.9	36.9	38.9	41.2	5.5%
Power Gen. & Dist., Labs	23.4	24.6	24.7	26.6	28.2	29.8	31.6	33.6	35.9	6.2%
Pharma & FMCG	8.9	9.2	9.3	9.9	10.5	11.1	11.8	12.4	13.2	5.8%
Others	22.3	22.5	23.2	24.6	26.0	27.3	29.2	31.0	33.1	6.1%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Total Addressable Market (TAM) for the Indian Portable Test and Measurement Market

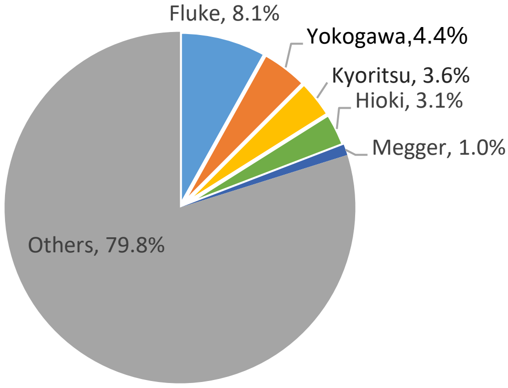
Total Market, 2021, (Mn USD)	***Estimated TAM, 2021, (Mn USD)***	***TAM as % of Total Market***	***Product subcategories considered for TAM****
159	89.0	56.0%	• Digital Multimeters • Electrical testers and Environmental testers (includes insulation testers, earth testers, installation testers, High Voltage Testers, Oil breakdown voltage testers) • Clamp meters, electrical signal isolators • Network Analyzers and Power Quality Analyzers

** Total market includes DAQ, Digital Multimeters, Electrical testers & Environmental testers, Logic analyzers, Network analyzers, Power meters, Clamp meters, electric signal isolators, Ohm meters etc*.

Competitive Landscape of Portable Test & Measurement systems Market

Key Industry Players (Global & India)
Fluke, Kyoritsu, Megger, Hioki, Agilent, Yokogawa, Sonel, Metrel, Meco Instruments, Motwane, Waco, Ideal Industries & Rishabh

Figure 4.9: Portable Test and Measurement, Market share assessment, 2021, Global



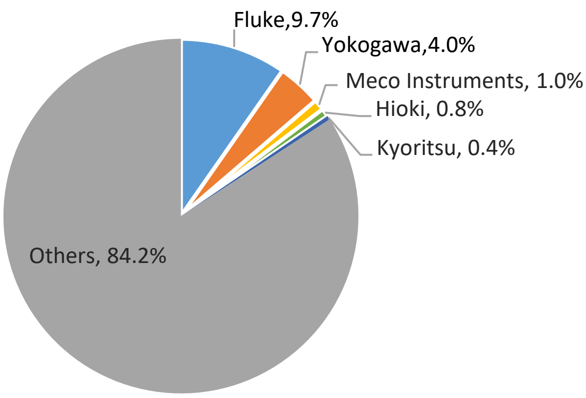
Note: Total Market Size = USD 4.9 Billion

More than 100 global and regional companies operate in the Global Portable Test and Measurement market, characterized by a mix of global and regional players. Market is highly fragmented, and the top five companies hold only 20.2% revenue share.

- Fluke Corporation (a Fortive business) is a US-based company founded in 1948. It is a major global player in the electrical and environmental testers segments. Fluke's end market includes all major industrial sectors, buildings, and infrastructure segments.
- Kyoritsu Electrical Works (KEW), founded in 1940 and headquartered in Japan, is an electrical test and measurement equipment supplier specializing in portable instruments. Kyoritsu is a clamp meter pioneer. KEW has subsidiaries in the United Kingdom, Italy, India, China, Thailand, Singapore, and Japan.
- Megger is a UK company that was first registered in 1889. Megger, while well respected for its insulator testers also provides end-to-end services to cater to electrical test & measurement requirements. It specialized in cable fault locating, protective relay testing and power quality testing. Megger has grown through a series of acquisitions over the last 15 years. It predominantly focuses on Western Europe and the United States.

Product innovation, reliability, upgradeability, price-performance value and ease of use are some of the factors that distinguish competitors. Market players focus on optimizing and broadening their product portfolio to witness organic growth. Nevertheless, mergers and acquisitions also are part of the growth strategy.

Figure 4.10: Portable Test and Measurement, Market share assessment, 2021, India



Note: Total Market Size: USD 159 MN, 2021

The Indian Portable Test and Measurement market is served by both overseas and homegrown companies, but overseas companies dominate. The market is lead by overseas companies such as Fluke, Yokogawa, Agilent etc. A large number of regional players operate in this space making it highly fragmented. Indian companies include Rishabh Instruments, Meco Instruments, Kusam-Meco and Crown Electronic Systems. Rishabh Instruments and Meco Instruments have in-house design, development, and manufacturing facilities and strong distributor networks. Rishabh Instruments is the number 2 player for multimeter & clamp meter in India and is an emerging player for insulation testers. With respect to TAM, Rishabh Instruments holds 1.57% market share in the India Portable Test & Measurement segment. It was the first company globally to introduce selectable short circuit current along with touch screen insulation testers and Audio readout capability.

Technology Trends

Trend	Description
Connectivity and data Management for DMMs and Electrical testers	Handheld instruments that technicians use in the field are being upgraded to connected devices (e.g., inbuilt Bluetooth) that can transfer data to cloud platforms to enable continuous monitoring of assets in the industrial environment. Meters are coming with inbuilt memory to store data as a backup facility. This eliminates the manual data entry process and the possibility of human error.
Frequency coverage increase in Test & Measurement Instruments	As wireless technology advances toward utilizing higher-frequency waves, scalable, reliable and higher-frequency analyzers will be needed. Increasing performance and ruggedness and making portable network analyzers as light as possible are among recent design and development trends.

Drivers & Restraints

Global Driver 1: Power management applications

Digitalization and the use of electronics increases the need for high-speed connectivity, advanced communication devices and high-speed data transfer. Communication systems are transitioning to new technologies such as 5G, Wi-Fi 6, and 400 Gbe Ethernet that offer higher data bandwidth at lower latency. The new technologies consume more power, increasing the importance of power management. For the portable T&M market, this will translate into higher demand for power analyzers, RF test equipment for power amplifiers, electrical testers, and DMMs—especially for the automotive, A&D, communication, power, consumer electronics, semiconductor industries and data centers. In addition, automotive OEMs' push for EVs will result in high demand for power analyzers, power meters, DMMs, and electrical testers. Urbanization, industrial growth, the need for energy efficiency and growing electricity consumption are driving the demand for environmental testers and power analyzers worldwide.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

Global Driver 2: Growth in Electronics Content in Automotive

Growth in vehicle diagnostics, infotainment, the development of autonomous vehicles, electric vehicles (EVs) and connected cars spur the adoption of electronics in the automotive industry. According to Industry experts, the cost of electronics as a percentage of total car cost will increase from 40% in 2021 to 50% in 2030. The increase in electronics content will directly drive the need for more portable test and measurement instruments for product development and manufacturing. RF test instruments such as network analyzers, power clamp meters, DMMs, electrical testers, and DAQ will be in demand.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

Global Driver 3: Product feature innovation and technology advancements

Price pressure is usually high in the fragmented Portable T&M market; therefore, market participants constantly invest in R&D to improve product features and performance. For example, in DMMs, market participants have introduced real-time data communication (using Bluetooth, Wi-Fi, and USB) to a remote person through a mobile app/basic PC software, which enables faster response time and improves safety for on-field personnel. Market participants also are concentrating on software-centric value addition.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High**  **No Impact**

<u>Global Driver 4: Data center buildout</u>

Projected exabyte-range data volume, increasing migration to cloud services, the need for efficiency, new forms of data modulation (e.g., PAM4) and the transition to 400Gbe Ethernet bandwidth drives data center buildout and generates growth opportunities for the portable test and measurement market. As more data centers are built, the need to verify the electrical performance for efficient and safe functioning also increases. Verification of UPS, ATS, Circuit breakers, cables and transformers periodically for parameters such as Power factor, winding resistance, insulation resistance, connection resistance, earth testing, electrical operability tests are important to ensure that data centers are commissioned and operate at higher efficiency.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High**  **No Impact**

<u>India Driver 1: Make in India Initiative</u>

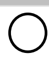
The Government of India is encouraging domestic manufacturing through various policies and initiatives. In 2014, it announced the Make in India initiative to promote and develop India as a global manufacturing hub. The initiative reduced bureaucratic hurdles for both domestic and international companies to set up manufacturing bases in the country. The initiative, a part of the *Atmanirbhar Bharat Abhiyan* (Self-reliant India) provides a boost to the country's business operations by encouraging substitution of imports of low-technology products and generating demand for local manufacturing. Industries that benefit from include electronics, pharma, and steel. The country also introduced the modified Electronics Manufacturing Clusters Scheme (EMC 2.0), which aims to enhance the infrastructure base for the electronics industry and broaden the electronics value chain. The policies are expected to create more players across the semiconductor value chain (from design to service). At Rishabh Instruments, under all product segments, 99% of manufacturing operations are done in-house (in India) and only 1% of the total turnover is spent on outsourcing processes.

Product Category	***Impact-Medium Term (3 – 5 years)***	***Impact-Long Term (6 – 10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High**  **No Impact**

<u>Global Restraint 1: Semiconductor supply constraints</u>

The COVID-19 pandemic has created a supply-demand gap leading to shortage of semiconductors, the basic building block of all electronic components. Test equipment OEMs that cannot procure chips often lose revenue. Customers (e.g., automotive companies) also face production challenges that are halting or delaying expansion plans. Supply chain issues will ease gradually as semiconductor fabs add capacity.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

Global Restraint 2: High Fragmentation and market maturity hampers growth

Portable Test and Measurement market has matured technologically, especially in the DAQ, DMM and electrical and environmental tester segments. The current scope of innovation and product optimization lies in feature enhancements and design ruggedness rather than technology advancements. This has led to a decrease in Average Selling Price (ASP), hampering revenue growth. Intense competition among the many market participants also adds price pressure.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

India Restraint 1: Lack of government incentives

The Indian government has several policies to attract investments in manufacturing of electronics, but there are not enough policies and financial incentives to support the growth of the Portable Test and Measurement market. Companies often face higher GST on certain components required to manufacture the equipment.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

India Restraint 2: Cheaper imports from China

The Indian market is highly price sensitive. End users tend to procure low-priced equipment from China, creating price competition and resulting in lower Average Selling Prices of local products.

Product Category	***Impact-Medium Term (3–5 years)***	***Impact-Long Term (6–10 years)***
Portable Test and Measurement		

Impact of the trend on the product category: **Very High** **No Impact**

OVERVIEW OF SOLAR INVERTERS

Overview

Note: This report details on solar string inverters only. The TAM calculated focuses on on-grid type inverters (solar string) up to 100kW capacity.

Inverters are classified as micro inverters, string inverters, and central inverters. Micro inverters are typically limited to 300W-500W each and are suitable for only small installations of 1kW-2kW size. Central inverters are used for 10s MW scale ground mount PV projects but are being replaced by string inverters of 175kW-255kW ratings because they are easy to use, easy to service, and flexible in installing near the PV array. String inverters can be used for residential and medium-sized commercial solar PV installations. They are smaller than central inverters. This market is dependent on the adoption of renewable energy across the globe.

Solar String inverters convert direct current generated in Solar panels to alternating current. Multiple (typically 12 to 18) solar panels are connected to a single inverter in a series circuit. The global revenue for solar string inverters is expected to increase from USD 4 billion in 2021 to USD 6.2 billion in 2026 at a CAGR of 9%. Commercial and residential rooftop solar installations are driving the market's growth. APAC excluding India is the fastest-growing region.

India is a signatory to the Paris Agreement, which requires at least 40% of its energy to be from renewable sources by 2030. By the end of 2030, India targets 500GW from renewable sources, out of which 300GW is expected to come from solar sources with rooftop solar contributing about 40GW, directly influencing the solar string inverters market. The Ministry of Renewable Energy has launched several schemes to achieve this target and introduced policy measures such as RPOs that mandate a certain percentage of distributed power to be from renewable sources.

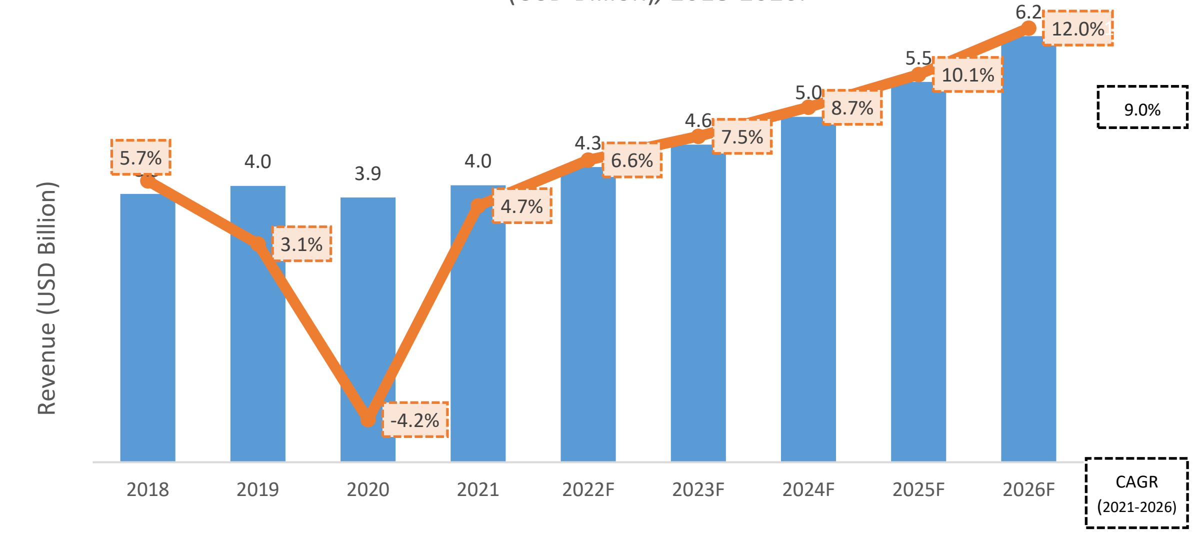
The Central Government is also providing a financial subsidy on rooftop solar plant of capacity up to 10kW (Ref: MNRE Circular No. 318/331/2017-Grid Connected Rooftop Dy No. 580 dated 07.03.2019). Systems up to 3 kW will get 40% Central Financial Assistance (CFA) and from 3 kW to 10 kW, 20% CFA. The CFA is also being provided to Group Housing Societies/Residential Welfare Associations (GHS/RWA) etc. for common facilities up to 500 kWp (@10 kWp per house) with the upper limit being inclusive of individual rooftop plants already installed by individual residents in that GHS/RWA at the time of installation of RTS for common activity.

Overview of Global Solar String Inverters Market

Solar string inverter market is expected to increase from USD 4 billion in 2021 to USD 6.2 billion in 2026 at a CAGR of 9.0%. Inverters account for around 5% of solar PV system costs and are considered indispensable as the "brain" of renewable energy systems. Solar string inverter segment growth is directly proportional to the increase in solar PV installations.

Growth at the GW level is expected to increase by the end of this decade as many countries, mainly in Asia, ramp up installations to meet renewable energy targets. Annual installations are expected to increase from 104.01 GW in 2021 to 130.51 GW in 2026.

Figure 5.1: Solar String Inverter Market Size and Growth Estimates, Global, (USD Billion), 2018-2026F



Revenue took a hit in 2018 as China introduced the restructuring of its financial incentive scheme for solar PV power, effectively halting support for utility-scale and distributed generation projects. China had been driving the global solar PV space in the previous few years, so the decline resulted in a contraction of the global market. After a period of subdued growth in 2018, the global solar PV market started to recover but was affected by the pandemic in 2020. The market is showing strong signs of recovery and is bouncing back as China completes its transition to a subsidy-free market and as emerging markets begin to grow. Falling prices of modules and inverters, mainly string inverters, are a result of increasing pricing pressures as Asian manufacturers supply cheaper products to Europe and North America from factories in low-cost locations. Lower prices, however, encourage more solar plant and inverter installations across the globe.

Import tariffs on solar PV components, such as 25% tariffs that the US government imposed on US$200 billion in Chinese goods, could lead to a delay or cancellation of some utility-scale projects. However, geographic exemptions (from the US government) for countries like India, Turkey, Brazil, and South Africa may somewhat dampen the overall effect on the cost of solar PV power. The global solar PV power market continues to become more geographically distributed with the number of GW-level markets consistently increasing.

Figure 5.2: Solar String Inverter Market Size and Growth Estimates by Region, (USD Billion), 2018-2026F

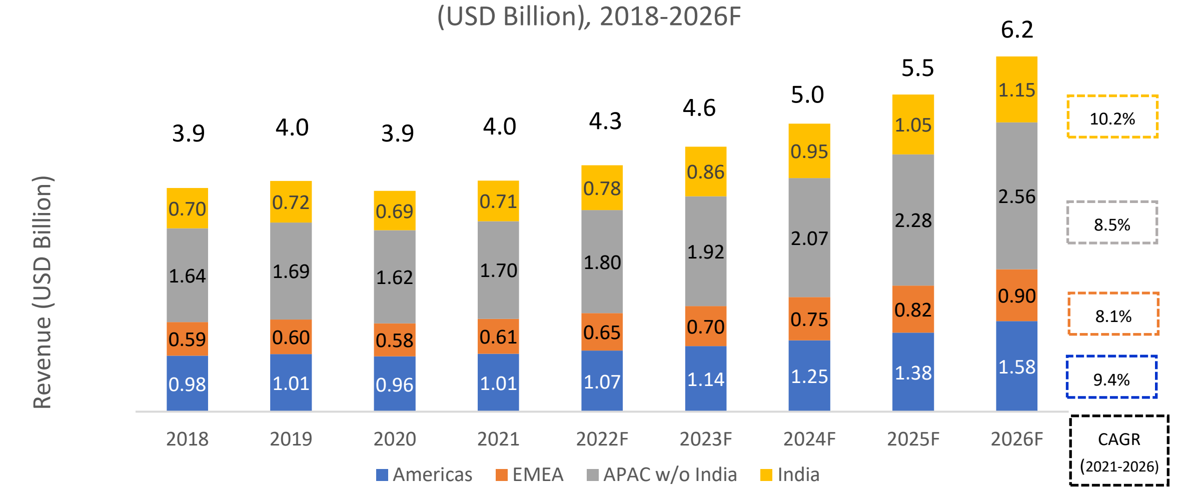
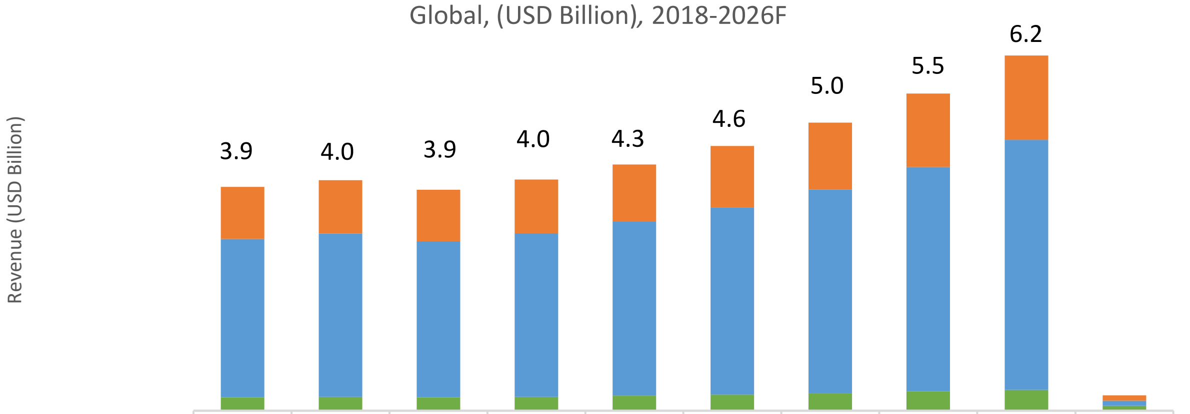


Figure 5.3: Solar String Inverter Market Size and Growth Estimates by End User, Global, (USD Billion), 2018-2026F



	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	CAGR
Resid. & Comm	0.91	0.93	0.89	0.94	1.00	1.07	1.16	1.28	1.47	9.5%
Industrial	2.76	2.84	2.72	2.85	3.04	3.26	3.55	3.91	4.36	8.9%
Others	0.24	0.24	0.23	0.24	0.26	0.28	0.31	0.34	0.36	8.3%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Regional Overview

Americas solar string inverters segment is expected to increase from USD 1.01 billion in 2021 to USD 1.58 billion in 2026 at a CAGR of 9.4%. Subdued capacity additions in North American are mainly ascribed to the United States' introduction of import tariffs on solar PV inverters in 2018. This regulatory hurdle is expected to restrain market growth during the forecast period. Solar PV product price hikes attributed to import tariffs are partially offset by declining overall prices of solar power generation.

EMEA is a mature region in terms of renewable energy installations. EMEA market is estimated to be USD 0.61 billion in 2021 is expected to reach USD 0.90 billion by 2026 at a CAGR of 8.1%. Germany, the United Kingdom, and Spain registered the largest GW installations during 2021. The revised renewable energy target (32% of energy mix) by 2030 drives the demand for renewable energy inverters in the EU. European countries offer tax certificates to encourage solar power production. Flexible energy demand and the prevalence of battery storage systems will bolster the growth of solar string inverters. Middle Eastern governments have set country-specific clean energy targets, with the United Arab Emirates attempting to fulfill 50% of its energy needs through renewable sources by 2050.

APAC (excluding India) solar inverter segment is expected to increase from USD 1.7 billion in 2021 to USD 2.56 billion in 2026 at a CAGR of 8.5%. It is the largest market for solar string inverters. Inverter cost is the key deciding factor in Asia - lower prices may lead to lower overall market size. The market is dominated by installations in China, mostly by domestic manufacturers. Many Chinese manufacturers are venturing into overseas markets by diversifying supply chains and establishing manufacturing locations outside China to circumvent US import tariffs. It is imperative for inverter makers to have a local manufacturing facility to customize for the local requirements. Engineering requirements in each Asian country demand on-site and on-demand maintenance (a key restraint for inverter manufacturers trying to expand their global markets). Asian governments have initiated supportive policies and set renewable energy targets driving the market in the medium and long terms.

Total Addressable Market (TAM) for Solar String Inverters

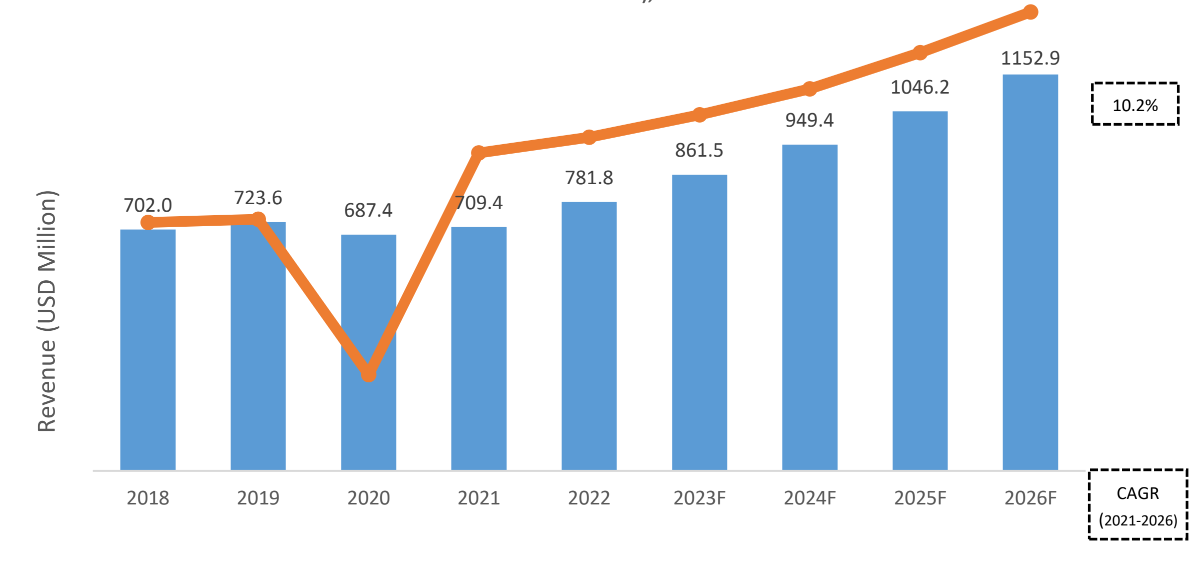
Region	***Total Market Size, 2021 (USD Bn)***	***Estimated TAM, 2021 (USD Bn)***	***TAM as % of Total Market***	***Comments***
Global	4.03	2.66	66%	The TAM for on-grid-type solar string inverters for up to 100 kW is driven by aggressive renewable energy practices pushed by government policies.
Americas	1.01	0.66	65.3%	The TAM market will be driven by installations in commercial complexes and EV charging stations in order to adopt renewable energy practices.
EMEA	0.61	0.41	67%	The market is very mature but offers potential for residential rooftop installations to handle peak power demand, which will drive demand for on-grid-type inverters of less than 100 kW.
APAC w/o India	1.70	1.16	68.4%	National renewable energy targets are expected to drive demand for on-grid rooftop solar, especially in residential and small commercial buildings in China and Japan (and India).
India	0.709	0.453	63.9%	Demand for solar string inverters is expected to come from commercial and industrial segments such as educational institutions, automotive and transportation, and power generation and distribution.

TAM calculated for the following products: on-grid-type inverters up to 100 kW

Overview of Indian Solar String Inverters Market

The Indian solar string inverter market was valued at USD 709.4 million in 2021 and is forecasted to grow at a CAGR of 10.2% to reach USD 1153 million in 2026. India is the second-largest market in Asia Pacific occupying more than 25-30% of the Asia pacific market for solar string inverters.

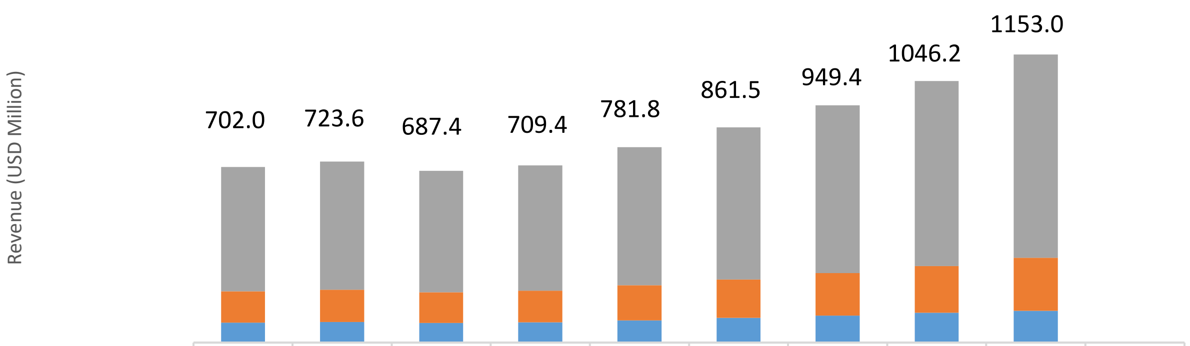
Figure 5.7: Solar String Inverter Market Size and Growth Estimates, India, (USD Million), 2018-2026F



India, the second-largest market in Asia, installed about 10 GW of solar PV capacity in 2019. The Indian solar PV market is expected to register strong growth as the country attempts to meet its revised target of 227 GW of PV installations by 2022. The Indian government focuses on proactive policies including subsidies, such as a 10-year tax holiday, to drive investment. About 77% of the solar capacity in 2021 was from grid-connected utility-scale projects, 20% was from grid-connected Solar rooftops, and 3% was from mini or micro off-grid projects. Industries can access solar power either by installing their own solar rooftops or through open-access solar installations. Open access solar installations witnessed year-on-year growth of 22% from Q1 2021 to Q1 2022.

String inverters dominate residential, commercial, and industrial installations, which are medium-size and mostly rooftop. The fastest-growing segments are commercial and industrial installations in educational institutions, automotive and transportation, and power generation and distribution. Customers prefer string inverters to central inverters because of their reliability, modular design, ease of installation, and low maintenance.

Figure 5.8: Solar String Inverter Market Size and Growth Estimates by End User, India, (USD Million), 2018-2026F



	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	CAGR
Resid. & Comm	496.3	511.6	486.0	501.6	552.7	609.1	671.2	739.7	814.0	10.2%
Industrial	125.5	129.3	122.9	126.8	139.7	154.0	169.7	187.0	211.3	10.8%
Others	80.2	82.7	78.6	81.1	89.3	98.4	108.5	119.6	127.7	9.5%

'Others' includes industries such as chemicals, textiles, pulp and paper, water that are not mentioned in the list, steel and cement, power generation and distribution, pharmaceuticals, oil and gas, petro chemicals, telecommunications, consumer electronics, semiconductors, building automation, automotive, transportation and defense and food & beverages is included in FMCG

Total Addressable Market (TAM) for the Indian Solar String Inverters Market

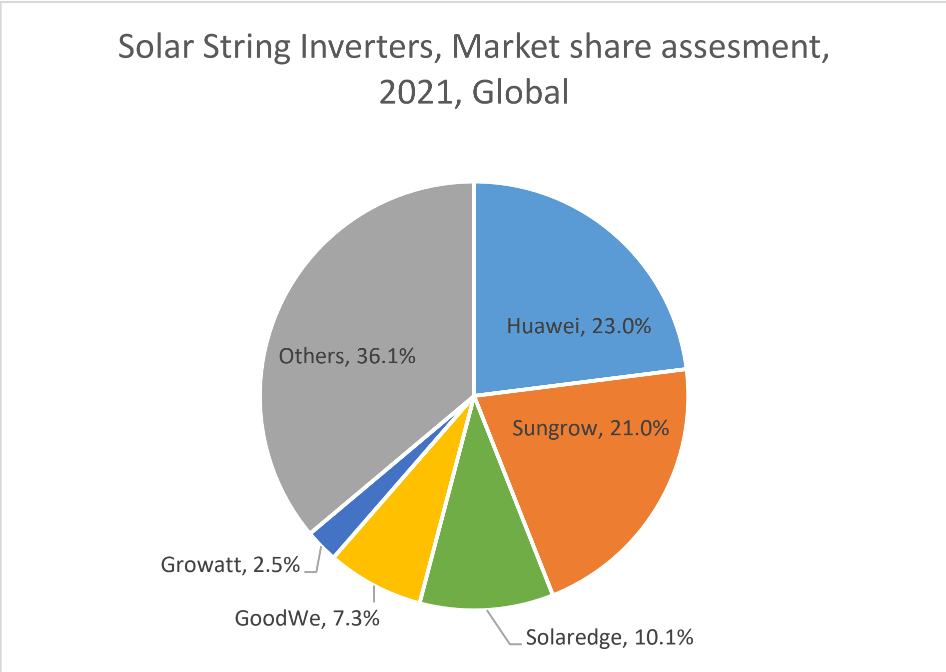
Total Market, 2021, (Mn USD)	*Estimated TAM, 2021*	*TAM as % of Total Market**	*Product subcategories considered for TAM**
USD 709.4	USD 453.0 Mn	63.9%	• on-grid type up to 100kW

** Note: The total market includes the entire Solar String Inverters market*

Competitive Landscape of Solar String Inverters Market

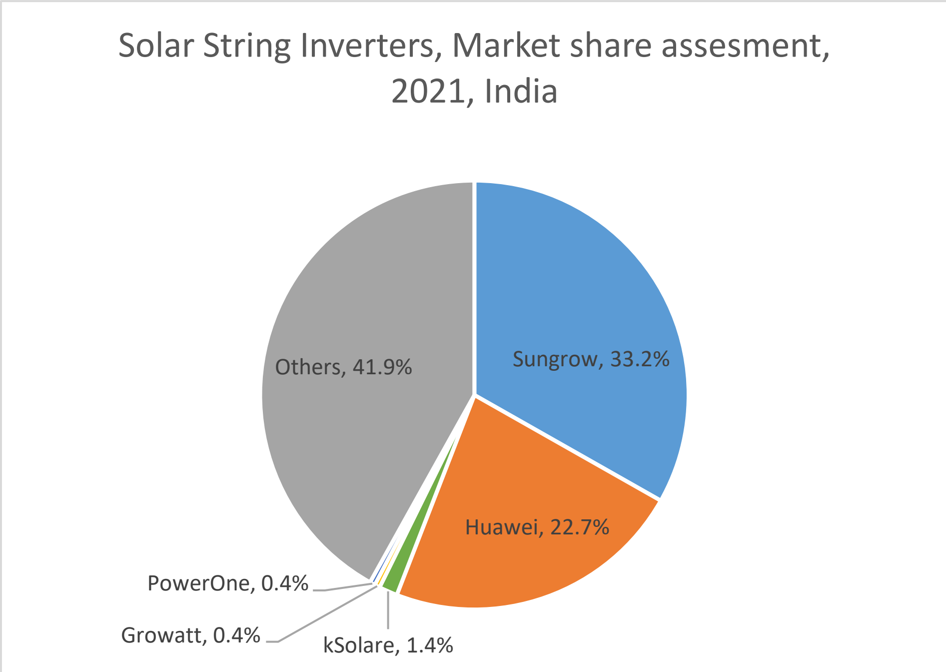
Key Industry players - Global & India
Huawei, Growatt, SolarEdge, Delta, SMA, Sungrow, Fimer, kSolare, PowerOne, GoodWe, ABB, TMEIC & Rishabh

Globally, the solar inverters market is dominated by Chinese manufacturers such as Huawei that have turned their focus on overseas markets after the domestic solar PV industry slowdown. These manufacturers have exclusive access to their home market, where high barriers to entry restrict other participants. The top 3 participants command 54.1% of the market. In the Americas, the market is dominated by residential, commercial and industrial installations and SolarEdge is the preferred brand for rooftop installations. In EMEA, string inverters are preferred for utility installations. Huawei and Sungrow are the major participants, followed by GoodWe. In Asia-Pacific, Sungrow and Huawei dominate, followed by Growatt and other players such as Solis and SMA solar.



Note: Total Market Size = USD 4 Billion, 2021

In **India** too, the market is dominated by Chinese players. Sungrow and Huawei are the market leaders. Huawei has gained access through its partnership with Waaree Energies Ltd and promoted its products through the sales and service network. Sungrow has been steadily gaining market share and topped the market in 2021. The company has bagged large utility projects and recently announced an increase in its Bengaluru factory capacity from 3 GW to 10 GW to cater to future demands. Rishabh Instruments is the first company in India to design, develop, and manufacture Solar String Inverters, end to end and it holds 0.13% market share in the Solar String Inverters segment (w.r.t the TAM).



Note: Total Market Size = USD 709.4 Million, 2021

Others Include Delta, SMA, Fimer (ABB), Huawei, SolarEdge, Fronius, Statcon Energia, Kstar, Consul Neowatt, Havells, PowerOne, KACO, Enertech

Technology Trends

Trend	Description
IoT-based energy management centers	String inverters are being equipped with sensors and cloud-based weather monitoring software tools to become intelligent energy management devices.
Smart inverters for smart grids	String inverters are being developed with autonomous features to accommodate smart grids. Autonomous features include reporting of grid abnormalities to utility operators and detection of arc fault circuit (interrupters that detect whether the arc fault is at the inverter or module level).

Drivers & Restraints

Global Driver 1: National and regional renewable energy targets

The prevalence of renewable energy sources and the need to convert DC to AC for these sources is expected to lead to higher inverter demand. The global commitment to sustainability and climate change will require focus on efficient energy utilization and shift towards sustainable and renewable sources of energy. This will drive the demand for energy solutions. Following the Paris Agreement, several developed and developing countries have adopted national RE targets to reduce their carbon emissions.

As of 2019, 85 countries have included unconditional renewable power pledges in their current nationally determined contributions (NDCs) while 135 countries have non-NDC domestic renewable energy targets. National governments are expected to update or enhance their NDCs in 2020. These national and regional renewable energy targets have led to the growth in renewables-based power generation in various regions of the globe.

Total Renewable Energy Inverters Market: Regulatory Environment, Global, 2019–2025

Region	Regulation	Target	Date
Global	Paris Agreement	Restricting the rise in global average temperatures to well below 2°C above pre-industrial levels. As of 2019, 195 member countries have signed the agreement, and 187 have become party to it.	-
	RE100	RE100 is a global corporate leadership initiative bringing together influential businesses committed to 100.0% renewable electricity by 2050 while achieving 60.0% by 2030.	2050
Europe	Renewable Energy Directive	Revised renewable energy target of 32.0% of the energy mix by 2030. This target is only binding for the EU as a whole and not at individual member state levels.	2030
US	Clean Power Plan	Sets target emission rates (or mass-totals) for each state and aims to lower total power sector emissions by 32.0% by 2030 from 2005 levels.	2030
	Renewable Portfolio Standard (RPS)	The RPS mechanism places obligations on electrical utilities to generate a specified fraction of their electricity from renewable energy sources. 29 states have adopted RPS programs, with each state designating its own renewable energy targets and end dates.	-
China	Renewable Portfolio Standard (RPS)	A minimum of 35.0% of total electricity consumed must be generated from renewable energy sources.	2030
India	Nation Action Plan on Climate Change	Renewable energy targets to develop 450.00 GW of renewable energy by 2030, with interim targets of 227.00 GW by 2022.	2030

Source: IRENA, Frost & Sullivan

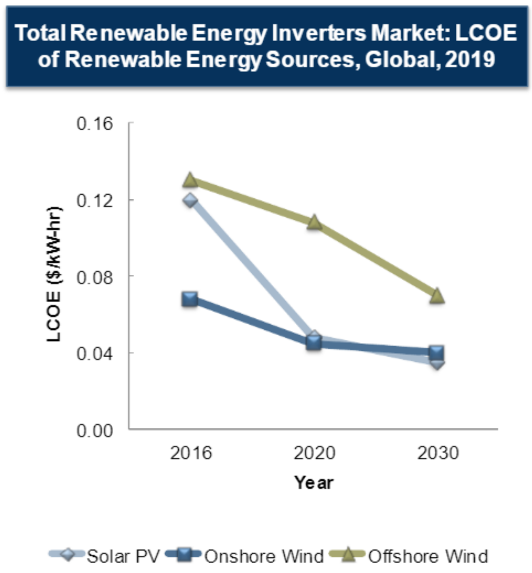
Figure 5.12: Renewable Energy Inverters Market: Regulatory Environment, Global, 2019 – 2025

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

Global Driver 2: Falling renewable energy installation costs

Solar PV module prices are at their lowest ever, resulting in the commoditization of solar PV systems. The Levelized cost of electricity (LCOE) for solar energy sources is becoming comparable with conventional sources primarily because of technological advancements in solar PV power components such as solar modules. The costs of renewable energy systems are forecast to continue declining as further savings are made because of economies of scale, technological development, and production automation. The 31/5 Policy in which China cut support for and effectively halted utility- and distributed-scale PV projects in the country created an oversupply of solar PV products in the global market, leading to a further short-term decrease in prices and making more projects viable, resulting in higher demand for inverters. This driver is expected to have a high impact in the medium term and a medium impact in the long term.



Source: IRENA, Frost & Sullivan

Figure 5.13: Renewable Energy Inverters Market: Levelized cost of electricity, Global, 2019

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

India Driver 1: National renewable energy targets

India has been at the forefront in adhering to policies to reduce emissions and has a commitment to reduce GHG emissions by 33% to 35% below 2005 levels by 2030. The Intended Nationally Determined Contribution (INDC) aims to install 500 GW of renewable power by end of 2030 as per its submission to UNFCCC, in addition to setting a target of 40% of total energy production in renewable power by 2030. The National Solar Mission (NSM) was established in 2010 to turn India into a global leader in solar energy. The initial target to install 20 GW of solar power by 2022 increased to a target of 300 GW by 2030. India ranks 5th globally in solar power deployment. Given that the country has only achieved one-third of its 2022 target, there is plenty of growth potential in the short to medium term, which is increasing the demand for solar string inverters.

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

The Government of India also is promoting smaller Solar plants up to 15 HP (11.2 kW) for farmers under the PM-KUSUM scheme, which will increase the demand for smaller string inverters (5 kW, 7.5 kW, 10 kW, and 12 kW). In addition, the Indian Government is supporting Make in India initiatives by proposing to increase Basic Customs Duty (BCD) from 5% to 20% on imported Solar inverters, thereby driving indigenous manufacturing.

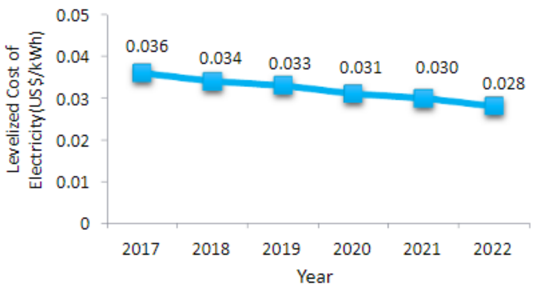
India Driver 2: Falling renewable energy installation costs

The declining prices of solar PV modules have resulted in increased adoption and commoditization of solar PV systems. While tariffs are influenced by multiple factors including financing and equipment costs, government incentives, and OPEX, falling equipment prices and increased competition have been the major factors in declining LCOE, which was as low as INR2.62 per KWh in 2017 ($0.036/KWh). Module costs account for approximately 20% of LCOE, while financing costs account for almost 56%. Declining module costs contributed to lower LCOE. Module costs fell from INR2.62/KWh ($0.036/KWh) in 2017 to ₹ 2.38/KWh ($0.033 per KWh) in 2019, declining by almost 10%. Maturing RE technologies have lowered risk premiums attached to the financing of projects further bolstered by policy support and increased competition that resulted in equity investors recalibrating return expectations, which has reduced financing costs.

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

Indian Solar Inverters Market: Levelised Cost of Electricity (LCOE) of Solar PV, India, 2017–2022



Source: Asian Development Bank Institute; Frost & Sullivan

Figure 5.14: Cost of Electricity from Solar PV, India, 2017 – 2022

Global Restraint 1: Grid saturation

As the most mature market in terms of renewable energy installations, Europe has seen more than a decade of renewable energy development in Germany, Spain, Italy, and Greece. For instance, Germany generated approximately 43% of net electricity consumption from renewable energy sources in 2018. Solar PV power can cover as much as 45% of momentary electricity demand on sunny weekdays, with the coverage rate reaching as high as 60% on weekends and holidays. This places a heavy burden on grid networks, leading governments to cut back feed-in-tariff (FiT) schemes in order to prevent the oversaturation of renewable energy installations. This trend could extend to other parts of the globe as renewable energy sources become a significant part of the energy mix.

The high saturation rate compels governments to slow renewable energy uptake, which would reduce the demand for inverters.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

Global Restraint 2: Restructuring and reduction of renewable energy incentive programs

Renewable energy, particularly solar power, is reliant on government support. FiTs, tax benefits, import duty exceptions, rebate programs, and fund allocations affect market dynamics. A cut in incentive programs reduces the growth potential of solar PV, at least during the time it takes for the market to adjust to the change. The Chinese solar PV market felt the effects of solar incentive program restructuring in 2018, and the contraction resulted in a significant slowdown in the global market. The reduction of investment tax credit (ITC) or federal solar tax credit in the United States, along with the migration from a tariff to a net metering scheme in Canada, restrains the growth of the North American solar PV market. The decline in FiTs for solar projects in Japan resulted in a considerable drop in the country's solar PV installations, directly translating into a decrease in demand for renewable energy inverters.

The effect of this restraint is particularly apparent in developing countries where policy support can reduce the cost of system financing and operational risks.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

India Restraint 1: Risks associated with RE projects

While the Ministry of Renewable Energy has taken several initiatives in derisking RE projects to encourage investors, there still are challenges that decelerate the growth of solar projects. Utility-scale projects in India are marked by off taker risk, which refers to non-compliance of the PPA terms by an offtaker. This is usually in the form of payment delays of up to 12 months, which is much higher than the average of 30 to 60 days. This results in higher working capital requirements, thereby increasing tariffs. It also increases risk as investors demand higher returns causing higher financing costs.

The Ministry of Power recently issued an order mandating letter of credit for payments by DISCOMs, which, if implemented effectively, could be a solution for payment delays. Another major risk factor for developers is associated with land acquisition, which, when delayed, can impede the timely set up of solar parks. Government initiatives in facilitating land acquisition will expedite RE project development

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

India Restraint 2: Restructuring of open access fees

Most states in India announced amendments to open access regulations in 2018, including the withdrawal of benefits for open access transactions. To promote the use of renewable energy by corporates, most states had provided banking benefits that allowed accounting duration of longer than 15 minutes (as opposed to the 15-minute duration for other energy sources) facilitating banking of surplus that could be used during subsequent months in the same financial year. Indian states in the last few years have capped the duration at 15 minutes or restricted withdrawal of banked energy to a few months. Karnataka had been at the forefront in promoting renewable energy by issuing waivers on open access charges, but those were not extended beyond 2018. Maharashtra Electricity Regulatory Commission (MERC) recently reduced the flexibility of corporate PPA consumers by having more than one open-access supplier. Haryana withdrew its blanket 10-year open access charges waiver except for captive power projects. Such steps by state governments are expected to impede the growth of solar PV deployments.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***
Solar String Inverters		

Impact of the trend on the product category: **Very High** **No Impact**

OVERVIEW OF ALUMINIUM HIGH PRESSURE DIE CASTING (HPDC)

Overview

Note: In this report, Aluminium High Pressure Die Casting includes applications in automobile and automation industries only.

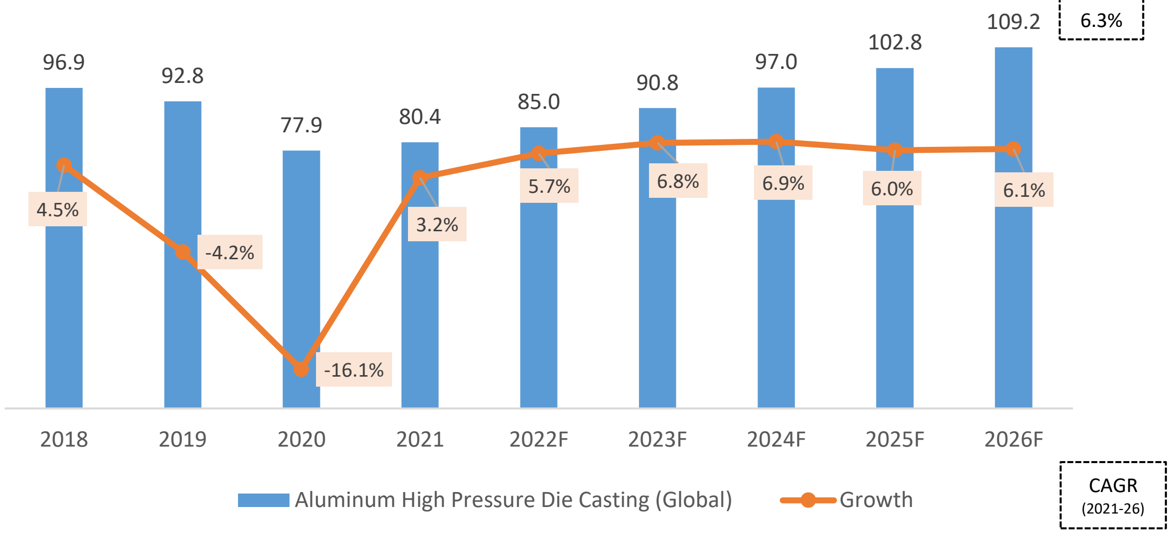
Aluminium Die Casting is the process of creating aluminium alloy-based products by forcing the molten metal into a die casted mold cavity. Aluminium Die Casting is usually done with a cold chamber under high pressure because aluminium alloys have a lower melting point. High Pressure Aluminium Die Casting is particularly employed for high-volume manufacturing for automotive components. The high pressure die casting tooling (or die casting mold) is generally made of hardened steel to withstand high pressure and temperature. The die usually consists of two halves with negative geometry of the part to create the form factor. Frost & Sullivan estimates Global Aluminium High Pressure Die Casting market at USD 80.4 billion in 2021. The market is estimated to grow at a 6.3% CAGR from 2021 to 2026 and reach USD 109.2 billion. Automotive will remain the highest revenue contributor across all regions. APAC will lead revenue growth in the next five years.

The High Pressure Aluminium Die Casting market in India is mature and has continuously grown in production capability to meet both domestic and global requirements. Companies manufacture components including engine blocks, bed plates, and several other thin wall castings. The automotive industry is the largest revenue contributor for the high pressure aluminium die casting market. India has a well-developed ecosystem of material suppliers, support services, skilled labor, and equipment suppliers for both global and domestic players to support the growing demands for high-pressure aluminium die cast parts.

Overview of Global Aluminium High Pressure Die Casting Market

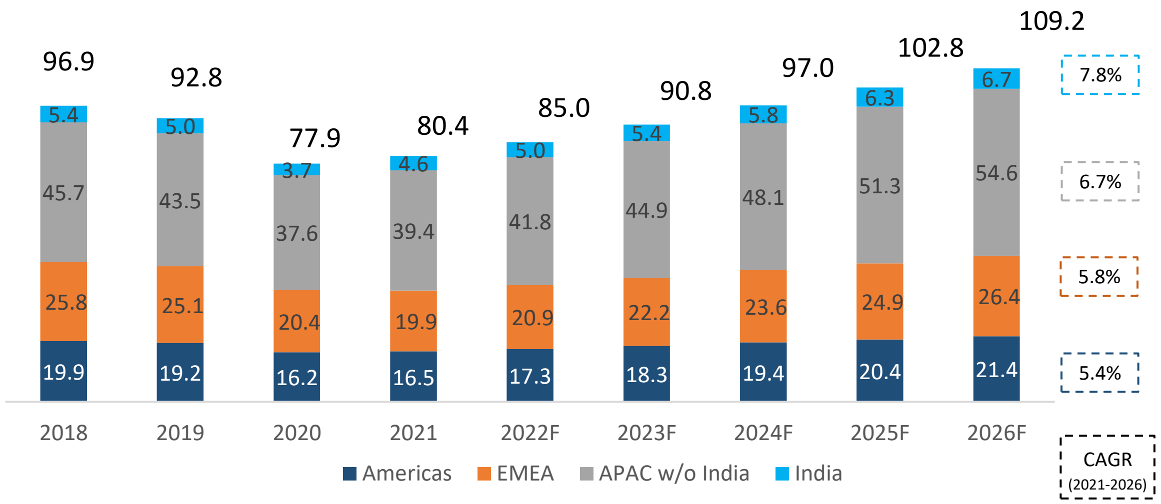
High-Pressure Aluminium Die Casting is mainly used for fabricating components for automotive and industrial applications. The Global High-Pressure Aluminium Die Casting market was USD 80.4 billion in 2021. The market is forecast to grow at CAGR of 6.3% between 2021 and 2026, to reach USD 109.2 billion by 2026. The ratio of High-pressure Aluminium die casting market in automotive to that in industrial (the 2 sectors that are covered in this report) is approximately 4:1.

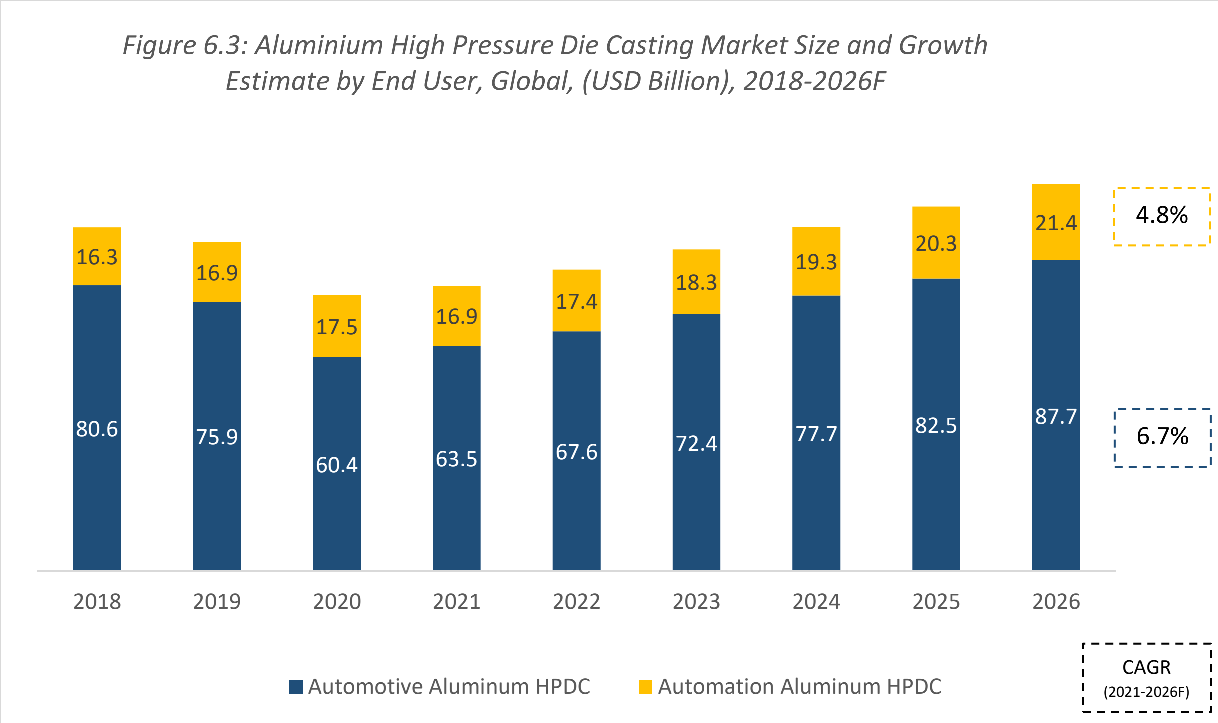
Figure 6.1: Aluminium High Pressure Die Casting Market Size and Growth Estimate, Global, (USD Billion), *2018-2026F*



Demand for high-pressure aluminium die casting is high for automotive power train components such as cylinder heads, engine blocks, and transmission cases. Lightweighting of vehicle structures such as longitudinal members, shock towers, and subframes are creating new opportunities. EV motor and battery housings generate demand. EVs require aluminium components to increase drive range, charging speed, and safety. Recovery in automotive production and growth in EV play a central role in growth of the Aluminium High Pressure Die Casting market in the next 5 years.

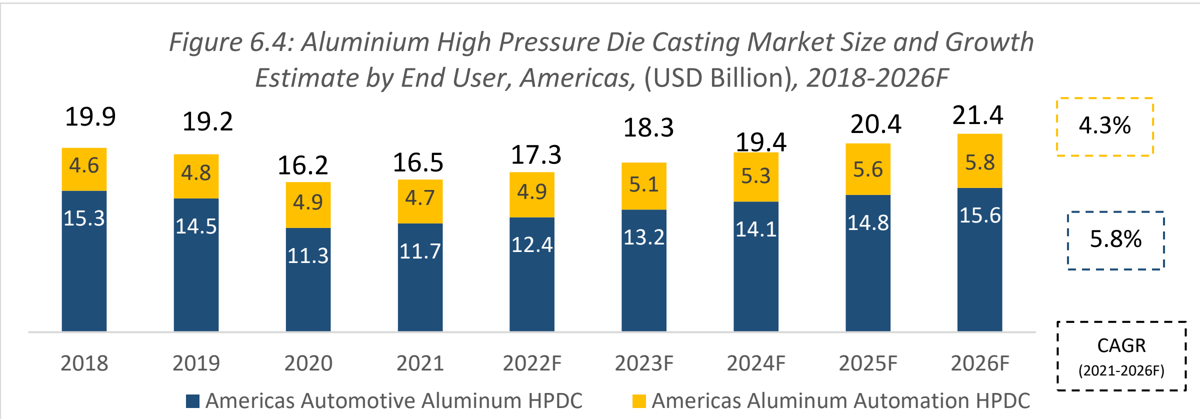
Figure 6.2: Aluminium High Pressure Die Casting Market Size and Growth Estimate by Region, (USD Billion), 2018-2026F





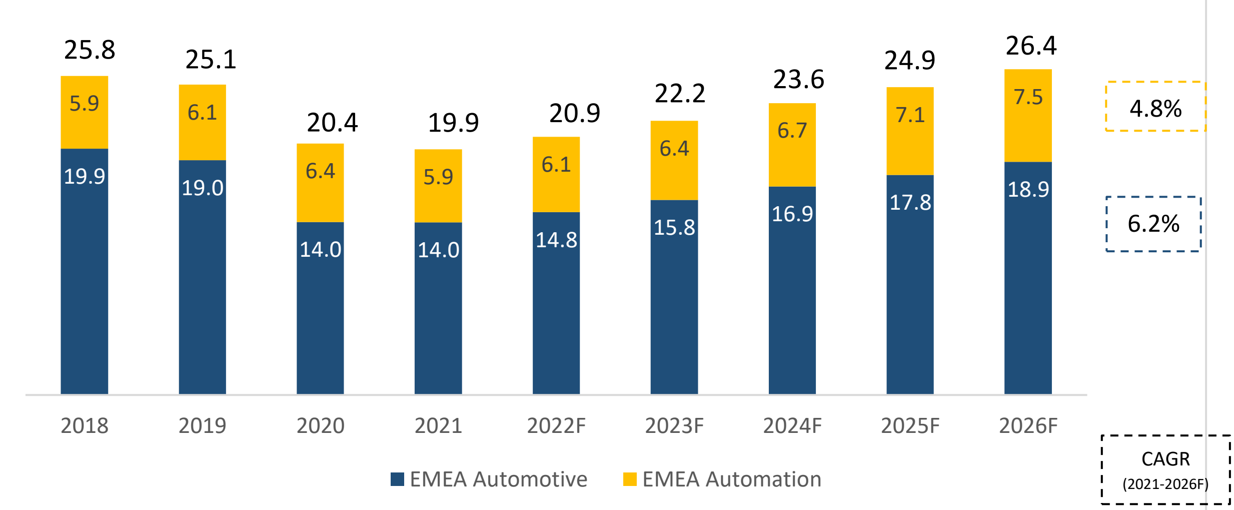
Regional Overview

Recovery of the automotive industry in the Americas is driving the growth in short-term. Americas market is estimated to grow from USD 16.5 billion in 2021 to USD 21.4 billion in 2026 at a 5.4% CAGR. Lightweighting is a major focus area for leading automotive OEMs such as Ford, Jeep, and Tesla.



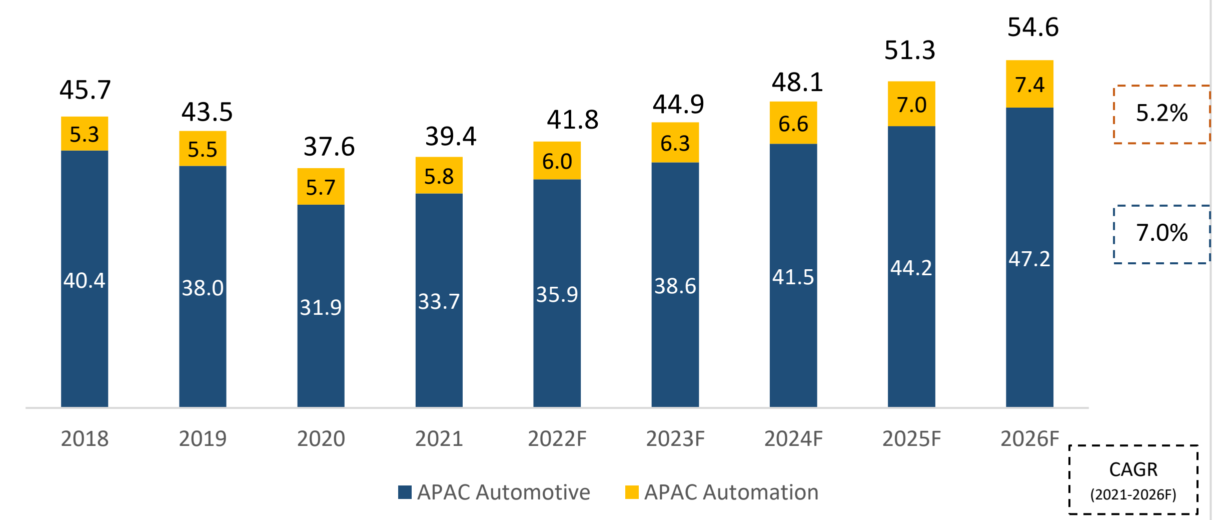
EMEA market is estimated to grow from USD 19.9 billion in 2021 to USD 26.4 billion in 2026 at a 5.8% CAGR. Major automakers BMW, Daimler, and Volkswagen are expected to achieve 20% electrification (the percentage of EV cars sold) by 2025. Volvo Cars is leading the segment and aims to electrify 100% of its cars by 2030. In February 2022, Volvo Cars announced plans to invest in mega casting techniques similar to Tesla to build next-generation EVs that are lighter, stronger, and more efficient.

Figure 6.5: Aluminium High Pressure Die Casting Market Size and Growth Estimate by End User, EMEA, (USD Billion), *2018-2026F*



Aluminium High Pressure Die Casting in APAC excluding India is estimated to grow from USD 39.4 billion in 2021 to USD 54.6 billion in 2026 at a 6.7% CAGR. APAC is characterized by large number of OEMs and suppliers and a competitive production cost. The region's high population, consistent demand for vehicles, low cost of production and China's focus on EVs and its dominance in manufacturing are the driving forces. South Korea and Japan are other leaders in EV adoption. The region is the largest Industrial Automation market because of expanding industrialization and digitalization activities.

Figure 6.6: Aluminium High Pressure Die Casting Market Size and Growth Estimate by End User, APAC (Excluding India), (USD Billion), *2018-2026F*



Total Addressable Market (TAM) for the Aluminium High Pressure Die Casting Market

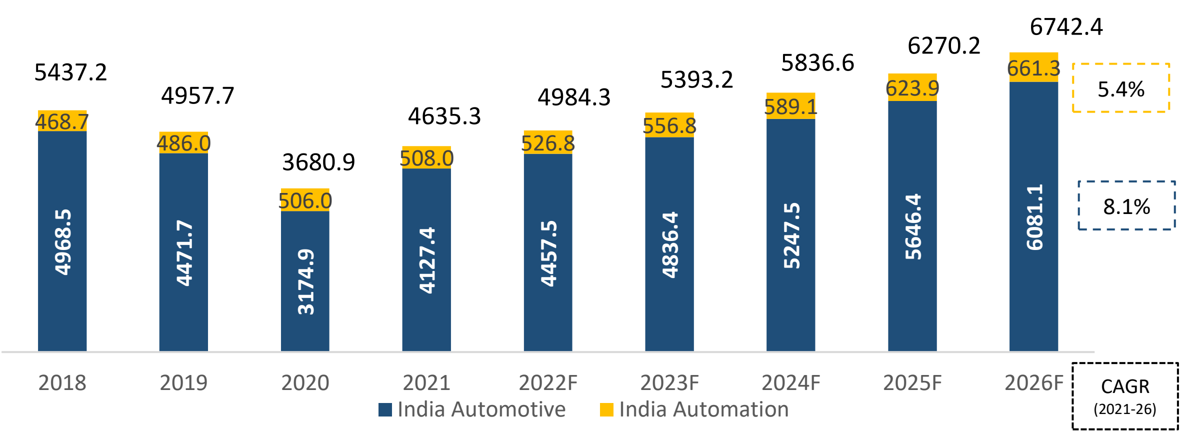
Region	***Total Market Size, 2021 (USD Bn)***	***Estimated TAM, 2021 (USD Bn)***	***TAM as % of Total Market***	***Comments***
Global	80.4	80.4	100%	TAM is 100% at global and all regional levels since the market size is assessed for automotive and industrial automation, the two sectors in scope
Americas	16.5	16.5		
EMEA	19.9	19.9		
APAC w/o India	39.4	39.4		
India	4.63	4.63		

TAM calculated for the following products: Applications in automobiles & automation industries

Overview of Indian Aluminium High Pressure Die Casting Market

Aluminium High Pressure Die Casting market in India is estimated to grow from USD 4635.3 million in 2021 to USD 6742.4 million in 2026 at a CAGR of 7.8%. Government incentives (FAME II), stringent emission standards, the push for cleaner fuels, and lower operating cost will drive EV adoption in India. This combined with the ongoing recovery of automotive sales indicates high demand for aluminium cast parts in the country for the next 5 to 10 years. Demand for Aluminium high pressure die casting for automation products is expected to be lower than in the automotive segment. The demand for aluminium enclosures and housings for automation products and electric motors will witness sustained growth during the forecast period.

Figure 6.7: Aluminium High Pressure Die Casting Market Size and Growth Estimate by End User, India, (USD Million), 2018-2026F



Total Addressable Market (TAM) for the Indian Aluminium High Pressure Die Casting Market

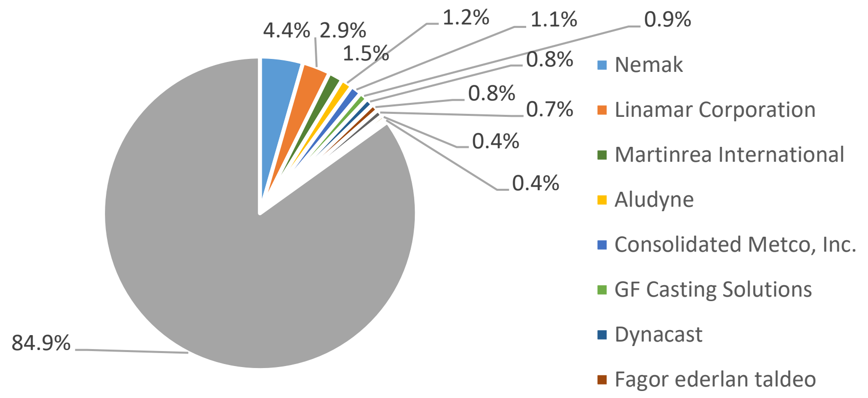
Estimated TAM, 2021	*TAM as % of Total Market*	*Product subcategories considered for TAM*
USD 4.6 billion	100%	• Applications in automobiles & automation industries

Competitive Landscape of Aluminium High Pressure Die Casting Market

Key Industry players - Global & India
Consolidate Metco, Nemark, Faist Group, Alcast Technologies, Arconic, Dynacast International, Gibbs Die Casting, Bodine Aluminum, Martinrea Honsel, Leggett & Platt, Endurance, Sunbeam auto Pvt. Ltd., Rockmancycle, Endurance technologies, Kailas toolings, MRT Castings, Oswal Castings & Lumel

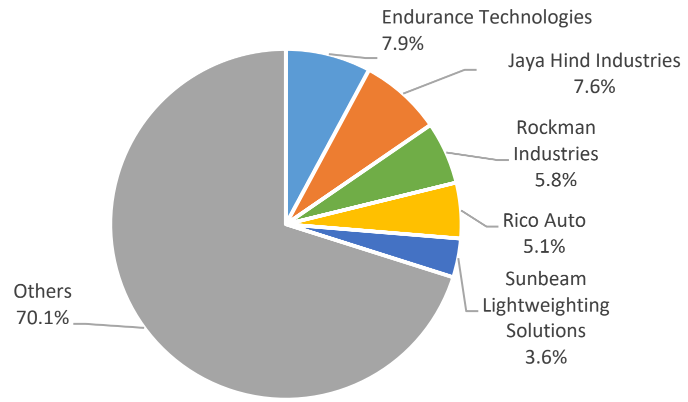
The Global Aluminium High Pressure Die Casting market is characterized by large, medium, and small-scale companies catering to the OEM and after-market requirements. With more than 1000 competitors, the market is considered highly fragmented. The market size estimates of leading global companies (having presence across major economies) indicate that 11 companies constitute a 15.1% market share. The United States alone has more than 200 companies in the small and medium-scale revenue category (below USD 200 million). Many other companies are based in China and Europe, given the strong presence of the automotive industry in these places. Lumel holds 0.09% market share in the overall EMEA Aluminium High Pressure Die Casting Market.

Figure 6.8: Aluminum High Pressure Die Casting Market Share Estimate, 2021, Global, (in %)



The Indian market also is fragmented, with 100 to 200 companies operating in it. The top 3 companies hold a combined 21.3% market share. The majority of participants are home-grown, and most do not have manufacturing plants outside India though they serve both domestic and foreign clients.

Figure 6.9: Aluminium High Pressure Die Casting Market Share Assessment, India, 2021



Note: Total Market Size = USD 4635.3 Million, 2021

Technology Trends

Trend	Description
Mega castings (large volume castings, high force application)	• Mega casting (also known as Giga-casting) is gaining popularity in the automotive industry to reduce the number of components and weight of the vehicles. • Italy-based Idra Group and LK Group are the only two suppliers of this high pressure die casting equipment. Idra's equipment can handle high clamping force of 55 kN to 61 kN and can push 80 Kg of molten aluminium into the casting mold. • Tesla pioneered the use of the Giga-press to produce chassis for its Tesla Y model.

Drivers & Restraints

Global Driver 1: Vehicle lightweighting

Automakers are responding to climatic and environmental concerns about vehicle emissions by reducing vehicle body weight to make them more fuel efficient. Electric Vehicles must be lighter than vehicles with IC Engines to improve drive range and battery performance. To lower body weight by as much as 40% without compromising safety, automakers are resorting to aluminium die cast parts because the material has outstanding mechanical properties, high volume manufacturability at low cost, high dimensional accuracy and higher stability of the formed part. Aluminium is only one-third the weight of steel and has high malleability, which makes it easy for rapid conversion of molten metal into a net shape-3D material.

Electric Vehicle sales is poised to grow at a 27% CAGR from 7 million in 2019 to 30 million in 2025. The shift to EVs (and Hybrids) will be significant in Europe, the United States and China, where IC engine vehicle account for more than 90% of sales. By 2030, more than 90% of vehicles sold in the United States and Europe, and more than 60% in China, will be Hybrids and EVs, for which average cast content of aluminium will be double that of ICE vehicles.

	ICE	Hybrid (PHEV)	EV (BEV)
Average Aluminium Content per vehicle (Kg)	99	189	180

Product Category	***Impact-Medium Term (3 – 5 years)***	***Impact-Long Term (6 – 10 years)***
Aluminium High Pressure Die Casting:	●	●

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

India Driver 1: Favorable policy changes

The Government of India is promoting its Make in India initiative with the Production Linked Incentive (PLI) scheme, which attracted investment from Automotive companies worth USD 9480.3 million over a period of five years starting Apr 2022. The primary objective of the PLI scheme is to boost the domestic manufacturing of Advanced Automotive Technology (AAT) products by attracting investments across the manufacturing value chain. The PLI scheme is expected to overcome cost barriers and create a robust supply chain to support advancements in the industry including EVs. The overwhelming investment proposal that exceeds target combined with political stability and favorable policy will boost automotive manufacturing in the country and require aluminium die casting capability and capacity to meet those needs.

Product Category	***Impact-Medium Term (3 – 5 years)***	***Impact-Long Term (6 – 10 years)***
Aluminium High Pressure Die Casting	◕	◑

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

Global Restraint 1: High cost

Aluminium Die Casting requires significant investment for initial equipment purchase and regular operation. Companies that provide Aluminium High Pressure Die Casting look for long-term commitments from customers before they invest in a new die. Because of the high cost of manufacturing, cannot commit to multiple suppliers.

Product Category	***Impact-Medium Term (3 – 5 years)***	***Impact-Long Term (6 – 10 years)***
Aluminium High Pressure Die Casting	◑	◑

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

India Restraint 1: High initial and operating costs

The high cost involved in procuring and operating Aluminium Die Cast equipment hampers market growth opportunities. However, market participants are betting on growing demand for automotive and electrical products in the country backed by government initiatives to expand the domestic manufacturing value chain so the impact of this restraint will be low during the forecast period. Few players such as Rishabh Instruments have already incurred such costs and hence are ahead of the curve.

Product Category	***Impact-Medium Term (3 – 5 years)***	***Impact-Long Term (6 – 10 years)***
Aluminium High Pressure Die Casting	◔	◔

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

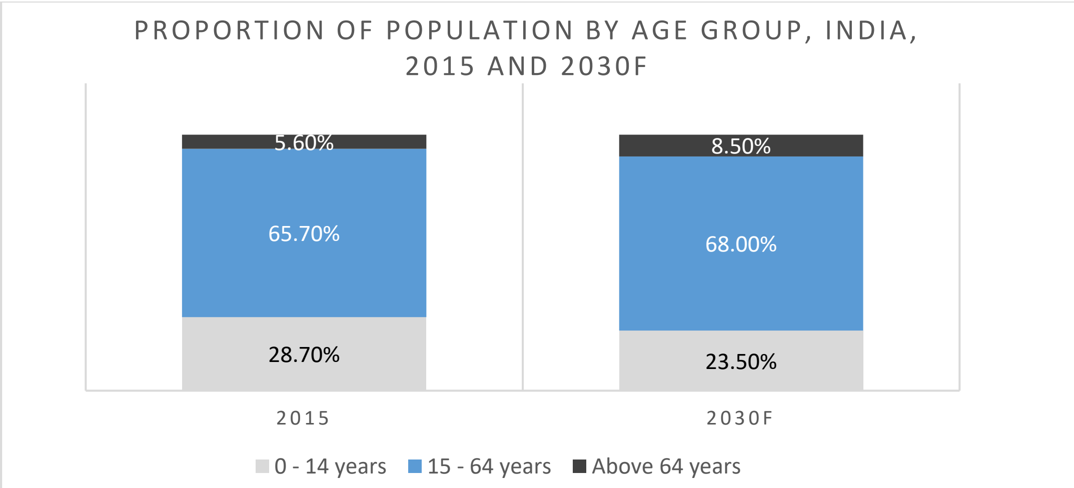
CHAPTER 7 – MEGA TRENDS AND CRITICAL SUCCESS FACTORS

Key growth drivers

1. Favorable demographics

India is one of the fastest-growing economies, driven by a large population and favorable demographics. A key reason behind its high growth is the large proportion of young working-class people that drives strong consumer demand. From the 5th largest economy in 2018 (nominal GDP), India has the potential to become the 3rd largest by 2030.

The working-age population is expected to grow from 65.7% in 2015 to 68% in 2030.



Source: UN; World Bank; Frost & Sullivan
Figure 7.1: Proportion of Population by Age Group, India, 2015 and 2030F

In 2014, India's median population age stood at 26.7 years (it was 37.0 in China, 45.9 in Germany, and 37.6 in the United States). India's median age represents a large young population in the working-age category, which fuels consumerism.

Working Age Population (15 – 64 years)	2015 (in Bn)	2030F (in Bn)	Trend
India	0.86	1.03	
China	1.01	0.97	

Source: UN; World Bank; Frost & Sullivan Research
Figure 7.2: Working Age Population, India and China, 2015 and 2030F

In India, more than 140 million middle-income households are expected to be added between 2018 and 2030. Middle-and high-income households are expected to boost India's incremental consumption spend by about USD 4 trillion by 2030F. In addition, the increase in working-age population boosts talent availability for technology and manufacturing companies. As a result of the growth in working-age population and formal employment, India's tax revenue will increase, and the government will use it to invest in infrastructure.

Therefore, India is expected to witness high demand for additional manufacturing capacity, infrastructure investments, and energy to meet the requirements of a growing working-age population and a booming middle class. A result is that Indian Electrical Automation and Portable Test and Measurement market is expected to grow at 8.1% and 6.4%, respectively, from 2021 to 2026F.

2. Urbanization

As of 2020, more than 4.3 billion people (more than half of world's population) lived in urban areas. A UN report estimates that people will continue to migrate from rural to urban areas to have a better standard of living. By 2050, more than 6.6 billion people will live in cities, representing 67% of the global population. Asia and Africa will witness the fastest urbanization rates. In India, the number of people living in urban areas will increase from 483 million in 2020 to 876 million in 2050—an increase from 35% to 52.9%. Between 2020 and 2030, India is expected to witness urbanization growth at 2%, while Africa will witness the fastest growth at 3.1%.

Urban Population (in billion)	**2020**	**2030F**	**2050F**	**CAGR (2020 - 2050F)**
Global	4.4	5.2	6.7	1.4%
Americas	0.8	0.9	1.1	1.1%
Europe	0.5	0.6	0.6	0.6%
Asia	2.4	2.8	3.5	1.3%
India	0.4	0.6	0.9	2.7%
Africa	0.6	0.8	1.5	3.1%

Source: UN; Frost & Sullivan Research

Figure 7.3: Urban Population, 2020, 2030F, 2050F

Due to the overall growth in urbanization, governments across the world seek city-level solutions to address local problems, resulting in the development of new products and new business opportunities that bolster the industrial panel device and portable test and measurement equipment market. Product categories are expected to grow between 4% and 8% over the next 5 years. Companies that have local presence in high-growth places such as India can capitalize on regional demand.

Urbanization in India will be driven by FDI in special economic zones, national affordable housing schemes, and development of 100 smart cities. Consequently, the number of Mega Cities in India will increase from 5 in 2019 to 7 by 2030, with Hyderabad and Ahmedabad entering the fray. As metro cities reach saturation, rapid urbanization will begin in Tier II and Tier III cities. It is critical for companies to cater to the boom in demand from Tier II and Tier III cities as well.

- In India, southern and western states such as Tamil Nadu, Telangana, Kerala, Maharashtra, and Gujarat will see urbanization rates in excess of 50% by 2030.
- Northern and eastern states such as Bihar, Himachal Pradesh, and Assam will continue to have a sizeable rural population (greater than 75%).

3. Digital consumption

The internet user base (a key indicator for digital consumption) is growing every year due to increasing digitalization that reflects in the way we work, learn, shop and how businesses and governments operate. Globally, end users rely on digital solutions to make financial transactions and connect with people, for entertainment and for other reasons that have a positive effect on lifestyle. The number of internet users globally is forecast to grow at 3.9% to reach 5.6 billion by 2025. The majority of growth will come from developing and underdeveloped nations.

	2018	**2019**	**2020**	**2021**	**Trend**
Internet Users (in Bn)	3.7	4.1	4.6	4.9	
Annual Growth	9.4%	10.5%	11.4%	7.0%	
Global Population (in billion)	7.6	7.7	7.8	7.8	
Annual Growth	1.1%	1.1%	1.0%	1.0%	
Internet Penetration	48.9%	53.5%	59.0%	62.5%	
Population without Internet (in Bn)	3.9	3.6	3.2	2.9	

Source: UN; ITU; Frost & Sullivan

	2019	2025	Trend
Internet Users, India (in billion)	0.65	0.94	
Credit & Debit PoS Growth, India (between 2019 & 2025)	400%		
Internet Penetration, India	45%	65%	

Figure 7.5: Internet User Statistics in Comparison to Population, Global & India, 2018-2021

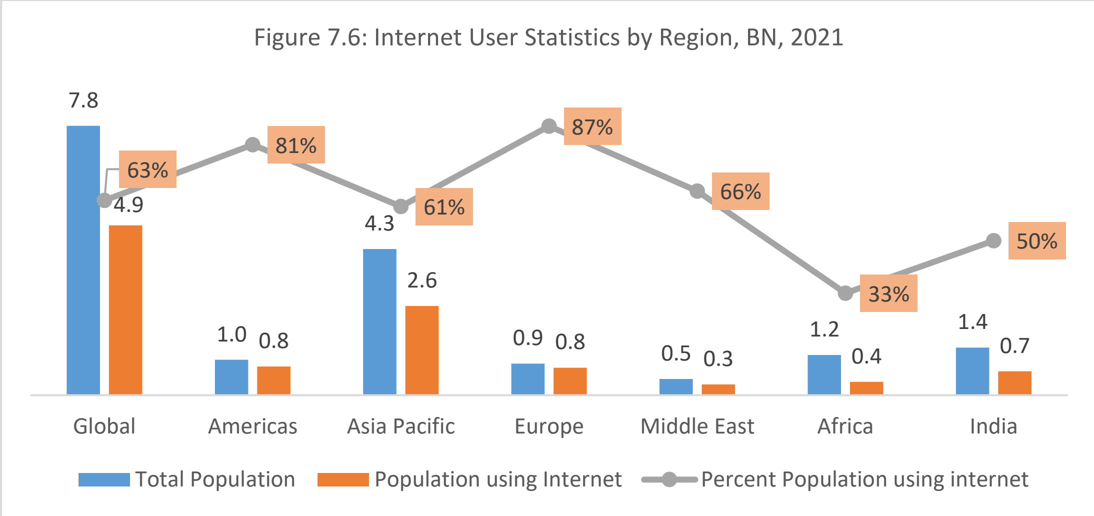


Figure 7.6: Internet User Statistics by Region, BN, 2021

Source: UN: ITU; Frost & Sullivan

In India, the internet penetration rate is expected to increase to 65% by 2025. This is because a large portion of financial transactions will become digital, enabling India to transition from a cash-based economy to a digital economy. The number of cash payments is expected to decline from 4 in 5 transactions to 1 in 5 transactions between 2015 and 2025. The number of credit and debit card point-of-sale (POS) transactions in India is expected to grow 4.5x times between 2019 and 2025.

Digital consumption has also increased significantly in the B2B sector. For instance, Zoom, a virtual conference hosting software, grew its revenue more than 4X times in 2020 because the way companies interact with their employees and clients changed. Metaverse is gaining traction to monitor industry operations and to create virtual meeting rooms for clients and employees alike. B2B customer interaction is poised to transform to digital platforms in the coming years.

Digitization is expected to directly drive demand for Sensors and Transmitters; Digital meters including Multimeters, Panel Meters, and Multifunctional Instruments; and other industrial panel devices and portable test and measurement equipment that enable automated data collection, analysis, and decision-making.

4. Increasing industrialization

Industrialization is one of the pillars of growth for the Industrial Panel Devices and Portable Test and Measurement market. Though the industrial contribution to GDP has hovered around 27% since 2015, the absolute dollar value grew at a CAGR of about 10% between 2015 and 2020 (including the impact of COVID-19), indicating a continuous capacity expansion across industries.

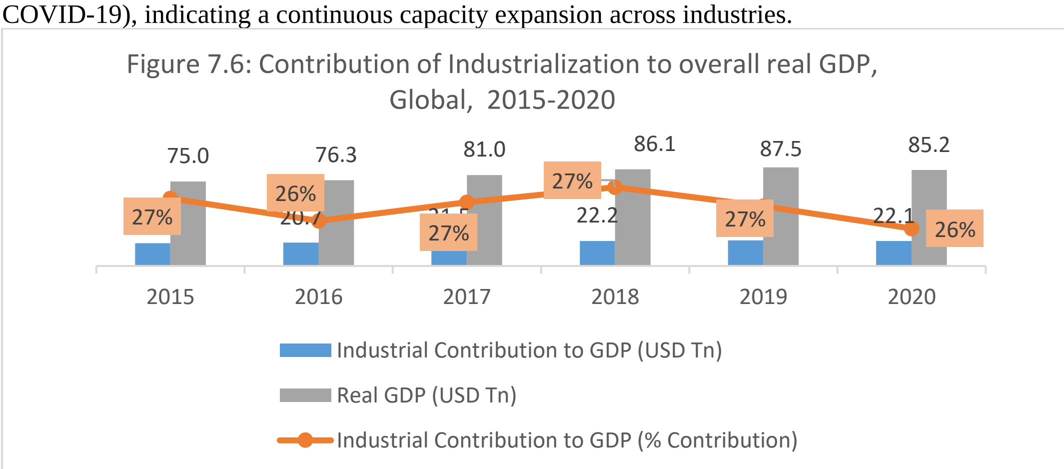


Figure 7.6: Contribution of Industrialization to overall real GDP, Global, 2015-2020

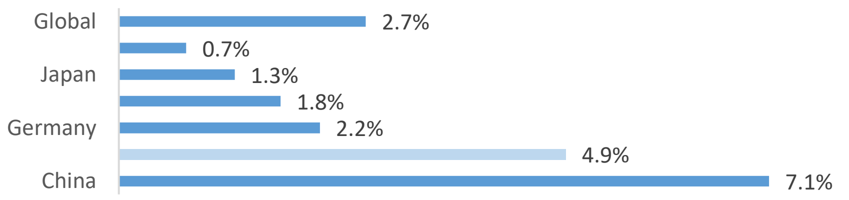
Source: World Bank, Frost & Sullivan

Industrial Contribution includes construction (physical infrastructure such as bridges and houses and all public infrastructure), manufacturing, mining, electricity, water, and gas. Sale of Real Estate and sale of constructed houses is not accounted.

Frost & Sullivan expects that the industrial contribution to GDP will grow beyond the average of 27% in the coming years due to the easing of supply constraints, enhanced operational efficiency and growing consumer demand. Supply issues are exacerbated by the surge in demand for electronics and geopolitical issues surrounding the Russia-Ukraine war and the US-China trade war. Industries and governments across the globe have developed new strategies to restrengthen the supply chain ecosystems.

An emphasis on improving industrial output through use of next-generation technologies is outlined in the United Nations' Sustainable Development Goals 2030. Initiatives to implement Industry 4.0 principles are gaining traction across all verticals as companies experience benefits such as lower labor dependency, enhanced efficiencies, better product quality, increased agility to develop new revenue streams and business models. Leading companies have also started to conceptualize Industry 5.0 to enhance virtualization, better integrate value chains, and improve decision-making processes. The implementation of Industry 4.0 and 5.0 concepts require the integration of sensors, devices, digital platforms and automation systems at various levels in the factory.

Figure 7.7: CAGR of industrial output contribution to GDP, global and selected countries, 2009 to 2021



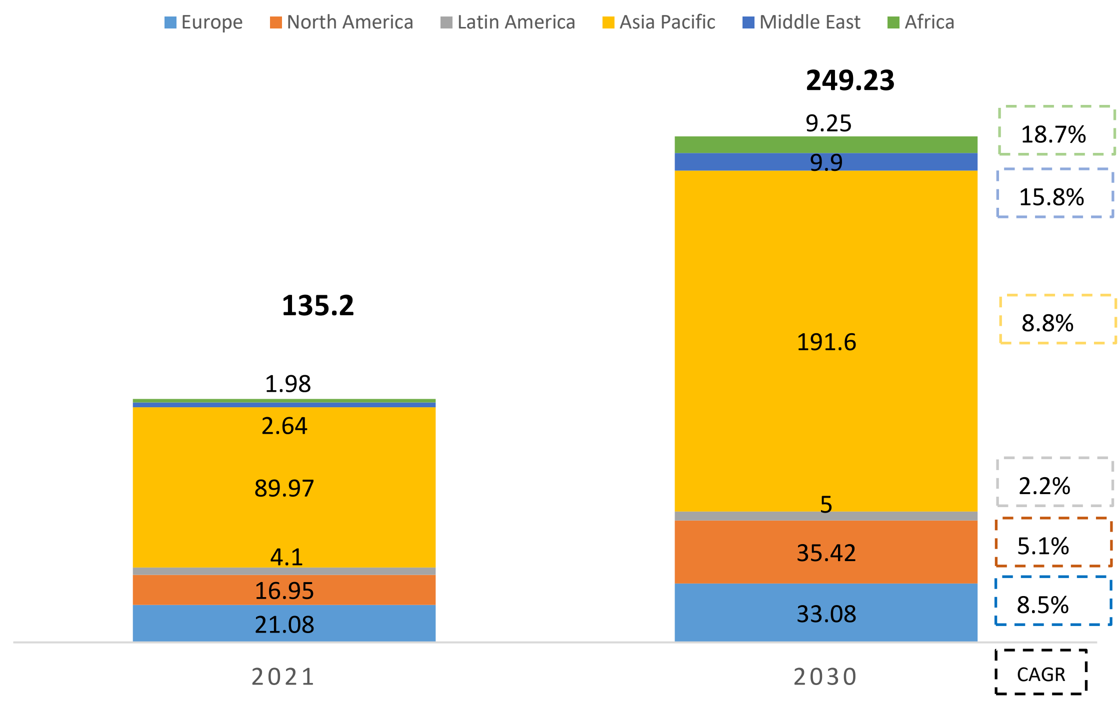
Source: World Bank, Frost & Sullivan

India in particular stands to gain from the easing of supply chain problems and the increased focus on manufacturing. Government initiatives such as Make in India and incentives for FDIs are attracting electronics and semiconductor manufacturers from around the world. India's industrialization contribution has been growing significantly over the last decade and is second only to China. Industrial output has grown at 2.1% from 2009 to 2021, despite the impacts of a recession and COVID-19. Over the next five years, it is expected that higher labor costs and geopolitical issues in China will divert global industrial investment plans towards India and increase demand for all electronic products including Industrial panel devices and portable test and measurement instruments.

5. Rising infrastructure investments

Infrastructure investments are increasing globally, specifically in the water and energy sector to meet sustainability goals. Sustainability and Net Zero are key focus areas of this decade, and industries are developing strategies and making investments to reduce their carbon footprint. Governments across the globe are creating policies to support green infrastructure development. For instance, government agencies in India are implementing regulatory and funding mechanisms to open the water and wastewater treatment market for private investments. Investments in power infrastructure have increased with adoption of smart online sensors to enhance energy efficiency by optimizing asset performance.

Figure 7.8: Solar PV Annual Capacity Addition Forecast by Region (in GW), 2021 and 2030F



Source: Frost & Sullivan Research

Across the globe, sustainability goals are pushing investments specifically in green energy such as Solar PV plants. The global solar PV capacity is expected to increase from 135 GW in 2021 to 250 GW by 2030 at a CAGR of 7%.

In summary, increasing investments in water, wastewater treatment, power distribution, and the renewable energy sector will boost growth opportunities for solar inverters, electrical automation systems and metering, and control and protection devices. Such infrastructure investments result in increased demand for Electrical Automation equipment such as Sensors and Transmitters, HMI etc.; Portable Test & measurement equipment such as Digital Multimeters, Electrical testers, Logic analyzers, Network analyzers, Power meters etc.; and Metering, Control and Protection Devices. These product categories are expected to witness a growth between 5% and 8% over the next 5 years.

Mega Trends

A. Autonomous World

Advancements in electronics, connectivity, and communication technologies have led to the rise of a digital-centric world and enabled the emergence of autonomy across multiple industries. Autonomous solutions are a combination of software and hardware entities that can function independently on behalf of the owner. The solutions, a part of the technical environment, sense a system's current state and perform actions on it in pursuit of its preprogrammed or self-learned goals.

Autonomous solutions will become essential for end users and enterprises alike. Use cases are:

- ✓ *Personal use*, e.g., household tasks such as cleaning and lawn maintenance; transportation; healthcare
- ✓ *Professional applications*, e.g., updating inventory availability status; pricing based on demand forecasting; fraud detection etc.
- ✓ *Industrial applications*, e.g., managing inventory; helping workers carry out routine and high payload tasks; process and quality control; equipment maintenance etc.

Product Category	***Impact – Med Term***	***Impact – Long Term***	***Comments***

	(3 – 5 yrs.)	*(6 – 10 yrs.)*	
Electrical Automation	●	●	The demand for sensors, temperature controllers, electrical transducers, and I/O converters will increase for data generation, collection and transmission needed to realize autonomous applications in industries and commercial set ups. Automation will drive demand for products catering to autonomous solutions.
Metering, Control and Protection Devices	◕	●	There will be a rise in demand for smart power measurement and management instruments such as power factor controllers and digital panel meters that enable autonomy of industrial, commercial, and utility systems.
Portable Test and Measurement	◕	●	Test and measurement equipment is required to validate product performance in R&D, manufacturing, and certification stages of various electronic and electrical components that go into autonomous systems. DAQ, network analyzers, power clamp meters, electrical testers, and digital multi-meters will be required to validate the performance and functionality of the systems.
Solar String Inverters	◑	◑	As the shift to renewable energy such as solar power increases, inverters with autonomous smart features will be required for intelligent energy and grid management.
Aluminium High Pressure Die Casting	◑	◕	Growth in Autonomous Vehicles and the resulting need for lightweight structures (e.g., Connectors, Sensor and lidar housings) for the body will positively impact the Aluminium Die Casting market.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

Automation is expected to be the biggest driver for the Industrial Panel Devices and Portable T&M market. Sensors, Controllers, Test & Measurement systems, and electromechanical systems will be the building blocks for a world rich in automation.

B. Connected Living

By 2030, it is expected that there will be more than 20 connected devices per human. Over the last decade, we have been rapidly moving to an environment where all of us are always connected.

	2020	2030F	CAGR
Connected Device Sales (billion)	30.4	200.0	20.7%

Source: Frost & Sullivan Research
Figure 7.9: Connected Devices Sales, Global, (Units in billion)

An increasingly digital/connected way of living will have a profound effect on a wide range of applications at home, at work, across cities and across industries. Consumers now expect fluid, personalized, and unified experiences that can be achieved only when devices seamlessly connect, data flows and networks work in perfect harmony. Connected living through connected cities, connected homes and connected workplaces will lead to the emergence of new product applications, business models, technologies, platforms and services. IoT devices, 5G/6G, AR/VR devices, connected cars, digital platforms, and automation and control systems will witness significant growth. As the world moves towards ubiquitous connectivity, the need for more data centers is expected to surge (data is set to increase to 163 ZB by 2025). The need to enable connectivity, test connected devices across various stages of the product life cycle and implement remote monitoring systems will be a key driver for the Industrial Panel Devices and Portable T&M market.

Product Category	***Impact – Med Term (3 – 5 yrs.)***	***Impact – Long Term (6 - 10 yrs.)***	***Comments***
Electrical Automation	●	●	The demand for sensors, transmitters, HMIs, and I/O converters will directly increase as a result of this Mega Trend to connect all assets, facilities and personnel.
Metering, Control and Protection Devices	◕	●	There will be a rise in demand for connected, smart power measurement and management instruments as cities, utilities and residential buildings look to modernize their facilities.
Portable Test and Measurement	◕	●	The need to develop and deploy electronic devices with continuous connectivity requires multidimensional testing including basic electronic and electrical parameters and RF and

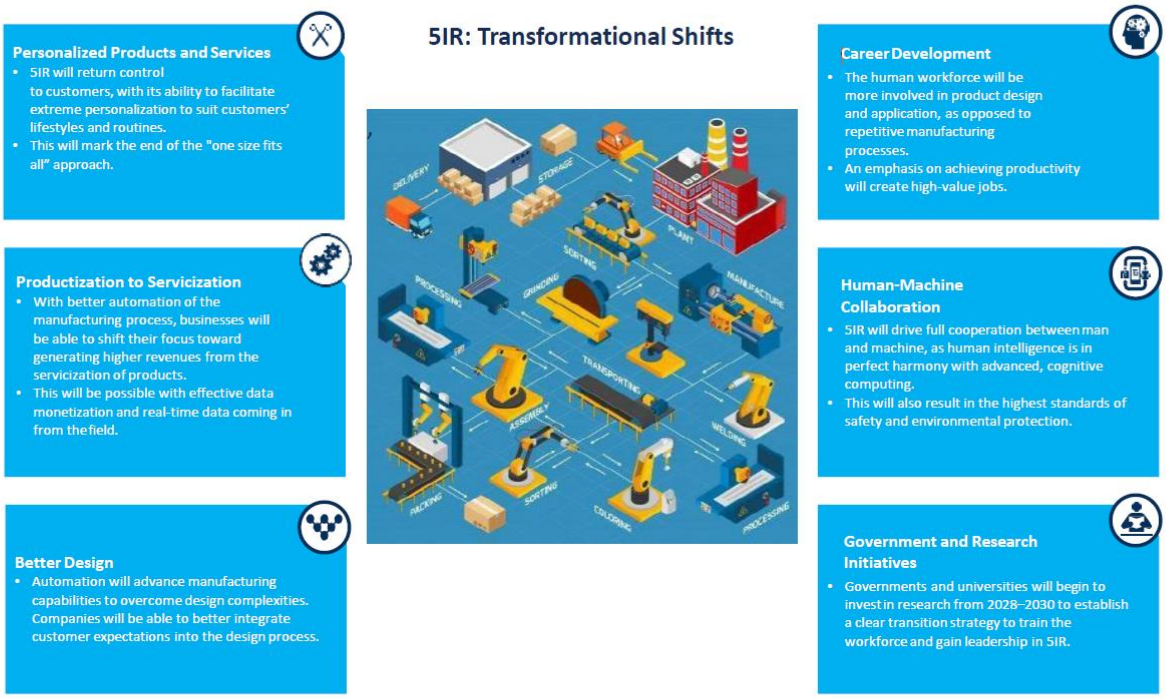
			power parameters. Therefore, network analyzer, power clamp meters, DMMs and electrical testers will witness increased demand.
Solar String Inverters	◕	◕	The need for sustainable living will increase the demand for solar string inverters that are connected to the cloud and can perform energy consumption analysis and inform the user accordingly.
Aluminium High Pressure Die Casting	◑	◕	High Pressure Aluminium Die Cast components will witness increased demand as it will find application in connected cars.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

C. Industry 5.0

Automation and connectivity have percolated across all spheres of life including the manufacturing supply chain and companies have gradually implemented Industry 4.0 principles over the last decade. Industry 4.0 primarily focuses on automation to improve efficiency and productivity. Interconnectivity between machines, mass customization, intelligent supply chain, reducing human involvement and manufacturing of smart products are the main themes.



Source: Frost & Sullivan Research
Figure 7.10: Key Aspects of Industry 5.0

As Industry 4.0 reaches maturity over the next 5 to 10 years, global leaders are looking at Industry 5.0, which is considered the next frontier in industrial revolution (5th Industrial Revolution or 5IR). Industry 5.0 will center on building smart and sustainable factories based on autonomy to develop solutions that enhance the customer experience. Design-centric product life cycle management, hyper customization, responsive and distributed supply chain, human-machine collaboration and interactive products are its main characteristics. Industrial Panel Devices and Portable Test & Measurement equipment will play a pivotal role in this evolution.

In Industry 5.0, with better automation of the manufacturing process, businesses will be able to generate more revenue from the servicization of products. This will be possible with effective data monetization and real-time data coming in from the field. The number of connected sensors and systems that will enable advanced factory and industrial automation will grow from 3.7 billion in 2021 to 11.7 billion in 2026 at a CAGR of 22.8%.

Product Category	*Impact – Med Term (3 – 5 yrs.)*	*Impact – Long Term (6 - 10 yrs.)*	*Comments*

Electrical Automation	●	●	As factories invest in more automation and autonomous production, the demand for all electrical automation components (sensors and transmitters, HMI, temperature controllers, chart recorders, electrical transducers, I/O converters) will increase.
Metering, Control and Protection Devices	●	●	The focus on sustainable production and operation will increase demand for energy- efficient power management systems.
Portable Test and Measurement	◕	●	Advancing factory automation requires product development in accordance with technologies that are fast, reliable and safe. Therefore, Digital Multimeter (DMM) and Electrical Testers will witness more demand to validate the performance during commissioning and operation of factory systems. Network Analyzers and Power meters will be required to validate RF-related devices in the Industry 5.0 ecosystem.
Solar String Inverters	●	●	As factories shift to renewable energy sources, demand will increase for solar string inverters that are the mainly found in rooftop installations.
Aluminium High Pressure Die Casting	◑	◕	Improved electrical performance of automation systems is required as Industry 5.0 implementation begins. It will require Aluminium High Pressure Die Casted electrical enclosures, housings, and heat sinks. Electric motors required in capacity expansion will further add demand for High Pressure Die Casting.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

D. Digital Reality

Digital Reality refers to the use of Augmented Reality, Virtual Reality and Mixed Reality to enhance user experience. Digital Reality has value in industry (e.g., wide implementation of digital twins, improved guidance for equipment operation and maintenance, faster product innovation etc.) and consumer uses (e.g., games, social media, retail showcasing, connected cars etc.). While Digital Reality will accelerate the growth of hardware such as AR/VR headsets, gaming consoles, PCs and Laptops, it will also generate significant demand for data centers to sustain the software platforms that enable virtual worlds, virtual experiences, NFTs and virtual meeting rooms. Connected cars is another attractive segment that will embed VR in ride sharing, retail experience, and for collaborative design efforts.

Automotive VR market	2023F	2030F	CAGR (2023F – 2030F)
Connected Cars with Built-in VR (Sales in million)	0.1	8.0	78.3%

Source: Frost & Sullivan Research

Figure 7.11: Automotive VR Market: Connected Cars with Built-in VR, Global, (Unit Sales in million)

Product Category	*Impact – Med Term (3 – 5 yrs.)*	*Impact – Long Term (6 - 10 yrs.)*	*Comments*
Electrical Automation	◕	●	The demand for sensors, transmitters, electrical transducers, and I/O converters will increase in order to manufacture AR/VR headset and devices.
Metering, Control and Protection Devices	◑	◑	Metering, Control and Protection Devices will be used in power management of data centers that enable digital reality experiences.
Portable Test and Measurement	◑	◕	Portable T&M instruments will find demand to develop AR/VR headsets and verify operation of data centers that enable digital reality on a wide range of applications. DMMs, Electrical testers, Network analyzers and power meters will witness a positive impact from this trend.
Solar String Inverters	○	○	This Mega Trend is not expected to affect the solar string inverters market in the medium or long term.
Aluminium High Pressure Die Casting	○	○	This Mega Trend has no direct impact on the market.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

E. Data as 21st Century Oil

Data as 21st century oil refers to the act of productizing data and trading it through bartering, brokering, and/or business intelligence models that analyze it to offer critical insights. The amount of data generated is witnessing a growth curve like never before. Businesses and economies are looking into more and more ways to capture this raw data and analyze it using the latest data science methods to reveal powerful insights that shape future decisions.

	2020	2025F	CAGR
Global volume of data generated (in zettabytes)	64.2	180	22.8%

Source: Frost & Sullivan Research
Figure 7.12: Growth of data, Global

The electrical automation market consisting of sensors that collect data and data acquisition systems that aggregate and communicate data are expected to witness the highest growth. Data-driven business models for power management, test and measurement and electrical automation products offer new growth opportunities based on this Mega Trend.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***	***Comments***
Electrical Automation	●	●	The demand for sensors and transmitters, electrical transducers, HMIs, and I/O converters will increase for data generation, collection and transmission applications.
Metering, Control and Protection Devices	◕	●	There will be a rise in demand for smart power measurement instruments such as digital panel meters and management instruments such as power factor controllers that enable companies to extract data from the field. Using this data, companies can create new data-driven business models.
Portable Test and Measurement	◕	◕	Growth in data consumption has triggered a continued investment in data centers, which are projected to grow at a CAGR of 11.1% from 2021 through 2031. DMMs, Electrical testers, Power analyzers, and power meters are expected to witness increased demand.
Solar String Inverters	◑	◕	As the shift to solar power increases, smart features can be embedded in inverters to collect, analyze, and monetize data.
Aluminium High Pressure Die Casting	◑	◑	Automation solutions, which are critical for collecting and monetizing data effectively, require high-performance enclosures and housings, thereby positively affecting the Al HPDC market.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

F. Smart Retail

Dynamic trends in consumer behavior and an increase in demand for personalized experiences have transformed the global retail industry. Physical retail stores are expected to become smart, automated, sustainable, and serve as a bridge to E-commerce to enhance the brand experience.

Smart retail refers to the use of IoT-based devices and technology to enhance the conventional customer experience and improve sales efficiency. This is achieved by implanting smart sensors and devices at the storefront to collect various types of data and offer customers a more personalized and seamless brand experience. In the backend, the store makes use of smart energy management systems and next-gen renewable power sources to enhance energy sustainability. New power management systems comprising current transformers, digital panel meters, and power factor controllers with improved safety and reliability will be vital to the realization of smart retail shops. In addition, rooftop solar systems for renewable energy harnessing will become a necessity for green facilities.

This Mega Trend will increase the demand for industrial automation components such as sensors and temperature controllers. Power management systems such as Metering, Control and Protection Devices and solar string inverters market are also expected to be impacted positively by this trend because of the demand for smart, energy-efficient, and sustainable retail chains.

	2019	2027F	CAGR

Global smart retail devices market size (USD billion)	17.4	74.7	19.9%

Source: Frost & Sullivan Research
Figure 7.13: Smart retail devices market size, Global

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***	***Comments***
Electrical Automation	●	●	The demand for sensor and transmitters, electrical transducers, HMIs, and I/O converters will increase as new smart retail stores will require the basic equipment and IoT infrastructure.
Metering, Control and Protection Devices	◕	●	There will be a rise in demand for power measurement and management instruments such as current transformers, digital panel meters, and multifunctional equipment as companies look to make their retail stores more energy efficient.
Portable Test and Measurement	◕	●	Smart retail adoption will drive growth in validating performance of IoT devices and the operational verification of systems. DMMs and Electrical testers will find major adoption in verifying the automation and electrical systems deployed in smart retail.
Solar String Inverters	◑	◕	Retail stores will use renewable energy as the power source, especially in developing economies. As most will be rooftop solar PV installations, there will be a rise in demand for solar string inverters.
Aluminium High Pressure Die Casting	◔	◔	Die cast components may be used for some advanced autonomous machines.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

G. Uberization of Industries

Uberization refers to the development of new business models that capitalize by connecting various kinds of service providers to customers over a digital platform. On-demand access to services, location-based services, mobile-based digital platforms, demand-based pricing and removing the middleman are salient characteristics of an uberised business model.

Uberization unlocks value for customers and suppliers. For customers, it reduces costs extensively and ensures the highest level of service availability; for suppliers, it ensures enhanced asset utilization, higher revenue and flexible work arrangements. Uberization is a digital-first approach that utilizes the power of data, IoT technology, and the internet to efficiently deliver and streamline complex services.

Examples are on-demand, app-based transportation services, healthcare and wellness services, educational services, home cleaning and maintenance services, and legal services.

Product Category	***Impact – Med Term (3-5 yrs)***	***Impact – Long Term (6-10 yrs)***	***Comments***
Electrical Automation	◑	◕	The demand for sensors and transmitters, HMIs, and I/O converters will increase slightly as the demand for new industrial machinery such as 3D printers increases.
Metering, Control and Protection Devices	◔	◑	The demand for Metering, Control and Protection Devices such as power supplies and battery chargers are expected to increase.
Portable Test and Measurement	◔ ◔	◑	Uberization of industries will lead to setting up of extensive networking capabilities in factories, which will result in demand for field test instruments to test network and operational conditions of equipment responsible for providing manufacturing services.
Solar String Inverters		◔	This Mega Trend is inclined toward services and software rather than products, so the impact is low.
Aluminium High Pressure Die Casting	◔	◑	On-demand manufacturing of custom parts has a moderately positive impact on Aluminium High Pressure Die Casting parts.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

H. Towards Zero

Climate change is a global reality that governments and industries are taking steps to address without sacrificing economic growth. Towards Zero is a vision to build a world with zero carbon emissions, zero carbon, and zero pollution. The Paris Agreement also focuses on the mission of achieving net zero by the second half of the 21st century.

Implementation of sustainability principles has gained significant momentum primarily because of the increasingly stringent regulations imposed by governments across industry sectors and customer demand for sustainable practices. Sustainability is becoming a core business strategy for many companies. Access to cheaper capital, increased interest from investors, government incentives and enhanced brand image have led companies to consider sustainability as a pillar of growth. The shift toward a green economy is influenced by the Sustainable Development Goals that the United Nations developed in 2012. The framework suggests two ways to realize net zero: decrease energy waste by adopting efficient energy management practices and reduce non-renewable energy usage by switching to sustainable power sources.

Both approaches have a very high impact on the Industrial Panel Devices and Portable Test & Measurement market. Renewable energy practices will increase demand for power management components such as inverters and power transmission components. Electrical automation and portable test and measurement also will benefit.

	2021	2025F	CAGR
Investment (USD Tn)	37.8	53	8.8%

Source: Frost & Sullivan Research

Figure 7.14: Investment in Environmental, Social, and Governance Assets, Global

Product Category	*Impact – Med Term (3-5 yrs)*	*Impact – Long Term (6-10 yrs)*	*Comments*
Electrical Automation	●	◕	This is expected to be due to the rise in demand for electrical automation components such as temperature controllers, chart recorders, and I/O converters for integrating sensors into PLCs, driven by the need for facilities to become sustainable.
Metering, Control and Protection Devices	◕	●	The trend is expected to increase demand for retrofitting old power management systems and increase need for energy-efficient power management and distribution systems for newer buildings.
Portable Test and Measurement	●	◕	Surge in penetration of Electric Vehicles and renewable energy systems will drive demand for T&M instruments in R&D, manufacturing, and field applications.
Solar String Inverters	●	●	The global move toward renewable energy sources and sustainable energy practices will directly impact solar string inverters for solar PV installations.
Aluminium High Pressure Die Casting	◑	◕	Aluminium Die Cast parts will be required to manufacture low body weight vehicle structures for EVs.

Source: Frost & Sullivan Analysis

Impact of the trend on the product category: **Very High** ● ◕ ◑ ◔ ○ **No Impact**

SWOT Analysis for the Indian Market

Electrical Automation

STRENGTHS	WEAKNESSES
• Strong demand in process industries such as oil and gas and petrochemicals, mainly because of digitization initiatives • Upcoming government investments in new smart city and smart building projects expand the market for sensors, transmitters and other electrical automation components.	• Slow rate of digital transformation in Indian industry, especially among SMEs • Most electrical automation components are imported. A weak manufacturing base in India puts the industry at risk
OPPORTUNITIES	**THREATS**
	• Indian players risk of losing out to global players if manufacturing of electrical

- Upcoming demand in the automotive sector for sensors and transmitters, especially in the EV manufacturing segment
- Building automation and energy management is a fast-growing consumer segment in India, and demand for electrical automation components will grow.

automation components is not strengthened in India.

- Acquisition of Indian players by global players to capture market share.

Metering, Control and Protection Devices

STRENGTHS

- Manufacturing base of India is very strong in this market segment. Almost all major market players have production facilities across India to cater to domestic demand.
- The presence of global players in the Indian market ensures high availability of high-quality products to cater to critical end-user industries.

WEAKNESSES

- The market is consolidating at the top in India. Major players are acquiring competitors' business to increase market share. This may lead to the top 3-4 players limiting market growth and restricting new entrants.
- The market is still price sensitive and there is a tendency to buy lower-priced products, which may compromise quality.

OPPORTUNITIES

- Upcoming government infrastructure projects in new metro stations and railway stations will present an opportunity for market expansion.
- Retrofit and replacement activities in industries to ramp up energy efficiency will accelerate market demand.

THREATS

- Global companies have a strong brand presence, brand equity, and distribution network, which will pose market entry and sustenance challenges for local players.

Portable Test & Measurement

STRENGTHS

- Regulations set by government, industry, and standards bodies to ensure desired level of performance and safety of products mandate use of portable test and measurement equipment.
- Favorable demographic growth drives consumerism, which results in the need to validate electronic, digital, and power systems.

WEAKNESSES

- Low CAPEX allocation by end users for test instruments hampers revenue growth.
- Demand for low-cost instruments increases competition and drives down revenue.

OPPORTUNITIES

- The Make in India initiative will drive capacity expansion activities in end-user industries including electronics and automotive, which will present more demand for Portable T&M.
- Emergence of Industry 4.0 emphasis on data-based decisions drives the demand for test instruments with advanced features. It enables test equipment OEMs to overcome technology maturity and price challenges.

THREATS

- Geopolitical disruption causing supply chain and operational challenges

Solar String Inverters

STRENGTHS

- High domestic demand for string inverters as residential, commercial, and industrial end users shift to sustainable energy practices
- Technology advancements are making string inverters preferrable over central inverters even for utility projects with bigger capacity designs.

WEAKNESSES

- The market is driven by price, warranty, and after-sales service.
- Inverters are all imported. A weak manufacturing base in India puts the industry at risk. Prices are determined by Chinese players.

OPPORTUNITIES

- String inverters are replacing central inverters because of their low LCOE.
- Demand for renewable energy and sustainable practices in commercial buildings will present new opportunities for market expansion.

THREATS

- The market is dominated by Chinese players, threatening entry and sustenance of Indian players.

Aluminium High Pressure Die Casting

STRENGTHS	WEAKNESSES
• A well-established automotive industry value chain (especially the presence of OEMs) in India • The growing purchasing power of consumers and the increasing demand for 2W and 4W vehicles will continue to drive the market.	• The highly fragmented nature of the market affects financial margins. • High barrier to market entry and capacity expansion due to the high capital cost of equipment
OPPORTUNITIES	**THREATS**
• EV is growing at a rapid pace globally. Given that Aluminium Die Casting companies export products to European and US customers, the opportunity should be capitalized through strategic partnerships with overseas OEMs and secure contracts. • The Make in India initiative to expand the automotive industry will present more demand for Aluminium High Pressure Die cast components in the next five years.	• The growing focus on securing local supply chains by governments globally may have an impact on the export market. • Global geopolitical disruption impacts the supply of semiconductors to the automotive industry. This reduces orders for aluminium die cast components as a chain reaction.

Critical Success Factors

Product Segment	Critical Capabilities	Key Technologies
Electrical Automation	• The electrical automation market is led by established players that already possess strong brand equity. To effectively compete, a strong brand equity is essential. • A wide portfolio of high-value products is important because end users prefer to use one vendor for all automation-related products. • After-sales service and maintenance support build trust and renewable business.	• IoT-based innovations in products, including cloud connectivity, edge computing
Metering, Control and Protection Devices	• The mature market has large, established players, so competitive price positioning is important to gain market access. • Product availability through a deep dealer and distribution network is imperative to develop brand value and compete with international players.	• Advanced Metering, Control and Protection Devices based on IoT concepts provide better protection, measurement, and isolation features.
Portable Test and Measurement	• Competitive pricing of reliable products can win more customers. • Ease of use, advanced feature integration, and after-sales support are important to customers.	• Cloud connectivity and software-enabled remote data management capabilities for portable instruments is gaining significance to better manage a large number of tests. • Integration of multiple functions in one tester reduces the need to carry numerous devices.
Solar String Inverters	• Most market leaders are Chinese manufacturers. Local manufacturing infrastructure ensures reliable supply and reduces dependence on foreign manufacturers. • After-sales service and a long product warranty demonstrate vendor commitment and build trust with customers. • Partnerships with local renewable project developers and distributors open access to big-ticket commercial and utility orders.	• IoT-based energy management software and solutions • Easy-to-install and maintain designs
Aluminium High Pressure Die Casting	• Reduction of scrap, high product quality, timely delivery, low cost, and faster returns on investment are competitive advantages. • R&D investments to advance production process capabilities and develop and manufacture new aluminium alloys are important, as is manufacturing flexibility.	• Investments in large die casting machines to produce large structures is gaining traction. • The degree of automation in machines is increasing to improve production efficiency, traceability, and

	material handling capabilities.

Key Differentiators of Rishabh Instruments

Rishabh Instruments is a leading technology-driven engineering company engaged in the global manufacturing of electrical and electronic products and aluminium high pressure die castings catering to a variety of industries. Rishabh is a global leader in manufacturing and supply of analog panel meters, and is among the leading global companies in terms of manufacturing and supply low voltage current transformers. Lumel is one of the leading non-ferrous pressure casting players in Europe. With over 145 product lines and catering to over 3000 customers globally, Rishabh Instruments has undisputedly positioned itself as a leading player within the space.

Key market positioning of Rishabh Instruments, globally and locally:

Global

- Global leader in manufacturing and supply of Analog panel meters
- Leading global companies in terms of manufacturing and supply of Low voltage current transformers
- The most popular brand in Poland for meters, controllers and recorders (Lumel).
- Lumel is a leading player in non-ferrous pressure casting in Europe. The Lumel Alucast factory melts 20 tons of aluminium per day and produce 35,000 castings per day. European car production is 9.9 million units/annum and Lumel produces 3 million of aluminium cast housing for the car compressor makes it one of the leading die-cast players in Europe.

India

- Number 1 player in Electrical transducers in India
- Number 1 player in Split Core Current Transformers in India
- Number 3 player in the Digital Panel Meters in India
- Number 2 player in Portable Test & Measurement (multimeter and clamp meter) and an emerging player in insulation testers
- First company in India to Design, Develop & Manufacture Solar String Inverters end to end.

Key strengths of Rishabh Instruments are:

1. **Vertically integrated operation facilities, backed by strong manufacturing capabilities:**

Rishabh Instruments is currently operating 5 manufacturing facilities (of which 2 are in Nashik, India) spread across 3 countries: India, Poland and China. All facilities are vertically integrated with end-to-end product development capabilities from concept design to bulk manufacturing, with dedicated R&D units. Rishabh believes in an extensive investment in infrastructure including plant, machinery and modern equipment's. The DNA of the organisation is to develop one product having global acceptance.

- Rishabh has a product portfolio with over 145 product lines, 0.13 million product SKUs and 0.23 million total SKUs including spares.
- The company has total installed manufacturing capacity of 22.2 Mio products per annum.
- Having manufacturing facilities across the globe provides flexibility to seamlessly migrate production processes from different facilities in case of emergencies.
- In addition, it has 2 modification centers – one each in the United Kingdom and the United States.
- At Rishabh Instruments, under all product segments, 99% of manufacturing operations are done in-house (in India) and only 1% of the total turnover is spent on outsourcing processes.

This flexibility between manufacturing facilities has allowed Rishabh to plug gaps in product offerings across price and performance parameters.

2. **Comprehensive Product Test Facility:** Rishabh operates a NABL-accredited testing lab that facilities EMI-EMC testing, Environmental testing, Safety testing, Life Cycle testing and Electro-technical calibration.

EMI-EMC Testing - EMI (Electromagnetic Interference) affects the functioning of an electronic device. Sources of EMI can sometimes occur naturally, but more often, the EMI source is another electronic device or electrical system. EMI (Electromagnetic Compatibility) is a measure of a device's ability to operate as intended in its shared operating environment while it should not affect the ability of other equipment within the same environment to operate as desired. These testings are extremely essential and critical part of any electronic device performance.

Rishabh has state of the art EMI-EMC (NABL accredited) test facility with Radiated 3m Shielded Semi An-echoic Chamber. The facility is equipped with world-class infrastructure, high-end latest generation instruments to conduct accurate analysis and test for EMI / EMC compliance as per requirements of International standards. The testing is performed automatically and controlled through software The EMI/ EMC laboratory provides below mentioned test facilities:

- Radiated Immunity / Susceptibility Test
- Radiated Emission (Re) Test
- Electrostatic Discharge (Esd) Test
- Voltage Dips and Interruption Test
- Electrical Fast Transient/Burst Immunity Test
- Electrical Fast Transient/Burst Immunity Test
- Surge Immunity Test
- Radio Frequency Conducted Susceptibility
- Power Frequency Magnetic Field Test

The in-house NABL accredited EMI-EMC test facility provides Rishabh Instruments a unique leading edge over its competitors and brings down the cycle time of product development resulting into overall reduction in the Go-To market time. The lab also provides an opportunity to test the products of other companies generating a separate business revenue model for the company.

3. **Strong and diversified Product Portfolio and Services:** Rishabh Instruments is an extremely customer centric organization which listens to customers regularly and develop/ modify products/services regularly, resulting in strong and diversified product portfolio and services. Rishabh Instruments provides a wide range of products in each of the following product segments: Electrical Automation; Metering, Control, and Protection Devices; Portable Test and measurement, Solar String Inverters, High Pressure Aluminium Die Casting. The High-pressure Aluminium die casting business from Lumel also helps the company to bring new customers for the electronic and electrical products. As the Aluminium die castings are mainly used by big automotive, automation and other industrial customers, it eventually opens business doors for products from the other segments thus building synergy between the two business units. The diversified product portfolio helps Rishabh Instruments to retain its customers and strengthen cross-selling efforts across product portfolios.

- Rishabh Instruments also provides strong software platform solutions (MARC) under ESL (Energy Solution Lab), which supports total integration of intelligent products supplied by all types of manufacturers.
- Key services that Rishabh Instruments provides are
    - **Electronic Manufacturing Services (EMS) -** Rishabh Instruments is an emerging player in one of the fastest growing EMS business segments which is currently lead by players like Syrma SGS Technology Pvt Ltd, Dixon Technologies India Ltd, Amber Enterprises India Ltd, etc. providing huge future growth opportunity for the company. (The total addressable EMS market in India was valued at USD 36 Billion in FY21, and is expected to grow to USD 135 Billion in FY26 with a CAGR of 30.3%)
    - Mould Designing and Manufacturing
    - EMI/EMC Testing

4. **Global Customer Base:** Serving over 3000 customers globally, Rishabh Instruments has an extremely wide customer base spread across the globe ensuring the avoidance of business risk due to concentration and dependency on a few big customers. At the same time, the product developed for these customers has wide applicability which avoids risk of ceasing any product line due to the loss of a particular customer. In the electrical segment, Rishabh Instruments top 5 domestic customers account for 11.10% sales revenue and the top 5 overseas customers account for 8.20% sales revenue. In the High-pressure aluminum die casting segment, Lumel's top 5 customers in Poland account for 12.54% sales revenue and the top 5 International customers account for 40.12% sales revenue.

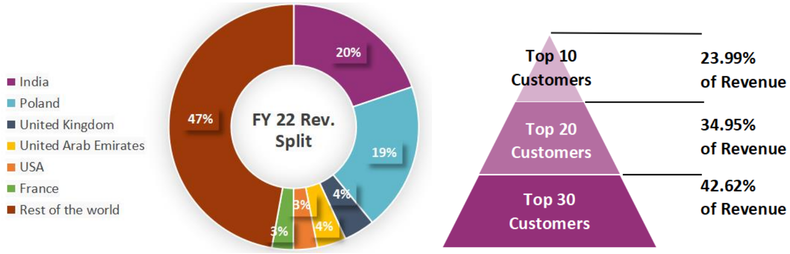


Figure 7.5 – Revenue contribution by region, and by customers, 2021-22

5. **Extensive network of sales partners in India and across the globe:** In India, Rishabh Instruments has an extensive network of 167 distributors across 81 districts with direct sales conducted through 8 sales and marketing offices which house 53 engineers and 23 sales personnel. 8 Sales and Marketing office locations in India are at New Delhi, Kolkata, Mumbai, Ahmedabad, Pune, Chennai, Bangalore, Hyderabad, and resident sales engineers in 10 cities.

   Globally, Rishabh Instruments has access to over 100 countries through 5 sales and marketing offices and a 343 strong global network of distributors with as of October 31, 2022. Rishabh Instruments has 164 stockist to catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, Middle East, etc. Lumel has 15 stockists in Poland and 20 stockists outside Poland. Lumel resident sales engineers are in UAE, Hungary, Taiwan, Spain, Germany and Cyprus. This extensive network allows the company to provide an array of delivery options while servicing multiple delivery locations despite local-level sales or distribution disruptions.

6. **Strong R&D Focus:** Rishabh Instruments is a technology-driven company and its R&D centers are present across India (Nashik), Poland (Zielona Góra) and China (Shanghai), housing a team of more than 84 skilled engineers. Within India, Rishabh Instruments R&D center is recognized by the Government of India's Department of Scientific & Industrial Research (DSIR)—a recognition that Rishabh has leveraged to enhance its R&D effort through Government incentives. In Poland, Lumel has a PCA (Polish Centre for Accreditation) accredited facility that has in-house engineering and manufacturing capabilities.

   The R&D team focuses on 3 core functions (a) Electronic Design and Development for smart products; (b) Mechanical design for Plastic components; and (c) Tool R&D for manufacturing of molds for plastic components.

   - The R&D Centre in Poland focuses on design capabilities for trimming dies and CNC (Computer Numerical Control) tools.
   - Rishabh Instruments holds 2 patents in India, Poland, and the United States, including for clamp meter rotary jaw (Patent No.: US 7,944,197 B2 since 2011), digital clamp meter safe trigger mechanism (Patent No.: US 8,120,350 B2 since 2012).
   - Rishabh Instruments introduced Touch Screen Meters in innovative housing and easy plug-and-play connections with RJ12 CT's, setting the new benchmark in the Indian market.
   - Rishabh was the 1st player to introduce a Transducer with display in the Indian market, which is completely modular on site and also the first one to introduce a panel-mounted multichannel/multi-load monitor meter with display (A device that can monitor 4x 3 phase and 12 single phase load at a time).
   - Some of the key innovative and differentiating factors of Rishabh Instruments products are - compact housing in panel meters, meters with complete onsite programmability and upgradability, easy click fit mounting, scale interchangeability safety ingress protections ranging from IP 20 to IP67, automatic blocking system for Digital Multimeters and smooth plug and play RJ 12 connection. The ethos of Rishabh Instruments is not only to meet the customer expectation but also to surpass and exceed the same.
   - Rishabh Instruments is the only player in the world to introduce a touch screen-operated Insulation Tester along with an audio readout feature and operating the meter with the help of Bluetooth technology. The device is capable to work even under extremely inductive environment event at 765kV substation.

7. ***Well-established and recognized brands:*** Rishabh Instruments brands "Rishabh" and "Lumel" are well-known and established in multiple countries. Lumel has brand recognition in both electronic files as well

as Aluminum Die Casting fields with major Industrial Users and OEMs. Another subsidiary of Rishabh Instruments is Sifam Tinsley Inc. Under this brand the products are mainly sold in the United States and the United Kingdom markets and are very strong brands in both the markets. Both in India and outside India through the Subsidiaries.

8. ***Cost Competitiveness:***
   - Rishabh has a widespread, efficient supply chain network across the globe that brings the cost competitiveness for all product segments.
   - In-house manufacturing and a strong global purchase team makes Rishabh very cost competitive and provides an additional advantage of quality consciousness due to in-house process control.
   - Redesigning of existing products not only cut down the development time (vis-à-vis complete development of a new product), but also brings the cost advantage due to adaptation of contemporary engineering and technology practices. This global business model allows the company to manage the costs well.
   - The Government of India has always encouraged the export of Indian goods. The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) supports the export of Indian goods. Rishabh Instruments has always taken advantage of such policies and incentives schemes under section ATHSC, 10A, 10B (100% Export oriented unit of the Indian income tax act) of the income tax act and 35 2AB for development of R&D in India.
   - Various incentive schemes provided by the Government of India under the foreign trade and Indian income tax act makes Rishabh Instruments product offerings the most cost competitive in the market. Some of the schemes are RoDTEP (remission of duties and taxes on export products), packing credit (low rate of interest from banks in dollars under export laws), DEPB - Duty Entitlement Passbook Scheme, and AEO – Authorized Economic Operator Programme.

9. ***Automation Culture*:**

   Rishabh has a separate in-house Automation Department set up with the following business objectives:

   - Design and develop automation facilities in order to reduce manufacturing cycle time
   - Enhance the process efficiencies
   - Optimize the worker efficiencies
   - Deskilling critical manufacturing operations
   - Optimum utilization of resources
   - Enhance the product quality
   - Increase the overall productivity

   The major Automation Test set ups include:

   - Automatic Camera Detection Set up (ACS)
   - Automatic Testing Set up (ATS)
   - Auto Balancing System (ABS)
   - Laser Marking/Printing
   - Auto Screwing Machine
   - Closed Loop Test Jig
   - Automatic Box Packing Set up
   - Temperature & Humidity Monitoring on Manufacturing Lines
   - Automatic Test Set ups

10. **Global Certifications and Green Initiatives:** As a strong quality objective, Rishabh Instruments has compliance for all its products with different types of certifications that include RoHS, REACH, CE, UK-CA UL, CSA, and ASTA. Rishabh Instruments also provides EMI-EMC reports along with Type Test Reports (TTR)—both internal report from Rishabh Instruments NABL lab and external report from ERDA Lab—for all products.

    - All Rishabh Instruments products follow important safety Standards (IEC 61010) that include level of operating voltage with proper creepage and clearance, Category Protection (CAT III or IV), level of transient and impulse handling, pollution degree, Enclosure protection (UL 94 V-0) self-fire extinguishing within 10 seconds, and non-drip property and HV test measurement.

- Each product goes with relevant product standards that include IEC 61557-12 (for entire Power Monitoring Device PMD), IEC 62053-22/23 for energy monitoring devices, IEC 60688 for Transducer, IEC 60529 IP standard, IEC 61869-2 for Current Transformers, IEC 60947 for Cam Switches, IEC 61557-1/2 for Insulation Tester, and many more.
- Rishabh Instruments has taken various GO Green Initiatives and started paperless documentation to save paper and eventually to support the environment. The major steps are E-TC (Electronic Test Certificate) & E-Manual (Electronic Manual) for all Meters.

Future Opportunities for Rishabh Instruments

Product Segment	***Opportunities in Key End-user Verticals***	***Opportunities in Customer Regions***
Electrical Automation	1. The unique demands of today's networked manufacturing plants rely on reliable strong connectivity solutions to optimize the available resources. It needs an end-to-end IoT-based solution to monitor real-time data like consumption of water, air, gas, electricity (WAGEs) and various types of analog signals with help of sensors, transmitters, transducers, and multi-function devices. Industry 4.0 clearly states transparency of the working systems that include simple switch operation to critical equipment working on a single platform (IoT-based software). 2. Automotive and electric vehicle manufacturing. Demand for Sensors, transmitters, temperature controllers, I/O converters that are embedded into various electric vehicle systems will provide new market opportunities. 3. Traction in smart lighting segment for building automation will provide new market opportunities for sensors, transmitters, and I/O converters for creating smart infrastructure. 4. Data centers and upcoming utility projects will increase demand for Field instruments, temperature controllers, and HMIs that are used in building automation projects.	Asia-Pacific markets especially China, Japan, and India are witnessing expansion of data centers, smart cities, and smart building projects initiated by the government.
Metering, Control and Protection Devices	1. Retrofitting of old Metering, Control and Protection systems in industrial end-user verticals such as pharmaceuticals and FMCG will provide new opportunities for the overall metering, control and protection devices market. 2. New construction projects in development of transportation infrastructure, residential and commercial buildings will directly improve opportunities for current transformers, panel meters, and power factor controllers. 3. With new Make in India initiatives many manufacturing industries are establishing in India, providing opportunities for overall metering, control and protection devices. 4. Changing utility norms to maintain PF and kVAh billing will increase the opportunities for Current transformers, Power factor controllers, meters and protection relays.	Post-pandemic recovery across the globe is leading to increasing construction activity in residential, commercial, and government projects in the Middle East, Europe and Americas.
Portable Test & Measurement Equipment	1. The demand for energy generation is increasing day by day, which cannot be met without the extension of networks on substations. The impact of this will result in more and more products required for operation and maintenance in the T&M sector. When we bring extensions in the networks of substations, it warrants more devices, and more devices warrants more T&M products for testing of these devices. 2. One of the new trends in testing is the handheld and desktop instruments with Bluetooth technology to avoid physical contact with the devices under test. So growth in demand for such products is inevitable. Even the testing of the devices with the help of mobile Apps of meters is started. Demand for portable test and measurement equipment enabled with wireless communication is going to increase. 3. Growing focus on reliable power will require continuous monitoring of equipment, systems, and power utilities, which will result in more demand for testing the power quality at various	Electric vehicle uptake has already increased in the Western economies of Europe, the United States, and China and is gaining high traction in the 2W vehicle segment in India. Renewable energy capacity expansion is gaining global significance, with higher focus in India, Europe and the United States.

	installation levels and would hike the demand for portable power quality testers/analyzers. 4. E-vehicle is the upcoming future. Testing of batteries for these e-vehicles is going to see high demand, for which many test and measurement devices would be required like Multimeters, clamp-on meters, battery analyzers, etc. 5. Similarly, upcoming electric trains would also result in an increase in testing of inverters, and motors in electric vehicle power trains will demand testing and measuring equipment	
Solar String Inverters	1. Increased adoption of renewable energy sources will drive demand for solar rooftop power systems in residential and commercial buildings. 2. Technologically better design will lead to implementation of string inverters in data centers and large renewable projects. 3. The Government of India is supporting Make in India initiatives by proposing to increase Basic Customs Duty (BCD) from 5% to 20% on imported Solar inverters, thereby driving indigenous manufacturing.	Large-scale utility projects are being set up in Africa, Middle Eastern, and Asia-Pacific countries especially India and China.
Aluminium High Pressure Die Casting	1. The aluminium content per vehicle is increasing due to the focus on lightweighting to increase fuel efficiency. EVs use more aluminium content (at least 15% more) than IC engines. Hence, growth in EV (for applications in power train, battery housing, rear under structure) will gain significance.	Advanced economies of the United States, China, and Europe are purchasing more EVs than emerging economies in the 4W segment. In the 2W segment, India witnesses a large number of conventional and new OEMs venturing into the EV market.

COMPETITOR PROFILES

What follows is a snapshot of how Rishabh Instruments competes with top companies globally and in India across its 5 product categories.

	Comparative Analysis of Leading companies- India and Global									
	Electrical Automation		Metering, Control and Protection		Portable T&M		Solar String Inverters		Aluminium High Pressure Diecasting	
Domestic	Masibus	P	Schneider Electric	P	Meco Instruments	C	kSolare	C	Sunbeam auto pvt ltd	C
	Selec Controls	P	Secure Meters	P	Metravi	C	PowerOne	C	Rockmancycle	C
	Secure Meters	P	Elmeasure	P	Waco	C	GoodWe	C	Endurance technologies	C
	Delta	P	Selec Controls	P	Motwane	P	ABB	C	Kailas toolings	C
	Multispan	P	Automatic Electric	P	HTC	C	SMA	C	MRT Castings	C
Global	Yokogawa	C	Socomec	P	Fluke	C	Huawei	C	Consolidate Metco	C
	Chino	P	Janitza	P	Kyoritsu	C	Growatt	C	Gibbs Die Casting	C
	Omron	P	Entes	P	Megger	P	SolarEdge	C	Faist Group	C
	Phoenix	P	MBS	P	Hioki	C	Sungrow	C	Alcast Technologies	C
	Allen Bradley	P	Chint	P	Sonel	P	Fimer	C	Arconic	C

Complete Portfolio: C
Partial Portfolio: P
Source: Company Websites

Figure 8.1: Product map of top Global & India competition across product categories, 2022

<u>Key Financial Performance indicators</u>

All Value are in MINR

Financial Parameters	Rishabh Instruments	Automatic Electric Ltd	Elmeasure India Pvt Ltd	Meco Instruments Pvt Ltd	Masibus Automation & Instrumentation Pvt Ltd	Hioki India Pvt Ltd	Siemens Ltd	ABB India Ltd	Schneider Electric India Pvt Ltd
Net worth	3021.3	214.9	184.5	67.5	430.3	7.6	1,03,437	40450	85200
Revenue from operations	4024.9	481.4	869.2	121.9	841.3	150.0	1,31,045	69340	66620
EBITDA	700.2	38.5	100.4	19.6	102.6	-5.3	17643	6990	11,090
EBITDA %	17.4%	8%	11.6%	16.1%	12.2%	-3.5%	13%	10.0%	17%
PAT	359.4	2.8	39.3	9.1	72.8	-9.1	11030	5200	547
PAT%	8.9%	0.6%	4.5%	7.5%	8.7%	-6.0%	8.4%	7.5%	0.8%
ROE	14.4%	1.3%	21.3%	13.5%	16.9%	-119.8%	10.4%	12.9%	0.64%

Reference year: FY 2020-21
Source: https://www.mca.gov.in (AE, Elmeasure, Meco, Masibus, Hioki, Schneider India)
Source: Annual report 2020-21 (Siemens India and ABB India)

Figure 8.2: Key Financial indicators, Rishabh Instruments vs Select Competition, 2022

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 18 for a discussion of the risks and uncertainties related to those statements, and also "**Risk Factors**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 27, 303 and 400, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the six months ended September 30, 2022, Fiscals 2020, 2021 and 2022, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see "**Financial Information**" on page 303. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India" dated December 14, 2022 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited and commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 16.*

In this section, unless the context otherwise indicates, references to "we", "us", "our" and similar terms are to our Company together with its Subsidiaries.

OVERVIEW

We are a global energy efficiency solution company focused on electrical automation, metering and measurement, precision engineered products, et al. with diverse applications across industries including power, automotive and industrial sectors. We supply a wide range of electrical measurement and process optimization equipment, and are engaged in designing, developing and manufacturing, and sale of devices significantly under our own brand across several sectors. We provide comprehensive solutions to our customers looking for cost-effective ways to measure, control, record, analyse and optimise energy and processes through our array of products. We also provide complete aluminium high pressure die casting solutions for customers requiring close tolerance fabrication (such as automotive compressor manufacturers and automation high precision flow meters manufacturers), machining and finishing of precision components. Our Company is a global leader in manufacturing and supply of analog panel meters, and we are among the leading global companies in terms of manufacturing and supply of low voltage current transformers (*Source: F&S Report*). Lumel is the most popular brand in Poland for meters, controllers, and recorders and Lumel Alucast is one of the leading non-ferrous pressure casting players in Europe (*Source: F&S Report*).

We are a vertically integrated player involved in designing, developing, manufacturing and supplying (a) electrical automation devices; (b) metering, control and protection devices; (c) portable test and measuring instruments; and (d) solar string inverters. In addition, we manufacture and supply aluminium high pressure die casting through our Subsidiary, Lumel Alucast. For six years (Fiscals 2005, 2006, 2008, 2009, 2011 and 2012), the Engineering Export Promotion Council, India, recognised us as a 'Star Performer' in the product group of miscellaneous instruments and appliances (large enterprise). We also provide certain manufacturing services which include mould design and manufacturing, EMI/EMC testing services, Electronic Manufacturing Services, and software solutions (e.g., MARC).

Electrical automation products include energy management software, transducers and isolators, paperless recorders (chartless) and dataloggers, temperature and humidity recorders, I/O converters and temperature controllers among others. Our metering, control and protection devices consist of analog panel meters, rotary cam switches, current transformers, shunts, digital panel meters, multifunction meters, multi-load monitoring meters, power quality meters, power quality analyzers, power factor controllers, LV and MV relays, genset controllers, synchronizing units, power supply and battery chargers among others. Under our portable test and measuring instruments portfolio, we manufacture various categories of digital multimeters, digital clamp meters, digital insulation testers, digital earth testers and environmental products such as ultrasonic level/thickness meter, digital luxmeter, non-contact tachometers, DB meter, submarine cable fault locator among others. We also manufacture solar string inverters in India designed for use in photovoltaic installations connected to the grid. In terms of our aluminium high pressure die castings, we serve global automation, automotive and other industries with our in-house designed tools (which include die casting moulds and CNC fixtures) and various post casting processes such as high precision machining, surface treatment and heat treatment. Our product portfolio consists of over 145 product lines and 0.13 million stock keeping units as of October 31, 2022. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured an aggregate of 6.65 million units, 14.02 million units, 13.35 million and 15.71 million units of products, respectively, across our product lines. Over the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020, we have served customers in over 100 countries. We are diversified in terms of end users of our products, serving industrial (FMCG, pharmaceutical, cement, steel, railways), power (generation, transmission and distribution, renewable energy, oil and gas), OEM industries (transformer, motor, cable and special machine manufacturers) and new applications (data centre, laboratories, semiconductors, consumer electronics, and building automation). We believe that our consistent focus on innovation which is supported by our robust R&D centres provides us with long-term growth opportunity, helps us align ourselves with the projected demand of our product segments and market, and better position ourselves to meet the evolving requirements of our customers.

We are a technology and R&D focussed enterprise concentrating on innovation of our products, processes and applications to add value to our customers as well as the industry. Our R&D centres in India are accredited nationally and internationally. Our R&D centres in India, Poland and China are staffed with a team of 93 engineers as of October 31, 2022. As a result of our consistent focus on R&D, we have been granted two patents for clamp meters with rotary jaw mechanism and clamp meter safe trigger mechanism in India and *inter alia* the United States (since 2011 and 2012 respectively), Poland and United Kingdom and three design registrations in relation to multimeter, current and voltage transducer and power transducer in India. Further, from time to time, we have in the past also entered into technical collaborations and technology purchases with international players through which we believe we have gained technical proficiency and assimilated the technology in order to further develop and improve not only products but processes as well. For instance, following a technology purchase related to the manufacturing of solar string inverters, we further improved the solar string inverter to make it portable and added numerous additional features such as GSM connectivity to remotely monitor and control energy generation data. Our Manufacturing Facilities house equipment procured from various countries across the world and hold multiple accreditations.

We manufacture all our products in-house from our five manufacturing facilities – two in India, two in Poland and one in China. Products manufactured at all our Manufacturing Facilities (other than Poland Manufacturing Facility II) are tested and certified by testing laboratories for certifications such as CE, ROHS, UKCA etc. In India, both the manufacturing facilities are situated in Nashik. Nashik Manufacturing Facility I is a vertically integrated facility with end-to-end product development capabilities from concept design to testing. Nashik Manufacturing Facility II is also a vertically integrated facility with a tool design facility. Both the Nashik Manufacturing Facilities hold ISO 9001:2015 certification of quality management system. In Poland as well, we have two manufacturing facilities both situated at Zielona Góra – Poland Manufacturing Facility I and Poland Manufacturing Facility II. Poland Manufacturing Facility I is a dedicated facility for production of electrical and electronics products. Poland Manufacturing Facility II has an aluminium die casting facility comprising a foundry, CNC machining, post processing facility (shot blasting, powder coating, painting, washing lines), tool shop and a laboratory. Both the Poland Manufacturing Facilities hold various accreditations including ISO 9001:2015, ISO 14001:2015 and IATF 16949:2016. Our China Manufacturing Facility located in Shanghai houses a production facility and an R&D unit and holds ISO 9001:2015 certification of quality management system. Products manufactured at our China Manufacturing Facility are tested and certified by testing laboratories for certifications including CE, ROHS, UKCA. Our subsidiary, ESL, focuses on developing software solutions such as MARC, and their capabilities allow us to integrate software capabilities in our products.

Our Company was founded in 1982 by Narendra Joharimal Goliya who is our Promoter, as well as our Chairman and Managing Director. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Bombay and a master's degree in science from the Leland Stanford Junior University. He has over four decades of experience in the manufacturing and electrical industry. Anchored by our 40-year presence in India, we strategically expanded our operations to overseas markets and have acquired and/or established seven foreign Subsidiaries – three in Poland, one in the United Kingdom, one in the United States of

America, one in China and one in Cyprus. Further, in September 2013, South Asia Clean Energy Fund, an India-focused clean energy private equity fund, through its subsidiary, SACEF, acquired a stake in our Company and currently holds 19.90% of the pre-Offer capital of our Company on a fully diluted basis. For further details, see "***Capital Structure***" and "***History and Certain Corporate Matters***" on pages 84 and 272, respectively.

We primarily follow a business-to-business model which is purchase order based for all our segments except portable test and measuring instruments which is also sold on a merchant basis. We have an extensive network of 167 authorized distributors/stockists across 81 districts in India with direct sales conducted through eight sales and marketing offices which collectively house 53 engineers and 23 sales personnel. The eight locations of our sales and marketing offices across India are New Delhi, Kolkata, Mumbai, Ahmedabad, Pune, Chennai, Bangalore and Hyderabad. Apart from sales and marketing offices, we also have resident sales engineers in 10 cities across India. Globally we have served customers in over 100 countries in the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020 through five sales and marketing offices and a strong global network of 343 authorized distributors/stockists as of October 31, 2022. Globally (outside India) our Company has over 164 authorized distributors/stockists catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, the Middle East, etc. Lumel has 15 authorized distributors/stockists in Poland and over 20 authorized distributors/stockists outside Poland. Lumel also has resident sales engineers situated at the UAE, Hungary, Taiwan, Spain, Germany and Cyprus. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our Indian operations accounted for 30.41%, 32.14%, 32.25% and 33.88%, respectively, of our total revenue from operations. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our overseas operations accounted for 69.59%, 67.86%, 67.75% and 66.12% of our total revenue from operations, respectively.

Our growth in revenue and profitability can be credited to our operational efficiency, which we achieve by streamlining our operational activities and ensuring that we maintain economies of scale. Set forth below are certain key financial information from our business.

(*in ₹ million, except percentage and ratio*)

Particulars	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
EBITDA(1)	358.07	826.32	700.21	683.37
EBITDA margin(2)	13.71%	17.57%	17.96%	17.05%
Profit/(loss) after tax	168.32	496.52	359.40	315.47
PAT margin(3)	6.35%	10.35%	8.93%	7.71%
Capital expenditure	92.38	223.55	317.99	527.40
Net cash generated from operations	94.96	132.82	529.34	716.50
ROCE(4)	5.87%	15.20%	12.16%	11.42%
ROE(5)	4.91%	14.58%	12.01%	11.11%
Net debt/equity ratio(6)	0.29	0.28	0.35	0.36
Asset turnover ratio(7)*	2.14	1.17	1.27	1.20

(1) *EBITDA is earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses.*

(2) *EBITDA margin is the percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses.*

(3) *PAT margin is the percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes.*

(4) *ROCE is calculated using two components, i.e. earnings before interest and tax and capital employed and is calculated by earnings before interest and tax divided by total assets less current liabilities.*

(5) *ROE is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity).*

(6) *Net debt/equity ratio is calculated by dividing Equity attributable to equity holders of the parent by Total Debt.*

(7) *Asset turnover ratio – Considered Total Assets and Total Income*

* *Not annualised.*

For a detailed discussion on our financial performance, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Information***" on pages 400 and 303, respectively.

INDUSTRY OPPORTUNITY AND REGULATORY SUPPORT

The segments in which we supply our products and services each present an attractive industry opportunity as described below:

- *Electrical Automation*: The market for electrical automation components is very mature globally (*Source: F&S Report*). Digitization and Industry 4.0 initiatives are pushing every industry to transform their operations to become more efficient and flexible, thus positively impacting the electrical automation components market (*Source: F&S Report*). The global electrical automation market is valued at USD 139.1 billion in 2021 and is expected to grow at CAGR of 7.9% to reach USD 203.6 billion by 2026 (*Source: F&S Report*). India is forecasted to grow the fastest and largest, driven by industrial end users (*Source: F&S Report*).

- *Metering, Control and Protection Devices*: The metering, control and protection devices market is well established globally (*Source: F&S Report*). The global COVID-19 pandemic has caused a slowdown in multiple industries, notably delaying construction activities and new investments in retrofits of building systems (*Source: F&S Report*). The market is expected to improve when economic investments gain momentum (*Source: F&S Report*). The global metering, control and protection devices market is estimated at USD 33 billion in 2021 and is expected to witness a 4.8% CAGR to reach USD 41.7 billion by 2026 (*Source: F&S Report*). Resumption of infrastructure development is expected to push adoption from commercial and utility applications across the globe (*Source: F&S Report*).

- *Portable Test and Measuring Instruments*: Portable test and measurement equipment play a central role in enabling digital transformation, IoT, Industry 4.0 and autonomous living as the need for highly reliable and advanced electronic device increases (*Source: F&S Report*). F&S estimates the portable test and measurement market at USD 4.9 billion in 2021. The market is expected to grow at 5% and reach USD 6.3 billion by 2026 (*Source: F&S Report*). Growth by region will be led by India and APAC (*Source: F&S Report*). The end-users that will drive demand includes automotive and power industries (*Source: F&S Report*).

- *Solar String Inverters*: In respect of the industry outlook for solar string inverters, the global revenue for solar string inverters is expected to increase from USD 4 billion in 2021 to USD 6.2 billion in 2026, at a CAGR of 9% (*Source: F&S Report*). Commercial and residential rooftop solar installations are driving the market's growth (*Source: F&S Report*). APAC (excluding India) is the fastest growing region (*Source: F&S Report*).

- *Aluminium High Pressure Die Casting*: For aluminium high pressure die castings, F&S estimates the global aluminium high pressure die casting market is at USD 80.4 billion in 2021 (*Source: F&S Report*). The market is estimated to grow at 6.3% CAGR from 2021 to 2026 and reach USD 109.2 billion by 2026 (*Source: F&S Report*). Automotive will remain the highest revenue contributor across all regions (*Source: F&S Report*). APAC will lead revenue growth in the next five years (*Source: F&S Report*).

Our business in India benefits from the GoI's '*Aatmanirbhar Bharat Abhiyaan*', or Self-Reliant India, campaign, which provides a range of incentives to attract and localise manufacturing and production in the country. Make in India initiative, a part of the '*Aatmanirbhar Bharat Abhiyaan*' (Self-reliant India), would provide an additional boost to country's business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing (*Source: F&S Report*). Industries that benefit from '*Aatmanirbhar Bharat Abhiyaan*' includes electronics, pharma and steel (*Source: F&S Report*). The country also introduced the modified Electronics Manufacturing Clusters Scheme (EMC 2.0), which aims to enhance the infrastructure base for the electronics industry and broaden the electronics value-chain (*Source: F&S Report*). The policies are expected to create more number of players across the semiconductor value chain (from design to service) (*Source: F&S Report*).

We are also eligible for the Modified Special Incentive Package Scheme ("**M-SIPS**"), which provides a capital subsidy of 25% for investment in capital expenditure on plant and machinery to units situated outside SEZs who are engaged in designing and manufacturing of electronic and nano-electronic products and their accessories. See "***Key Industry Regulations and Policies in India – Modified Special Incentive Package Scheme***" and "***Government and Other Approvals***" on pages 269 and 431, respectively.

In addition, we are eligible for certain indirect tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017, as well as the Customs Act, 1962 and the Customs Tariff Act, 1975. For further details see "***Statement of Possible Special Tax Benefits***" on page 138. These incentives are subject to various conditions, including meeting certain minimum and cumulative targets, and the amount of incentive we will be able to receive will depend on our ability to meet or exceed those targets and other conditions. We expect these incentives to contribute to the profitability of our diversification initiatives into new industries and service offerings.

STRENGTHS

Ability to drive technology and innovation through advanced research and development capabilities

We are a technology and R&D focussed enterprise striving to set trends for the industry and concentrating on innovation of our products, processes as well as applications to add value to the industry and to our customers. Our global presence affords us exposure to the latest technologies for our core segments and we accordingly strive to drive both our product portfolio and service offerings with our R&D capabilities. Our ability to develop and integrate technology allows us to provide innovative and customizable solutions to our customers more efficiently.

We have been granted two patents for clamp meters with rotary jaw mechanism and clamp meter safe trigger mechanism in India and *inter alia* the United States (since 2011 and 2012 respectively), Poland and United Kingdom and three design registrations in relation to multimeter, current and voltage transducer and power transducer in India.

Further, from time to time, we have in the past also entered into technical collaborations and technology purchases with international players through which we believe we have gained technical proficiency and assimilated the technology in order to further develop and improve not only products but processes as well. For instance, following a technology purchase related to manufacture of solar string inverters, we further improved the solar sting inverter product to make it portable and added numerous additional features such as GSM connectivity to remotely monitor and control energy generation data. Our manufacturing facilities house equipment procured from various countries across the world and hold multiple accreditations.

In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we spent ₹ 58.02 million, ₹ 93.56 million, ₹ 96.33 million and ₹ 119.13 million towards R&D expenses which represents 2.22%, 1.99%, 2.47% and 2.97% of our total revenue from operations. Our R&D centres in India, Poland and China are staffed with a team of 93 engineers as of October 31, 2022. In India, our R&D centre at Nashik Manufacturing Facility I is recognised by the Department of Scientific & Industrial Research, GoI. This R&D centre is sub-divided into sections for mechanical R&D including component design and mould design; electronics R&D design including PCB design, hardware design, firmware writing and software writing; and product testing. In Poland, Poland Manufacturing Facility I has in-house R&D, engineering manufacturing and testing capabilities. In Poland Manufacturing Facility II, we have an in-house design facility which comprises design optimization, engineering drawings and 3D documentation. Poland Manufacturing Facility II also includes the design capability for aluminium moulds, trimming dies and computer numerical control (CNC) tools. For further details see "***– Innovation and R&D***" below on page 251.

Global engineering solution provider operating in large addressable markets and well positioned to benefit from mega industrialisation trends

As a global energy efficiency solution company providing electrical measurement and process optimization equipment, and engaged in the designing, development and manufacturing of devices primarily across power and industrial sectors, we believe that we are well positioned to leverage our market position to tap the opportunities from the mega industrialisation trends. Our established manufacturing facilities and processes, our global footprint and exposure in over 100 countries, our wide distribution network, and our track record of innovation and research and development, position us advantageously to capture modern engineering requirements.

According to F&S, the 2021 global total addressable market for the electrical automation market is estimated to be USD 49.38 billion or 35.5% of the total market (*Source: F&S Report*). The emergence of global mega trends such as connected living, Industry 5.0, digital reality, data as the oil of the 21st century, smart retail, smart cities, autonomous vehicles, towards zero emission, artificial intelligence supply chain management etc. rely on seamless connectivity, where our product portfolio having communication enabled devices have application. This is particularly evident in the products from our electrical automation and industrial panel devices product segment which uses MODBUS RS 485, WiFi, ProfiNet, ethernet, BACnet, MQTT industrial protocols for communication with each other and with external devices.

The rise of process automation which is taking place across multiple industries is one of the significant industrial trends. We believe that automation has always been part of our engineering DNA and we have always focused on automation in products and processes for captive as well as external applications. We have a separate in-house automation department at each of our Manufacturing Facilities, formed with an objective of designing and developing automation facilities in order to reduce manufacturing cycle time, enhance process efficacies, optimize manual efficiency, de-skill critical manufacturing operations, optimize utilization of resources, enhance product quality and increase the overall productivity. A few key automation set ups include auto-balancing system or ABS, laser marking/printing, auto-screwing machine, automatic de-burring machine etc. As per the F&S Report, automation will drive demand for products catering to autonomous solutions, and we have various products such as I/O converters, process transducers, data loggers, energy management software etc. which are poised to benefit from this demand driver.

According to F&S, the 2021 global total addressable market for the metering, control and protection devices market is estimated to be USD 6.88 billion or 20.8% of the total market (*Source: F&S Report*). Globally, the TAM is driven by development of smart grid, EV charging stations, new data centers and smart buildings which are focused on efficient energy management (*Source: F&S Report*). According to F&S, the 2021 global total addressable market for the portable test and measurement market is estimated to be USD 2.60 billion or 52.7% of the total market (*Source: F&S Report*).

The global commitment to sustainability and addressing climate change will require focus on efficient energy utilization and shift towards sustainable and renewable sources of energy. This will drive the demand for energy solutions (*Source: F&S Report*). With this industry marker in view, we developed capabilities for solar string inverters by initially gaining technical proficiency through a technology purchase and thereafter developing a portable version of the solar string inverter in-house.

Vertically integrated operations, backed by strong manufacturing capabilities

We believe that our geographically distributed Manufacturing Facilities make us among the leading global companies in terms of manufacturing and supply of low voltage current transformers (*Source: Frost & Sullivan Report*) and our vertical integration makes us a cost and time efficient supplier of our products to our customers. Our fully integrated operations comprise worldwide procurement of raw materials, injection moulding of engineering plastics, turning, punching and forming of metal components, surface mounting and through hole assembly of electronic components, conversion into sub-assemblies, integration of sub-assemblies into finished products, calibration and automated testing of finished products. Additionally, all our Manufacturing Facilities are vertically integrated with end-to-end product development capabilities from concept design to prototype testing, along with dedicated R&D units.

In India, both Nashik Manufacturing Facilities are vertically integrated and have end-to-end product development capabilities from concept design to prototype testing, with R&D units. We have an NABL accredited testing facility which includes EMI-EMC testing and is capable of both immunity and emission testing. We utilize high precision imported and machinery including EDM, Wire EDM (Agie Charmilles), CNC SPARK EDM and Vertical Milling Machines (Makino) along with high end calibrators. We also provide advanced software solutions such as MARC, which is a cloud-based next generation IoT platform that enables energy optimization, cost saving and efficiency improvement, and contains built-in applications for efficiency, productivity, conditioning, control, predictive maintenance, demand site management and process monitoring.

Both our manufacturing facilities in Poland are also vertically integrated. While Poland Manufacturing Facility I is engaged in manufacturing energy and industrial use products, Poland Manufacturing Facility II has an aluminum die casting facility which has 9 die casting machines including 6 automated DC cells 550T up to 840T, and a component manufacturing facility which houses 49 CNC machines. It also houses fully automated cells, a coordinate measuring machine, and deploys CAD/CAM software. Leveraged against in-house engineering and manufacturing, we provide complete die casting solutions for customers requiring close tolerance fabrication (such as automotive compressor manufacturers and automation high precision flow meters manufacturers), machining and finishing of precision components. European car production is 9.90 million units per annum, and Lumel Alucast produces 3.00 million units of aluminium cast housing for car compressors which makes Lumel Alucast one of the leading die cast players in Europe (*Source: F&S Report*).

Our China Manufacturing Facility located in Shanghai houses a production facility and an R&D unit and holds ISO 9001:2015 certification of quality management system. Products manufactured at our China Manufacturing Facility are tested and certified by testing laboratories for certifications including CE, ROHS, UKCA.

Diversified product portfolio

Our Company is a global leader in manufacturing and supply of analog panel meters, and we are among the leading global companies in terms of manufacturing and supply of low voltage current transformers (*Source: F&S Report*). Lumel is the most popular brand in Poland for meters, controllers, and recorders and Lumel Alucast is one of the leading non-ferrous pressure casting players in Europe (*Source: F&S Report*).

We have a product portfolio of over 145 product lines and 0.13 million stock keeping units as of October 31, 2022. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020 we manufactured an aggregate of 6.65 million units, 14.02 million units, 13.35 million units and 15.71 million units of products across our product lines, respectively. Our panel instruments are used not only in the electrical switch boards which are used for distribution of electricity, but also for industrial applications such as multiload monitoring, cloud and connectivity, and energy monitoring systems. In a fragmented portable TMI market where both Indian and Chinese players limit themselves to low-end maintenance and repair solutions (*Source: F&S Report*), we have extended our offerings to professional industrial TMI products capable of serving needs in modern laboratories and even aerospace. In terms of the utility sector, our products cover measurement and control of all vital electrical parameters in the power frequency range. We also provide manufacturing services which consist of mould design and manufacturing, EMI/ EMC testing, Electronic Manufacturing Services as well as providing software solutions such as MARC developed by Energy Solution Labs.

We diversify our product portfolio such that our products are customised for the technology, parameters, features and scale for each of the geographies we serve. We believe that our diversified product portfolio helps us retain our customers and strengthen our cross-selling efforts across product portfolios. For the Fiscals 2022, 2021 and 2020, revenue from sales to new customers accounted for 18.01%, 9.07% and 7.70% of our total revenue from operations, while revenue from sales to our existing customers 81.99%, 90.93% and 92.30% of our total revenue from operations for the same periods.

Wide customer base

We have a wide customer base and we are not dependent on any specific customer for our total revenue from operations for our electrical automation products, metering, control and protection devices, and portable test and measuring instruments. Thanks to our broad product portfolio, we are diversified in terms of end users, serving industrials (FMCG, pharmaceutical, cement, steel, railways), power (generation, transmission and distribution, renewable energy, oil and gas), OEM industries (transformer, motor, cable and special machine manufacturers) and new applications (data centre, laboratories, semiconductors, consumer electronics, and building automation). Our long-standing and diversified customer base also includes blue chip customers such as ABB India Limited, Siemens Limited, Pronutec S.A., Lucy Electric India Private Limited and Perel OY. As of October 31, 2022, we have 3,000 sales touch points which includes direct customers and distributors.

We have limited customer concentration as, in the global electrical segment, top five customers from Indian operations account for 11.10% sales revenue and the top five customers from overseas operations account for 8.20% sales revenue in Fiscal 2022. Also, in our aluminium high pressure die casting business, our top five domestic customers (from Poland) account for 12.54% sales revenue and our top five overseas customers account for 40.12% sales revenue in the total sales of this segment.

Our top 10 global customers accounted for only 23.99% of global sales revenue in Fiscal 2022, respectively, and our top 20 global customers accounted for only 34.95% of our global sales revenue and our top 30 global customers accounted for only 42.62% of our global sales revenue in the Fiscal 2022.

Some of our domestic and the overseas customers, Siemens Limited and Lucy Electric India private Limited, have been with us for over five years, while ABB India Limited, Gama Electrical Trading (LLC), Perel OY, Pronutec S.A. and Lucas-Nulle GmbH, have been with us for over 8 years.

Customers from our Indian operations who have been with us for three years (span 2.9 years - 3.9 years), accounted for 0.85%, 0.70% and 1.28% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively, whereas customers from our overseas operations who have been with us for three years (span 2.9 years - 3.9 years) accounted for 2.99%, 2.28% and 1.96% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively. Customers from our Indian operations who have been with us for five years (span 4.9 years – 5.9 years), accounted for 1.27%, 1.77% and 1.38% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively, whereas customers from our overseas operations who have been with us for five years (span 4.9 years – 5.9 years) accounted for 2.25%, 1.74% and 1.35% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively.

Customers from our Indian operations who have been with us for over ten years, accounted for 15.48%, 15.85% and 17.92% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively, whereas customers from our overseas operations who have been with us for over ten years accounted for 27.73%, 27.52% and 32.69% of our total revenue from operations for the Fiscals 2022, 2021 and 2020, respectively.

In our aluminium high pressure die casting business, we have a strong though limited customer base since each project lasts typically for five-seven years and each component has a dedicated tool. Each project has a specific alloy and we typically limit the number of alloys since each alloy requires a separate melting and holding furnace. In Poland we have leading automation and automotive companies as our customers such as Endress + Hauser Flowtec AG, Valeo Compressor Europe s.r.o and Sanden Manufacturing Poland Sp. Z.o.o.

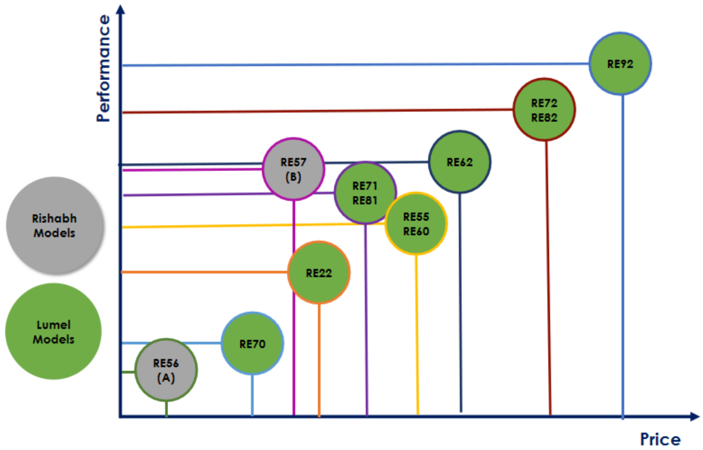
Track record of successful integration of acquired businesses or entities across geographies

Anchored against our presence in India, we steadily extended our global reach by way of strategic acquisitions in Europe, the United Kingdom and China, and with every acquisition we worked towards integrating our acquisitions and achieving synergies. Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna was state-owned at the time of its acquisition and post our acquisition we restructured the business into two separate companies, Lumel Alucast (for our high pressure die casting business) and Lumel SA (for production of electrical and electronics products). We introduced modern management systems such as SAP – ERP. In 2020, Lumel SA completed the construction of modern electronics factory on a land of 12,000 sq. mt. Also, in the same premises we constructed a sport complex (ARENA) for the benefit of our employees and their families keeping in mind our integration objectives.

We also achieved synergies as a result of our acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna during Fiscal 2012. Not only did we gain a platform for further penetration in European markets, but we also gained access to a pool of customers where there were overlaps in our product offerings. We were accordingly well placed to offer such customers our more distinct offerings which allowed us to address product gaps and create a complete basket offering to the market.

For instance, our Company had a limited range of temperature controllers as represented in the below graphic in grey. Combined with the broader range offered by Lumel SA across performance and price parameters as represented below in green, our combined offering was well-positioned to address the full spectrum of market demand from basic to high-end products.

Product Positioning - Temperature Controller



Product Model	Performance	Price	Product Segment
RE56	Low	Low	Basic Low cost
REx1	Mid	Mid	Mid Level PID controller
RE92	High	High	Advance controller

(A) - Product Upgrade , New enclosure - to be introduced in Quarter 3 (FY -22-23)
(B) - Product Upgrade, Additional features with new enclosure - to be introduced in Quarter 4 (FY -22-23)

We also implemented specific strategies to promote the Lumel brand name and Lumel branded products in India. We have eight dedicated distributors and one designated "flag bearer" engineer from each sales office along with one exclusive all India sales personnel. For this business we have a separate price list for customers and also have a dedicated training module for flag bearers.

Global and integrated business model increasing cost competitiveness and de-risking customer supply chain

We began with a single office in Nashik in 1982 and have since steadily extended our presence not only in India but globally as well. We now have a total of five manufacturing facilities spread across India, Poland and China, and have an extensive network of authorized distributors/stockists, sales and marketing offices, resident sales engineers. We also operate two modification centres, one in Essex, United Kingdom through our Subsidiary Sifam UK and the other in Kennesaw, Georgia, the United States through our Subsidiary Sifam USA. Our modification centres are supplied with 'virtually finished goods' from our manufacturing facilities and are equipped to complete the full products/ reprogram to suit the customer requirements for onwards sale. This supports our cost optimization goals as the modification centres are capable of modifying products locally and are not dependent on the supplying manufacturing facility for fulfilling local customer needs.

Our vertically integrated operations have created cost efficiencies particularly in terms of being able to manufacture components in-house which would otherwise have been expensive to procure. For instance, Nashik Manufacturing Facility II has a mould shop capable of making plastic injection moulds and mechanical assemblies in-house.

Our global business model allows us to manage costs. As labour intensive products are expensive to manufacture in Poland, we shifted the manufacturing of current transformers to India. All our current transformers are manufactured and supplied from Nashik Manufacturing Facility I in India under the Lumel brand and sold globally.

Globally we have served customers in over 100 countries in the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020 through five sales and marketing offices and a strong global network of 343 authorized distributors/stockists as of October 31, 2022. Globally (outside India) our Company has over 164 authorized distributors/stockists catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, the Middle East, etc. Lumel has 15 authorized distributors/stockists in Poland and over 20 authorized distributors/stockists outside Poland. Lumel also has resident sales engineers situated at the UAE, Hungary, Taiwan, Spain, Germany and Cyprus. Our extensive network allows us to provide an array of delivery options while servicing multiple delivery locations. With our presence not concentrated to particular geographies, we are in a position to service multiple delivery locations despite local-level sales or distribution disruptions.

Well-established and recognised brands

Our brands 'Rishabh', 'Lumel', 'Sifam' and 'Tinsley' are well recognised in multiple countries. We have held a trademark registration containing the name 'Rishabh' for over 37 years and a trademark containing the name 'Lumel' has been in existence for over 55 years. 'Lumel' has brand recognition both in the electronics field and the high pressure aluminium die casting field with OEM customers and industrial users alike. Having well recognised brands which are local to the geographies we sell to is beneficial, particularly in Europe. In the six months ended September 30, 2022 and Fiscal 2022, the revenue generated from our Indian operations is ₹ 794.01 million and ₹ 1,511.58 million, respectively, accounted for 30.41% and 32.14%, respectively, of our total revenue from operations, and the revenue generated from our overseas operations is ₹ 1,817.42 million and ₹ 3,190.92 million, respectively, accounting for 69.59% and 67.86%, respectively.

Strong and demonstrated management capabilities

Our Company was founded in 1982 by Narendra Joharimal Goliya who is our Promoter, as well as our Chairman and Managing Director. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Bombay and a master's degree in science from the Leland Stanford Junior University. He has over four decades of experience in the manufacturing and electrical industry. He is supported by a management team comprising Dineshkumar Musalekar (President and Chief Executive Officer of Lumel), who has been overseeing our operations in Europe for over nine years; Nitinkumar Sudhir Deshpande (Head – Marketing, Business Development and Profit Centre Head), who was previously associated with ABB Limited, Siemens Limited and Schneider Electric India Private Limited; as well as Anand Purshottam Laddha (Director Finance, Lumel) and Vishal Prabhakar Kulkarni (Chief Financial Officer) who have been associated with us for over eight years. For details see "***Our Management – Key Managerial Personnel***" on page 294.

The strength of our management capabilities is well demonstrated by the successful integration of our acquisitions. See "– ***Track record of successful integration of acquired businesses or entities across geographies***" above on page 235.

STRATEGIES

Enhance product innovation, engineering and design competence while focussing on higher value addition

We are a technology and R&D focussed enterprise and we seek to utilise our technical know-how and R&D capabilities since product innovation is an important and consistent objective for us. We seek to continue to improve the innovation capabilities, design processes and in-house testing facilities which we rely on. We seek to add resources and technically competent manpower while continuing to explore opportunities for collaboration and inorganic growth.

In terms of product innovation in existing segments, we seek to focus on developing products with advanced technology such as IIoT, bluetooth capabilities and advanced technical specifications along with miniaturization of the product size and adding more features to provide value adding benefits to our customers. In electrical automation, we propose to introduce multifunction transducers, self-powered current transducers, Lumel EPM (pollution transducer), Lumel KD6 – 96x96 (recorders with universal inputs) and Lumel SMP (a new neutron detector system). In our portable test and measuring instruments segment, we propose to introduce economical versions of our digital clamp meters, digital earth testers, digital leakage clamp meters and signal calibrators. We also propose to build on recently acquired product lines, such as medium voltage protection relays from Relpol S.A., to not only expand our product offerings but to also further strengthen our sales of high margin products. In our metering, control and protection devices segment we propose to introduce din rail mounted multifunction meters, power factor controllers (3 CT version), LV protection relays (basic earth leakage relay), protection relays (under voltage with a timer facility), economical versions of power supply and battery chargers, economical version of current transformers, Lumel CR4 – CZIP (MV and LV protection), Lumel CR4 – CZIP-Linux and Lumel power quality analyzer ND50. We also propose to introduce solar string inverters which are 3 kW to 9 kW and 100 kW.

In terms of product process development, in our aluminium high pressure die casting segment we seek to introduce advanced manufacturing process development such as increasing the number of robo-deburring stations, setting up an impregnation plant, increasing and enhancing the number of fully automated CNC cells, and introducing customized high precision cleaning lines, friction stir welding, conformal cooling systems, 3D printing of mould forming elements VR technology, automated assembly cells and poka-yoke automation.

Expanding geographical footprint

We propose to capitalize on our presence in India and expand our network of stockists/distributors supported by opening up of branch offices in Tier II cities. In addition, we propose to upgrade existing branches to include regional technical training and service centres which will make our product offerings more accessible and allow us to provide product and application training along with calibration and repair services as well.

Internationally, we propose to expand our sales office and distribution network to other geographies, such as Brazil, South Africa, Peru, France, Spain, the Kingdom of Saudi Arabia etc. We also propose to sell products from our different manufacturing locations to bring more synergy and establish product customization centres for local customers.

Continue to pursue our strategy for inorganic growth

Anchored against our presence in India, we steadily extended our global reach by way of strategic acquisitions in Europe, the United Kingdom and China. Starting with the acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna in Poland during Fiscal 2012, which (together with Lumel) has a 69-year operating history, we gained a platform for further penetration particularly in Central and Eastern European markets.

Since then, we have acquired businesses in China during Fiscal 2020, through which we gained an additional environmental TMI products portfolio, and subsequently in Poland during Fiscal 2021 we acquired a division of Relpol S.A. gaining a medium voltage relay offering. We propose to continue to pursue inorganic growth opportunities in relatively larger markets and/or developed economies such as the United States, Brazil and Turkey.

Target new customers and expand existing customer accounts

We have had prior success with attempts to cross-sell and we intend to continue to target new customers and expand existing customer accounts. We have the ability to implement localization of products across our Indian and Polish manufacturing facilities. In India, we produce and sell products under the Lumel brand and in Europe, Lumel SA sells "Rishabh" branded products. This flexibility between manufacturing facilities has also allowed us to plug gaps in our product offerings across price and performance parameters. We complement our product cross-selling, with cross manufacturing of suitable products at our manufacturing facilities in India and Poland.

Given our access to global market and our ability to offer products manufactured from multiple locations under multiple brands and our prior success with attempts to cross-sell, we intend to continue to explore cross-selling opportunities with our existing customers. Our objective is to address more applications with the same set of customers to increase our wallet share. In any market we target, our product innovation strategy allows us to understand and address market needs more effectively. We have been white labelling and brand labelling our products in domestic as well as international markets, and we propose to continue with this strategy to expand our product offering with both existing as well as new customers.

Explore opportunities to tap emerging products and services segments

Given the dynamic nature of the engineering industry, we seek to explore new opportunities by introducing new products and services leveraging our experience and established track-record. For instance, our entry into solar string inverters began with a technology purchase through which we gained requisite technical know-how. As we have done before, we intend to explore opportunities in upcoming areas while weighing our ability to assimilate the related technology and production processes whether through technology purchase or otherwise, as well our perception of attractive market indicators in such areas. Any proposal to enter new areas such as active harmonic filtering, STATCOM, EV charging stations or other electricity pollution management systems would be undertaken only after we have explored the same in minute detail.

Promote product localization

We entered into a five-year bilateral license agreement dated March 31, 2022, for product localization with Lumel SA (the "**Product Localization Contract**") under which we have established a framework to roll out localized Lumel products in the Indian market. This will allow us to manufacture Lumel products at our Nashik Manufacturing Facilities which will be sold as Lumel branded products in India, thereby increasing the brand presence of Lumel here in India. In parallel, we propose to continue to manufacture products at our Poland Manufacturing Facilities which will be marketed and sold in our target markets in Europe, thus allowing us to capitalise on the benefit of having manufacturing facilities which are local to the markets we propose to serve.

IMPACT OF COVID-19 PANDEMIC AND THE SUBSEQUENT TURNAROUND

An outbreak of COVID-19 was recognized as a global pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak the governments of many countries, including India, had taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit time spent outside of their homes. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our factories, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. A new COVID-19 variant named Omicron was detected in November 2021 and which also caused significant supply chain disruptions.

We undertook strict implementation of social distancing norms and isolation protocols which were monitored by our COVID-19 response team in accordance with our internal policy for management of COVID-19. The lockdowns in India and in other countries, specifically China (due to its zero-COVID policy), caused major supply chain disruptions in Fiscal 2021 and 2022 and in the six months ended September 30, 2022 particularly in China, including shortages of semiconductors, microcontrollers, cold-rolled grain-oriented steel, polycarbonate and other material and components. The nationwide lockdown in India during March and April 2020 resulted in the full closure of our Nashik Manufacturing Facilities for the first three weeks of Fiscal 2021, resulting in no production for that period. Subsequent social distancing requirements also meant that significantly fewer workers were able to come into our Nashik Manufacturing Facilities, which materially reduced our production capacity. Overall, our manufacturing facilities were shut down for a period of 42 days in India, for a period of 12 days in Poland and for a period of 79 days in China (since the date Shanghai VA was acquired by us) due to the COVID-19 pandemic. These factors resulted in our total revenue from operations decreasing by 2.68% to ₹ 3,899.56 million in Fiscal 2021 from ₹ 4,006.93 million in Fiscal 2020. Please also see "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" on page 32.

In an effort to contain the impact of the COVID-19 pandemic on the financial services sector and provide some relief to borrowers, the RBI released guidelines relating to the COVID-19 regulatory package on March 27, 2020, April 17, 2020 and May 23, 2020. This included a three-month moratorium on the payment of all principal amounts and interest falling due between March 1, 2020 and May 31, 2020. The RBI subsequently extended the moratorium on loan instalments by another three months, from June 1, 2020 to August 31, 2020. On April 7, 2021, the RBI issued further instructions to banks to refund or adjust 'interest on interest' for all borrowers during the moratorium period, in effect cancelling any charge of compound interest during the moratorium period. As a responsible financially strong company, we chose to not avail any of the moratoriums in India, against loans.

On May 18, 2020, with the objective of providing more liquidity, the Government of India notified a reduction in the provident fund contributions payable by all employers and employees in India from 12.00% to 10.00% for the months of May, June and July in 2020. We complied with the said notification as applicable to employers. On March 31, 2020, the Polish Government declared a relief package under which Lumel Alucast received a sum of ₹ 41.97 million during the months of April 2020, May 2020 and June 2020.

From the first quarter of Fiscal 2022, with increased vaccination and relaxation in social distancing norms, operations in our facilities partially stabilized. Since then we experienced a higher demand for our products caused due to the pent up industrial demand and higher levels of operations in our customers as the recovery from the pandemic driven economic downturn became more apparent. While our total revenue from operations was affected by the COVID-19 pandemic, the impact was limited and we recouped to pre-pandemic levels by Fiscal 2022. In Fiscal 2021 our total revenue from operations reduced by 2.68% to ₹ 3,899.56 million from ₹ 4,006.93 million in Fiscal 2020. Driven by the subsequent recovery, our total revenue from operations increased by 20.59% to ₹ 4,702.50 million in Fiscal 2022, which was higher than our pre-pandemic revenue from operations.

Our working capital cycle reflects our management of inventory, trade receivables, trade payables and GST/VAT input credit. We increased our inventory levels in response to the global shortage of materials, components and other inputs, and to guard against further COVID-19 related disruption. We increased our raw material inventory by ₹ 91.28 million and to a lesser extent, increased work-in-progress inventory as well by ₹ 12.92 million during Fiscal 2021. This decreased our working capital cycle to 94 days in Fiscal 2021, compared to 115 days in Fiscal 2020. In Fiscal 2022, our working capital days increased to 124 days and we also increased inventory levels of finished goods as well as work-in-progress goods by ₹ 73.92 million and ₹ 93.63 million, respectively. This reflects the ongoing recovery from the effects of the COVID-19 pandemic and the gradual normalization of payment cycles, with inventory built up to cover the semiconductor shortage and keep the production cycles intact. The efficiency of our capital allocation and utilization across our business is illustrated by our capital employed turnover, which was 15.20%, 12.16% and 11.42% (without annualizing) for Fiscals 2022, 2021 and 2020.

Our Product Portfolio

Over the years, we have developed a wide range of products to meet the evolving requirement of our customers. We offer a wide range of products primarily categorised under five segments – (a) electrical automation; (b) metering, control and protection devices (which together with electrical automation comprise industrial panel devices); (c) portable test and measuring instruments; and (d) solar string inverters. We also offer aluminium high pressure die casting products. Set forth below are details of our products across segments, their applications/ end use industries together with details of their contribution to our total revenue from operations (on a consolidated basis):

Product category	Select products from this category	Applications / end-use industries	Six months ended September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
			Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
Electrical automation	• Energy management software; • Transducers and isolators;	• Power generation, transmission, distribution and renewable energy;	277.29	10.62	637.60	13.56	522.16	13.39	511.78	12.77

Product category	Select products from this category	Applications / end-use industries	Six months ended September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
			Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
	• Paperless recorders (chartless) and data loggers; • Temperature and humidity recorders; • I/O converters; and • Temperature controllers.	• Industrial (FMCG, pharmaceutical, cement, steel etc.); • Railways; • Oil and gas; • Pharmaceuticals and petrochemicals; • Consumer electronics and semiconductors; • Data centres; and • System integrators.								
Metering, control and protection devices	• Analog panel meters; • Rotary CAM switches; • Current transformers; • Shunts; • Digital panel meters; • Multifunction meters; • Multiload monitoring meters; • Power quality meters; • Power quality analyzers; • Power factor controllers; • LV Protection relays; • Medium voltage protection relays; • Genset controllers; • Synchronizing units; and • Power supply and battery chargers.	• Energy (generation, transmission, distribution, renewable energy) • Industrial (FMCG, pharmaceutical, cement, steel etc.) • Railways • Medium voltage installations • BMS • Oil and Gas • Petrochemicals • Laboratories • Defence • Consumer electronics and Semiconductors • Data centres • Controlling power factor of installations • Residential and commercial complexes • DG set Ems	1,220.80	46.75	2,086.34	44.37	1,646.34	42.22	1,609.74	40.17
Portable test and measuring instruments	• Digital multimeters; • Digital clamp meters; • Digital insulation testers; • Digital earth testers; • Environmental instruments products such as ultrasonic level/thickness meter, digital luxmeter, non-contact tachometer, DB meters and phase detectors • Submarine cable fault locator	• Energy (generation, transmission, distribution, renewable energy) • Industrial (FMCG, pharmaceutical, cement, steel etc.) • Railways • Defence • Laboratories • Building automation and communication • Consumer electronics, data centres and semiconductors • OEM manufacturers (motors, cables and transformers) • Service industries • Oil and gas industries	72.84	2.79	156.36	3.32	114.59	2.94	113.89	2.84
Solar string inverters	• Solar string inverters (10 kW to 50 kW)	• Renewable energy (including micro grid applications)	19.66	0.75	51.46	1.09	34.33	0.88	57.74	1.44
Aluminium high pressure die castings	• Precision high pressure aluminium castings	• Automotive • Industrial automation • Telecommunication • Consumer durables • EV Industry • Street light industry	1,020.84	39.09	1,770.74	37.66	1,582.14	40.57	1,713.78	42.77

Electrical Automation

Our electrical automation business refers to manufacturing of products which streamline industrial systems, monitors, converts and control various applications for power up and down on command, process monitoring and controlling. We have a wide portfolio of electrical automation products catering to several industries across the world. Our electrical automation products include energy management software, transducers and isolators, paperless recorders (chartless) and dataloggers, temperature and humidity recorders, I/O converters and temperature controllers among others. Instruments use a universal language called MODBUS RS 485 for communication with each other and with external devices. This is an open-source communication protocol for automation of electrical systems. Wireless communication, ethernet, BACnet, MQTT etc. are few others by which our products are capable of interconnection.

The market for electrical automation components is very mature globally (*Source: F&S Report*). Digitization and Industry 4.0 initiatives is pushing every industry to transform their operations to become more efficient and flexible, thus positively impacting the electrical automation components market (*Source: F&S Report*). The global electrical automation market is valued at USD 139.1 billion in 2021 and is expected to grow at CAGR of 7.9% to reach USD 203.6 billion by 2026 (*Source: F&S Report*). India is forecasted to grow the fastest and largest, driven by industrial end users (*Source: F&S Report*).

Our total revenue from electrical automation business was ₹ 277.29 million, ₹ 637.60 million, ₹ 522.16 million and ₹ 511.78 million in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, which accounted for 10.62%, 13.56%, 13.39% and 12.77% of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Manufacturing

While all of our electrical automation products are manufactured in-house, specialised production processes such as hexavalent chromium plating, chemical composition analysis of the material and master batching are outsourced. These electrical automation products are manufactured in India at our Nashik Manufacturing Facility I and in Poland at our Poland Manufacturing Facility I. All these manufacturing facilities are vertically integrated with automated manufacturing and in-house dedicated R&D centres at the production sites.

Products

We have a wide portfolio of electrical automation products catering to several industries across the world. We currently manufacture and provide I/O converters, transducer and transmitters, EMS, paperless recorder, dataloggers, and temperature and humidity recorder among others. These find application in power generation, transmission and distribution, renewable energy, FMCG, pharmaceutical, cement, steel, oil & gas and railways sectors.

We are in the process of expanding our electrical automation product portfolio to add communication protocols converters, high end recorders, multifunction transducer, pollution transducer, and humidity with temperature transmitter with wireless communication. We are also planning to introduce certain new products in the electrical automation segment which include neutron detectors and temperature monitors.

Set forth below is a list of our electrical automation product portfolio.

Product		**Product application**
I/O Converters		• Telemetering (eg: remote transmission of electrical parameters to regional distribution center) • SCADA (Supervisory Control & Data Acquisition) • Field data conversion over communications
Transducer and isolator		• Telemetering (e.g. remote transmission of electrical parameters to regional distribution center) • SCADA

Product		Product application
		• Process control where accurate & reliable monitoring of Electrical parameters is desired (eg: energy co-generation) • Input to recorders/indicators • Pollution board/monitoring
Paperless recorder and data logger		• Process industries • Conveyor monitoring and recording • Solar data monitoring and recording • Special purpose machine (SPM), Data monitoring and recording
Temperature and humidity recorder		• Temperature and humidity recording for use in industrial installations, pharmaceuticals, cement manufacturing, steel and data centres
Temperature Controller		• Furnace control • Boiler control • Temperature & Humidity monitoring and control for various types of chambers • Climate control & monitoring • Process control (Pharma & Chemical applications)
Proposed products		
Transducer (multi-function, self powered) and pollution transducer (EPM)		• Telemetering (e.g. Remote transmission of electrical parameters to regional distribution center) • SCADA • Process control where accurate & reliable monitoring of Electrical parameters is desired. (E.g. Energy co-generation) • Input to recorders/indicators
Lumel KD10 (144x 144) KD6 (96x96) recorders with universal inputs		• Process industries • Conveyor monitoring and recording • Solar data monitoring and recording • Special purpose machine (SPM), Data monitoring–and recording
Lumel PD20 - RS485 to USB converter	-	• SCADA • Field data conversion over MODBUS–communications
Lumel SMP - New neutron detector system	-	• Detectors for neutron detection

Customers

In electrical automation products category, we have served an aggregate of 219, 297, 314 and 290 customers from India in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively. Some of the significant customers for our automation products category include ABB India Limited, Elko Vertriebs GmbH Seit 1988, Sang Chai Meter Co. Ltd, Gama Electrical Trading Co (LLC,) Pt.Amptron Instrumindo and Siemens Limited.

Metering, Control and Protection Devices

Our metering, control and protection devices are used for measuring, controlling, recording, analysing and protecting the electrical power system. We have a wide portfolio of metering, control and protection devices catering to several industries across the world. These include analog panel meters, rotary cam switches, current transformers, shunts, digital panel meters, multifunction meters, multi-load monitoring meters, power quality meters, power quality analyzers, power factor controllers, LV and MV relays, genset controllers, synchronizing units, power supply and battery chargers among others. We promote the wide range of our products basket to panel builders with the slogan "*Think Panel Think Rishabh*".

These metering, control and protection devices use a universal language called MODBUS RS 485 and MODBUS TCP/IP over ethernet for communication with each other and with external devices. This is an open-source communication protocol.

The metering, control and protection devices market is well established globally (*Source: F&S Report*). The global COVID-19 pandemic has caused a slowdown in multiple industries, notably delaying construction activities and new investments in retrofits of building systems (*Source: F&S Report*). The market is expected to improve when economic investments gain momentum (*Source: F&S Report*). The global metering, control and protection devices market is estimated at USD 33 billion in 2021 and is expected to witness a steady growth at 4.8% CAGR to reach USD 41.7 billion by 2026 (*Source: F&S Report*). Resumption of infrastructure development activities is expected to push adoption from commercial and utility applications across the globe (*Source: F&S Report*).

Our total revenue from metering, control and protection devices was ₹ 1,220.80 million, ₹ 2,086.34 million, ₹ 1,646.34 million and ₹ 1,609.74 million in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, which accounted for 46.75%, 44.37%, 42.22% and 40.17% of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Manufacturing

All of our metering, control and protection devices are manufactured in-house at our Nashik Manufacturing Facility I and in Poland at our Poland Manufacturing Facility I. All these manufacturing facilities are vertically integrated with automated manufacturing and in-house dedicated R&D centres at the production sites. Labour intensive low value-added specialised production processes such as silver plating on contacts, blackodizing on screws, tin / zinc plating, chemical composition of the material and master batching are outsourced.

Products

We have a wide portfolio of metering, control and protection devices catering to several industries across the world. We currently manufacture and provide analog panel meter, rotary CAM switch, low voltage and medium voltage protection relay, current transformer, shunt, digital panel meter, multifunction meters, multiload monitor, power quality monitor, power quality analyzer, synchronizing unit, power factor controller, genset controllers, power supply and battery chargers. These find application in power generation, transmission and distribution, renewable energy, FMCG, pharmaceutical, cement, steel, defence, oil, gas and petrochemicals, medium voltage installation, building management system, laboratories, data centers, controlling power factor of installation, DG set, EV charging industries, UPS and SPM manufacturers and railways sectors.

We are in the process of expanding our metering, control and protection devices portfolio to add communication protocols (such as MQTT, BACNet with an inbuilt FTP server, ProfiNet), wireless communication and meters with complete modularity, DIN mounted multifunction meters, 3CT PFC, power supply and battery chargers and basic protection relays. We are also planning to introduce certain new products in the metering, control and protection devices segment which includes LM Series with MQTT, LM Series with BACNet, basic protection relays, LED cam switches, phase sequence indicator, economical current transformers, MV+LV protection relays and ND 50 advance power quality analysers etc.

Set forth below is a list of our metering, control and protection devices product portfolio.

Product		**Product application**
Analog panel meter		• All types of panels (electrical parameter monitoring) • Test benches • Laboratories • DG sets

Product		Product application
Rotary CAM switch		• All types of panels/ distribution boards • Test benches • Laboratories • E- bikes • DG sets
Current transformer		• All types of panels • Fuse switch disconnectors • Load monitoring • DG sets
Shunt		• DC current measurements • Battery charging and monitoring • Uninterrupted power supply (UPS)
Digital Panel Meters		• All types of panels (electrical parameter monitoring)
Multifunction meter		• All types of panels (electrical parameter monitoring) • Load monitoring • Energy billing monitoring (sub- metering) • Building management systems (BMS)
Multiload monitoring meter		*Same as above*
Power quality meter		• Power quality analysis (critical loads and main incoming 3 phase systems)
Power quality analyser		*Same as above*
Power factor controller		• Power factor correction system (APFC panels)
LV protection relays		• Electrical faults monitoring and protection in LV system
Medium voltage protection relay		• Electrical faults monitoring and protection in MV system for network safety

Product		Product application
Genset controller		• DG sets
Synchronizing units		• Power generation • Transmission and distribution • Renewable energy • Steel
Power supply and battery charger		• Special purpose machine (SPM) • Battery charging stations
Proposed products		
Analog Panel Meter - Phase sequence indicator		• All types of panels (electrical parameter monitoring) • Test benches • Laboratories • DG sets
Rotary CAM switch - with LED indications		• Phase segregation distribution boards required in residential and commercial buildings
Current transformer - ANSI housing CT's and economical version	-	• All types of panels • Fuse switch dis-connectors • Load monitoring • DG sets
Digital Panel meters	-	• All types of panels
Multifunction Meters: A) DIN rail MFMs; B) Panel Mount (High end and economical version); and C) Direct current operated meters (with MID and without MID)		• All types of panels • Load monitoring • Energy billing monitoring (sub-metering) • Building management system BMS
Power factor controller (PFC) - 3 CT version	-	• Power factor correction system
LV Protection relays- basic earth leakage relay		• Electrical faults monitoring–and protection
Lumel CR4 - CZIP (MV+LV protection) Lumel CR4 - CZIP-Linux		• Electrical faults monitoring and protection

Product		Product application
Lumel Power quality analyzer ND50		• Power quality analysis (critical loads and main incoming three-phase systems)
Lumel N32 (family)		• All types of panels (electrical parameter monitoring)
Power Supply and Battery Charger-Economical versions	-	• Special purpose machine (SPM) • Battery charging stations

Customers

In the metering, control and protection devices category, we have served an aggregate of 447, 565, 567 and 557 customers from India in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020. Some of the significant customers for our metering, control and protection devices category include ABB India Limited, Siemens Limited, Pronutec S.A., L&T Electrical & Automation (a unit of Scheider Electric India Private Limited), Hitachi Energy India Limited, Hical Technologies Private Limited, OMEGA Electric Machinery Co. Ltd., Amptron (S) Pte Ltd., Dash Controls Systems, Mantra Switchgear Co. Ltd., Lucy Electric India Private Limited and Perel OY.

Portable test and measuring instruments

Our portable test and measuring instruments business refers to manufacturing of products which are used by our customers to inspect, test, calibrate, and measure parameters of a system, facility, instrumentation or process. We have a wide portfolio of portable test and measuring instruments catering to various sectors. Our test and measuring instruments include digital multimeters, digital clamp meters, digital insulation testers, digital earth testers and environmental products such as ultrasonic level/thickness meter, digital luxmeter, non-contact tachometers, DB meters and phase detectors, and submarine cable fault locators among others.

Portable test and measurement equipment play a central role in enabling digital transformation, IoT, Industry 4.0 and autonomous living, as the need for highly reliable and advanced electronic device increases (*Source: F&S Report*). F&S estimates the portable test and measurement market at USD 4.9 billion in 2021. The market is expected to grow at 5% and reach USD 6.3 billion by 2026 (*Source: F&S Report*). Growth by region will be led by India and APAC (*Source: F&S Report*). The end-users that will drive demand includes automotive and power industries (*Source: F&S Report*).

Our total revenue from the portable test and measuring instruments business was ₹ 72.84 million, ₹ 156.36 million, ₹ 114.59 million and ₹ 113.89 million in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, which accounted for 2.79%, 3.32%, 2.94% and 2.84% of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Manufacturing

While all of our portable test and measuring instruments are manufactured in-house, labour intensive low value-added specialised production processes such as nickle-gold plating on contacts and PCB of the material and master batching are outsourced. Portable test and measuring instruments products are manufactured in India at our Nashik Manufacturing Facility I, in Poland at our Poland Manufacturing Facility I and in China at our China Manufacturing Facility. All these manufacturing facilities are vertically integrated with automated manufacturing and in-house dedicated R&D centres.

Products

We have a wide portfolio of portable test and measuring instruments products catering to various industries across the globe. We currently manufacture and provide digital multimeters, digital clamp meters, digital insulation testers, digital earth testers and environmental products such as ultrasonic level/thickness meter, digital luxmeter, non-contact tachometers and submarine cable fault locators among others. These find application in power generation, transmission and distribution, renewable energy, FMCG, pharmaceutical, cement, steel, building automation and communication, consumer electronics and semiconductor, data center, oil and gas, OEM manufacturer (transformer, cable and motor), service industry and railways sectors.

We are also planning to introduce certain new products in the test and measuring instruments products segment which include economical version of digital multimeters and clamp meters, digital earth tester, signal calibrators, digital leakage clamp meters etc.

Set forth below is a list of our test and measuring instruments product portfolio.

Product		Product application
Digital multimeter		• Component testing (resistor, capacitor, diode etc.) • Battery testing • Repair and maintenance in service industries • Testing in panels • Solar inverter testing • Student use • Axle counter testing at railway tracks • Variable frequency drive testing • Voltage and current testing in panels • Used in accreditation laboratories • Educational institutions
Digital clamp meter		• Cable testing • Busbar testing • Motor testing • Processing industries • Battery Testing • Repair and maintenance in service industries • Voltage and current testing in panels • Solar segment industries • Educational institutions • Phase-Phase and Phase-Neutral Voltage measurement in Single and Three Phase testing
Digital insulation tester		• Substation (state utilities, power grid), railway substations, cement and steel substations) • Transformer testing • Motor testing • Cable testing • CT-PT testing • Panel testing • LA testing • Other electrical devices testing
Digital earth testers		• Earth pit testing industrial and commercial applications • Earth pit testing of power generation grid • Earth pit testing of power transmission grid • Earth pit testing of power distribution grid
Environmental Products (ultrasonic level/thickness meter, digital luxmeter, non contact tachometer portable, DB meter, phase detector)		• Liquid level in bottles (ultrasonic level meter) • Automated process (ultrasonic level meter) • Robotics sensing (ultrasonic level meter) • Proximity sensors (ultrasonic level meter) • For measurement of amount of light on work surface (digital luxmeter) • For measurement of revolution, speed and rotation using laser infrared or light source (tacho meter)

Product		Product application
		• For measurement of the environmental noise (DB meter) • Motor control (DB meter) • Radar and telecommunication system (DB meter) • Servo mechanisms (phase detector)
Tinsley precision instruments - submarine cable fault locator (model 5903)		• Cable fault finding • Cable survey and tracking system
Proposed products		
Digital multimeter (economical version)	-	• Component testing (resistor, capacitor, diode etc.) • Battery testing • Repair and maintenance in service industries • Testing in panels • Student use
Digital Clamp meter-Economical version	-	• Battery Testing • Repair and maintenance in service industries • Voltage and current testing in Panels • Educational institutes
Digital leakage clamp meter	-	• To measure the process current 4-20mA • To measure the leakage current in earth pits • To measure the leakage current of panels
Digital Earth testers	-	• Earth pit testing (industrial and commercial applications) • Earth pit testing of power generation grid • Earth pit testing of power transmission grid • Earth pit testing of power distribution grid
Signal Calibrator	-	• Service Industries • Laboratories • Communication • Defence • Data centre

Customers

In the portable test and measuring instruments products category, we have served an aggregate of 161, 210, 203 and 197 customers from India in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020. Some of the significant customers for our test and measuring instruments products category include Sang Chai Meter Co. Ltd., Gama Electric Trading Co. (LLC), Gossen Metrawatt GmbH, Endress+ Hauser Flowtec AG, Lucas-Nulle GmbH and Safetytest GmbH.

Solar String Inverters

We manufacture and supply solar string inverters to our customers which are used with solar arrays to convert the energy that is generated (direct current) to usable electricity (alternating current) and also has micro-grid applications. These solar string inverters include power classes from 10 kW to 50 kW. Our solar string inverter have integrated data storage, USB connectivity and widescreen LED display. They even have inbuilt GSM modules or remote monitoring with IoT module.

In respect of the industry outlook for solar string inverters, the global revenue for solar string inverters is expected to increase from USD 4 billion in 2021 to USD 6.2 billion in 2026, at a CAGR of 9% (*Source: F&S Report*). Commercial and residential rooftop solar installations are driving the market's growth (*Source: F&S Report*). APAC (excluding India) is the fastest growing region (*Source: F&S Report*).

Our total revenue from our solar string inverter business was ₹ 19.66 million, ₹ 51.46 million, ₹ 34.33 million and ₹ 57.74 million in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, which accounted for 0.75%, 1.09%, 0.88% and 1.44% of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Manufacturing

Our solar string inverters are manufactured in-house. We gained the technical capability from a prior technology purchase and have since manufactured solar string inverters as per our own designs. These solar string inverters are manufactured in India at our Nashik Manufacturing Facility I. This manufacturing facility is vertically integrated with automated manufacturing and has an in-house dedicated R&D centre. Certain manufacturing processes, such as the epoxy coated powder housing and blackodizing on screws, are outsourced.

Products

We manufacture solar string inverters with a wide range of power class. Our solar string inverters include power classes from 10 kW to 50 kW and are designed for use in photovoltaic installations connected to the grid. These solar string inverters have integrated data storage, USB connectivity and widescreen LED display. They even have inbuilt GSM modules or remote monitoring with IoT module. These find application in power generation, transmission and distribution and renewable energy sectors.

We are in the process of expanding our solar string inverter products portfolio to include products in power classes from 3 kW to 9 kW and 100 kW.

Customers

In our solar string inverter products category, we have served an aggregate of 46, 89, 81 and 66 customers from India in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020. Some of the significant customers for our solar string inverter products category include Adarsh Solar Power Solution, Agronova Solar, Ailis Energy Private Limited, Amogeo Ites India Limited, Argus Solar Power, Bhavani Infra Projects, Codegreen Energy Private Limited, Inox Solar Energy, Power Edge and Saicon Power System.

Aluminium high pressure die castings

We forayed into manufacturing of high pressure aluminium castings in through our acquisition of Lubuskie Zakłady Aparatów Elektrycznych “Lumel” Spółka akcyjna which was completed during Fiscal 2012. Lubuskie Zakłady Aparatów Elektrycznych “Lumel” Spółka akcyjnawas state-owned at the time and post our acquisition we restructured the business into two separate companies, Lumel Alucast and Lumel SA, with the high pressure die casting business being housed in Lumel Alucast and production of electrical and electronics products being housed in Lumel SA. We provide complete aluminium high pressure die casting solutions for customers requiring close tolerance fabrication (such as automotive compressor manufacturers and automation high precision flow meters manufacturers), machining and finishing of precision components. Our aluminium diecasting business is headquartered in Poland and, as per the F&S Report, Lumel is the most popular brand in Poland when it comes to meters, controllers, and recorders and is one of the leading non-ferrous pressure casting players in Europe.

For aluminium high pressure die castings, F&S estimates that the global aluminium high pressure die casting market is at USD 80.4 billion in 2021 (*Source: F&S Report*). The market is estimated to grow at 6.3% CAGR from 2021 to 2026 and reach USD 109.2 billion by 2026 (*Source: F&S Report*). Automotive will remain the highest revenue contributor across all regions (*Source: F&S Report*). APAC will lead revenue growth in the next five years (*Source: F&S Report*).

Our total revenue from aluminium castings business was ₹ 1,020.84 million, ₹ 1,770.74 million, ₹ 1,582.14 million and ₹ 1,713.78 million in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, which accounted for 39.09%, 37.66%, 40.57% and 42.77% of our total revenue from operations in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Manufacturing

Our aluminium high pressure die castings are manufactured in-house in Poland at our Poland Manufacturing Facility II. Poland Manufacturing Facility II has an aluminium high pressure die casting facility comprising a foundry, CNC machining, post processing, tool shop and a laboratory.

Products

We provide complete aluminium high pressure die casting solutions for customers requiring close tolerance fabrication (such as automotive compressor manufacturers and automation high precision flow meters manufacturers), machining and finishing of precision components. We have a wide range of castings capability. These are sold in automotive, industrial automation, telecommunication, consumer durable, EV and street light industries.

In terms of product process development, in our aluminium high pressure die casting segment we propose to introduce advanced process development such as increasing the number of robo-deburring stations, setting up an impregnation plant, increasing and enhancing the number of fully automated CNC cells, introducing customized high precision cleaning lines, friction stir welding, conformal cooling systems, 3D printing of mould forming elements VR technology, automated assembly cells and poka-yoke automation.

Order Book

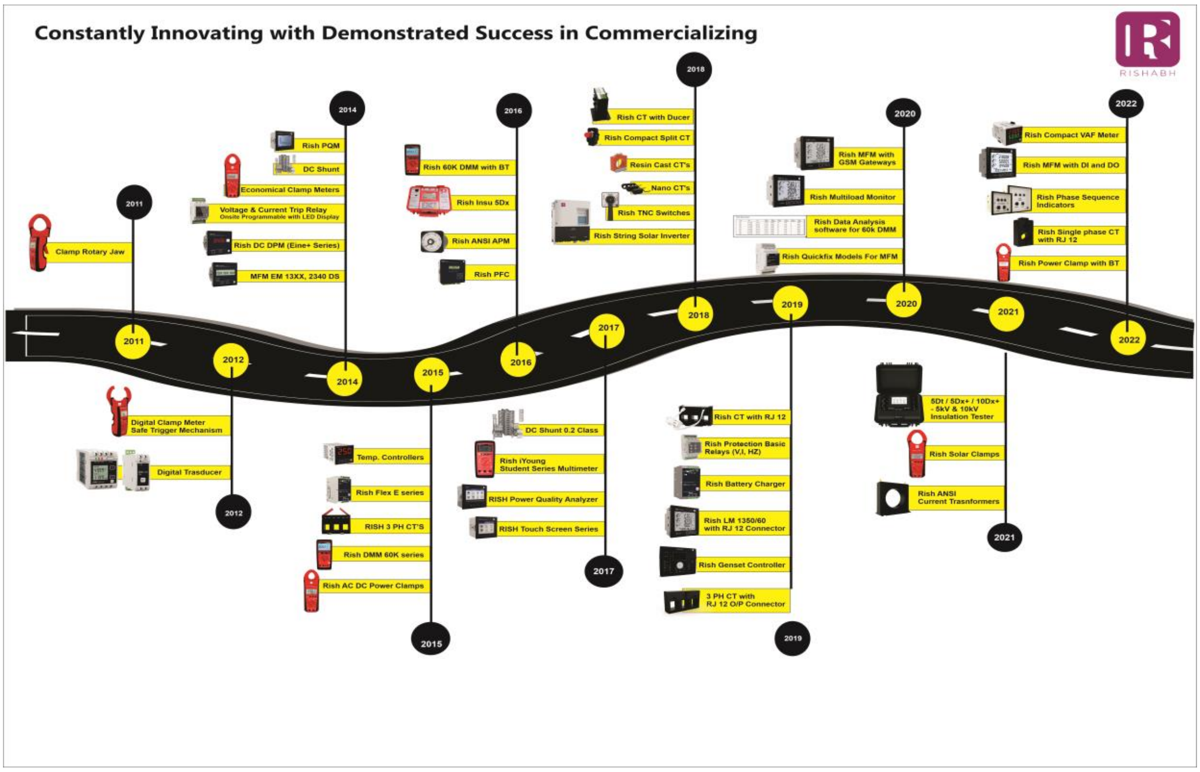
Our order book for aluminium high pressure die casting (which represents our estimated revenue for ongoing projects and new contracts awarded to us including orders for tools and first samples, orders received from customers and does not include forecasts or estimations), as on October 31, 2022, was Euro 4.90 million or ₹ 396.52 million.

Customers

In our aluminium high pressure die castings products category, we have served an aggregate of 68, 61, 58 and 61 customers from Lumel Alucast in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020. Our significant customers for our aluminium high pressure die castings products category include Endress+Hauser Flowtec AG.

Innovation and R&D

We are a technology and R&D focussed enterprise. Our global presence affords us exposure to the latest technologies for our core segments and we accordingly strive to drive both our product portfolio and service offerings with our R&D capabilities. We have R&D centers in India, Poland and China, where R&D units are at our Nashik Manufacturing Facilities, Poland Manufacturing Facilities and China Manufacturing Facility, respectively, which as on October 31, 2022 housed 93 engineers on an aggregate basis. Our key product innovations and patents are as follows:



Our R&D unit at Nashik Manufacturing Facility I is recognised by the Department of Scientific & Industrial Research, GoI. Our R&D team in India is divided into three functional groups which support product development from concept to bulk production. These are (a) Electronic Design and Development (for design and development of embedded technology based smart products); (b) Mechanical Department (for plastic component designing); and (c) Tool R&D (for design, development and manufacturing of moulds for plastic components).

Our R&D goals extend beyond product innovation and also focus on the efficiency of our product development cycle. For instance, we deploy advanced prototyping technology such as 3D printing of plastic components in order to freeze the concept. This helps us avoid issues which could arise from lengthy and extensive cycles of mould designing and manufacturing. We also utilize an in-house PCB prototyping technology for faster electronics design. This in-house set up diminishes the dependency upon third party developers which improves efficiency and gives us greater control on overall process quality.

In Poland, Poland Manufacturing Facility I has in-house R&D, engineering manufacturing and testing capabilities. In Poland Manufacturing Facility II, we have an in-house design facility which comprises design optimization, engineering drawings and 3D documentation. Poland Manufacturing Facility II also includes the design capability for aluminium moulds, trimming dies and computer numerical control (CNC) tools.

Our R&D efforts are focused on (a) the development of next generation innovative products with unique features; (b) upgrading existing products to match current market requirements; (c) innovating and providing customers with advanced products to ease of high-end applications; and (d) creating solutions to improve existing manufacturing processes to improve manufacturing efficiency and manage the cost of manufacturing. This is aligned with our product design objectives, which are manufacturing efficiency and avoiding human interference in calibration and testing of products. Our automated closed loop systems for testing and calibrations, in particular, are targeted at achieving this objective. All test results are stored on a cloud and which is easily accessible to our customers who can access it anytime with necessary authentication.

Our ability to develop and integrate technology allows us to provide innovative and customizable solutions to our customers more efficiently. Set forth below are instances where we innovated a product which resolved operational issues in the field as well as where we made a cost-effective solution available to our customers in India:

Case Study 1: A drawback of the existing clamp meters is that they are physically awkward to use or are at a relatively inaccessible position, in situations where the conductor elements which need monitoring are tightly placed in congested physical configurations. Under these circumstances, when the clamp jaws are placed around a conductor, the display and the keys might be orientated in a position which makes reading the display and operation of keys very difficult, if not impossible. This makes the measurement and online monitoring processes cumbersome. Conductors that are either situated overhead or disposed in tight physical spaces such as an electrical cabinet are examples of such situations. We invented and patented a clamp meter with rotary jaw which can be rotated at various angles, in order to access conductor elements such as bus bars, cables or other conductors that are placed in physically awkward or relatively inaccessible positions for measuring current. With the help of the rotary jaw mechanism, the display of the meter, remains visible even when the clamps have been rotated. The push buttons and function selection switches are easy to operate in the field situations.

Case Study 2: Insulation resistance tester is a special type of ohm meter used to measure the electrical resistance of insulators. Over time insulation ages and its insulating performance deteriorates which can reduce the electrical resistivity of the insulating materials, thus increasing leakage currents which could lead to incidents which may be serious in terms of both safety and the costs of production stoppages. A major drawback of existing insulation testers was the lack of features such as interference noise rejection current up to 8mA, DD test facility, short circuit current up to 6mA, ingress protection IP65 and the difficulty of operating successfully in 400kV live switch-yards. Such features were only available when purchased from international manufacturers and imported, which not only increased costs but also created challenges with receiving prompt service. Our insulation resistance testers being locally designed, developed and manufactured here in India, are cost efficient as they do not require any additional import costs and are also equipped with the requisite features provided by international manufacturers.

Our Operations

Our Manufacturing Facilities

We manufacture all our products in-house from our five manufacturing facilities – two in India, two in Poland and one in China – these are Nashik Manufacturing Facility I, Nashik Manufacturing Facility II, Poland Manufacturing Facility I, Poland Manufacturing Facility II and China Manufacturing Facility. In addition, we have two modification centres one in Kennesaw, Georgia, United States and the other in Essex England; and also have warehouses in Nashik Manufacturing Facility I, Poland Manufacturing Facility I, China Manufacturing Facility, as well as at both our modification centres in Kennesaw, Georgia, United States and in Essex, England.

Set forth below are the details of our manufacturing facilities.

Name	Land Area (*sq. mt*)	Owned / leased	Products manufactured	Facilities	Accreditations
Nashik Manufacturing Facility I	10,240	Leased (95 year lease)	• Electrical automation; • Metering, control and protection devices; • Portable test and measuring instruments; and • solar string inverters	• Workshop • R&D centre • Electronics production • Sales and marketing, engineering, logistics, planning, quality, administration and IT offices	• Quality management system: ISO 9001:2015

Name	Land Area (*sq. mt*)	Owned / leased	Products manufactured	Facilities	Accreditations
Nashik Manufacturing Facility II	9,195	Leased (95 year lease)	• Tools and moulds • Energy management software (MARC)	• Mould shop • EMI-EMC laboratory • R&D centre • Energy Solution Labs	• Quality management system: ISO 9001:2015 • EMI-EMC laboratory: NABL accredited – IEC 17025:2017
Poland Manufacturing Facility I	12,000	Owned	• Electrical automation; • Metering, control and protection devices; and • Portable test and measuring instruments	• Electronics production • R&D centre • Laboratory • Sales, engineering, logistics, planning, quality, administration and IT offices	• ISO 9001:2015, IATF 16949:2016, ISO 14001:2015,
Poland Manufacturing Facility II	17,000	Owned	• Aluminium castings	• Foundry • CNC machining and surface treatment • Tool shop and engineering • R&D centre and laboratory • Sales, engineering, logistics, planning, quality, administration and IT offices	• ISO 9001:2015, IATF 16949:2016, ISO 14001:2015
China Manufacturing Facility	1,531	Leased	• Portable test and measuring instruments	• Manufacturing • R&D centre	ISO 9001:2015 and for products, CE, ROHS, UKCA

The following table sets forth the installed capacity and the rate of capacity utilization of our manufacturing facilities.

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Sr No.	Manufacturing Facility	Fiscal /period	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
		Product Group ↓	Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
1	Nashik Manufacturing Facility I	Analog Panel Meter	1,596,600	947,220	1 Shift / Day 6 Days / Week 51 Weeks / Year	59.33	15,96,600	8,12,410	1 Shift / Day 6 Days / Week 51 Weeks / Year	50.88	21,40,800	13,47,420	1 Shift / Day 6 Days / Week 51 Weeks / Year	62.94	21,40,800	10,70,400	3,30,755	1 Shift / Day 6 Days / Week 51 Weeks / Year	30.90
		Current Transformer	840,000	780,000	3 Shift / Day 6 Days / Week 51 Weeks / Year	92.86	8,40,000	6,59,783	3 Shift / Day 6 Days / Week 51 Weeks / Year	78.55	12,00,000	9,00,000	3 Shift / Day 6 Days / Week 51 Weeks / Year	75.00	12,00,000	6,00,000	5,69,506	3 Shift / Day 6 Days / Week 51 Weeks / Year	94.92
		Digital Panel Meter	120,000	56,400	1 Shift / Day 6 Days / Week 51 Weeks / Year	47.00	1,20,000	63,253	1 Shift / Day 6 Days / Week 51 Weeks / Year	52.71	1,10,400	70,200	1 Shift / Day 6 Days / Week 51 Weeks / Year	63.59	1,10,400	55,200	45,224	1 Shift / Day 6 Days / Week 51 Weeks / Year	81.93
		Multifunction Meter	144,000	81,600	1 Shift / Day 6 Days / Week 51 Weeks / Year	56.67	1,44,000	56,886	1 Shift / Day 6 Days / Week 51 Weeks / Year	39.50	1,48,800	88,800	1 Shift / Day 6 Days / Week 51 Weeks / Year	59.68	1,48,800	74,400	24,774	1 Shift / Day 6 Days / Week 51 Weeks / Year	33.30
		Power Factor Control	37,200	21,600	2 Shift / Day 6 Days / Week 51 Weeks / Year	58.06	37,200	18,959	2 Shift / Day 6 Days / Week 51 Weeks / Year	50.96	36,000	26,400	2 Shift / Day 6 Days / Week 51 Weeks / Year	73.33	36,000	18,000	12,714	2 Shift / Day 6 Days / Week 51 Weeks / Year	70.63
		Power Supply	48,000	18,000	1 Shift / Day 6 Days / Week 51 Weeks / Year	37.50	48,000	13,299	1 Shift / Day 6 Days / Week 51 Weeks / Year	27.71	48,000	18,000	1 Shift / Day 6 Days / Week 51 Weeks / Year	37.50	48,000	24,000	11,713	1 Shift / Day 6 Days / Week 51 Weeks / Year	48.80
		Solar Inverters	2,160	699	1 Shift / Day 6 Days / Week 51 Weeks / Year	32.36	2,160	401	1 Shift / Day 6 Days / Week 51 Weeks / Year	18.56	2,160	689	1 Shift / Day 6 Days / Week 51 Weeks / Year	31.90	2,160	1,080	565	1 Shift / Day 6 Days / Week 51 Weeks / Year	52.29
		Transducer	85,200	56,400	1 Shift / Day 6 Days / Week 51 Weeks / Year	66.20	85,200	43,509	1 Shift / Day 6 Days / Week 51 Weeks / Year	51.07	91,200	64,800	1 Shift / Day 6 Days / Week 51 Weeks / Year	71.05	91,200	45,600	30,306	1 Shift / Day 6 Days / Week 51 Weeks / Year	66.46

Sr No.	Manufacturing Facility	Fiscal /period ↓ Product Group	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
			Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
		Multimeter	57,000	31,464	1 Shift / Day 6 Days / Week 51 Weeks / Year	55.20	57,000	33,396	1 Shift / Day 6 Days / Week 51 Weeks / Year	58.59	66,600	40,872	1 Shift / Day 6 Days / Week 51 Weeks / Year	61.37	66,600	33,300	26,587	1 Shift / Day 6 Days / Week 51 Weeks / Year	79.84
		Switches	216,000	120,000	1 Shift / Day 6 Days / Week 51 Weeks / Year	55.56	2,16,000	1,64,865	1 Shift / Day 6 Days / Week 51 Weeks / Year	76.33	2,40,000	1,44,000	1 Shift / Day 6 Days / Week 51 Weeks / Year	60.00	2,40,000	1,20,000	54,723	1 Shift / Day 6 Days / Week 51 Weeks / Year	45.60
		Other Digital Products	115,200	93,000	1 Shift / Day 6 Days / Week 51 Weeks / Year	80.73	1,15,200	41,985	1 Shift / Day 6 Days / Week 51 Weeks / Year	36.45	1,08,000	56,400	1 Shift / Day 6 Days / Week 51 Weeks / Year	52.22	1,08,000	54,000	14,934	1 Shift / Day 6 Days / Week 51 Weeks / Year	27.66
		Total	3,261,360	2,206,383		67.65	32,61,360	19,08,746		58.53	41,91,960	27,57,581		65.78	41,91,960	20,95,980	11,21,801		53.52
2	Nashik Manufacturing Facility II	Moulds	70	45	1 Shift / Day 6 Days / Week 51 Weeks / Year	64.29	70	51	1 Shift / Day 6 Days / Week 51 Weeks / Year	72.86	70	61	1 Shift / Day 6 Days / Week 51 Weeks / Year	87.14	70	35	51	1 Shift / Day 6 Days / Week 51 Weeks / Year	145.71*
		Press Tools	10	4	1 Shift / Day 6 Days / Week 51 Weeks / Year	40.00	10	8	1 Shift / Day 6 Days / Week 51 Weeks / Year	80.00	10	5	1 Shift / Day 6 Days / Week 51 Weeks / Year	50.00	10	5	0	1 Shift / Day 6 Days / Week 51 Weeks / Year	0.00
		Die Casing Dies	8	7	1 Shift / Day 6 Days / Week 51 Weeks / Year	87.50	8	0	1 Shift / Day 6 Days / Week 51 Weeks / Year	0.00	8	0	1 Shift / Day 6 Days / Week 51 Weeks / Year	0.00	8	4	3	1 Shift / Day 6 Days / Week 51 Weeks / Year	75.00
		Jigs & Fixtures	12	17	1 Shift / Day 6 Days / Week 51 Weeks / Year	141.67#	12	27	1 Shift / Day 6 Days / Week 51 Weeks / Year	225.00#	12	34	1 Shift / Day 6 Days / Week 51 Weeks / Year	283.33#	12	6	1	1 Shift / Day 6 Days / Week 51 Weeks / Year	16.67
		Total	100	73		73.00	100	86		86.00	100	100		100.00	100	50	55		110.00*
3	China Manufac	Multi meters	60,480	26,087	1.5 SHIFTS / Day	43.13	241920	208008.6		85.98	3,78,000	257262	1.5 SHIFTS / Day	68.06	3,78,000	1,89,000	101000	1.5 SHIFTS / Day	53.44

Sr No.	Manufacturing Facility	Fiscal /period Product Group ↓	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
			Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
	turing Facility%	Clamp Meters	26,880	8,696	5.5 days / week 42 weeks / Year	32.35	80640	74883.096	1.5 SHIFTS / Day 5.5 days / week 42 weeks / Year	92.86	1,26,000	92614	5.5 days / week 42 weeks / Year	73.50	1,26,000	63,000	38000	5.5 days / week 42 weeks / Year April and May complete lockdown and factory closed. June production hampered	60.32
		Environment Meters	26,880			0.00	80640	62402.58		77.38	1,26,000	77179		61.25	1,26,000	63,000	33000		52.38
		Power Supply	7,168			0.00	21504	8320.344		38.69	33,600	10290		30.63	33,600	16,800	5000		29.76
		Water Meter	8,960			0.00	26880	20800.86		77.38	42,000	25726		61.25	42,000	21,000	11000		52.38
		Data Logger	8,960			0.00	26880	8320.344		30.95	42,000	10290		24.50	42,000	21,000	4000		19.05
		Callibrator	10,752			0.00	32256	12480.516		38.69	50,400	15436		30.63	50,400	25,200	6000		23.81
		Thermometers	8,960			0.00	26880	20800.86		77.38	42,000	25726		61.25	42,000	21,000	9500		45.24
		Total	159,040	34,783		21.87	537600	416017.2		77.38	840000	514524.8148		61.25	840000	420000	207500		49.40
4	Poland Manufacturing Facility I	Power network meters and analyzers	36,000	7,433	3 Shift / Day 6 days / Week 48 Weeks / Year	20.65	36,000	6714	3 Shift / Day 6 days / Week 48 Weeks / Year	18.65	36,000	8485	3 Shift / Day 6 days / Week 48 Weeks / Year	23.57	36,000	18,000	5624	3 Shift / Day 6 days / Week 48 Weeks / Year	31.24

Sr No.	Manufacturing Facility	Fiscal /period	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
		Product Group ↓	Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
		Digital meters	57,600	12,829	3 Shift / Day 6 days / Week 48 Weeks / Year	22.27	57,600	10763	3 Shift / Day 6 days / Week 48 Weeks / Year	18.69	57,600	12836	3 Shift / Day 6 days / Week 48 Weeks / Year	22.28	57,600	28,800	6443	3 Shift / Day 6 days / Week 48 Weeks / Year	22.37
		Transdusers and separators	72,000	13,737	3 Shift / Day 6 days / Week 48 Weeks / Year	19.08	72,000	13725	3 Shift / Day 6 days / Week 48 Weeks / Year	19.06	72,000	15394	3 Shift / Day 6 days / Week 48 Weeks / Year	21.38	72,000	36,000	6947	3 Shift / Day 6 days / Week 48 Weeks / Year	19.30
		Temperature controllers	34,200	7,306	3 Shift / Day 6 days / Week 48 Weeks / Year	21.36	34,200	6733	3 Shift / Day 6 days / Week 48 Weeks / Year	19.69	34,200	7579	3 Shift / Day 6 days / Week 48 Weeks / Year	22.16	34,200	17,100	2747	3 Shift / Day 6 days / Week 48 Weeks / Year	16.06
		Power controllers and SSR	2,520	493	3 Shift / Day 6 days / Week 48 Weeks / Year	19.56	2,520	436	3 Shift / Day 6 days / Week 48 Weeks / Year	17.30	2,520	458	3 Shift / Day 6 days / Week 48 Weeks / Year	18.17	2,520	1,260	170	3 Shift / Day 6 days / Week 48 Weeks / Year	13.49
		Recorders	900	225	3 Shift / Day 6 days / Week 48 Weeks / Year	25.00	900	200	3 Shift / Day 6 days / Week 48 Weeks / Year	22.22	900	208	3 Shift / Day 6 days / Week 48 Weeks / Year	23.11	900	450	67	3 Shift / Day 6 days / Week 48 Weeks / Year	14.89
		I/O modules, converters, data loggers	21,600	1,936	3 Shift / Day 6 days / Week 48 Weeks / Year	8.96	21,600	2223	3 Shift / Day 6 days / Week 48 Weeks / Year	10.29	21,600	2234	3 Shift / Day 6 days / Week 48 Weeks / Year	10.34	21,600	10,800	730	3 Shift / Day 6 days / Week 48 Weeks / Year	6.76
		Analog meters	144,000	34,141	3 Shift / Day 6 days / Week 48 Weeks / Year	23.71	1,44,000	33353	3 Shift / Day 6 days / Week 48 Weeks / Year	23.16	1,44,000	38647	3 Shift / Day 6 days / Week 48 Weeks / Year	26.84	1,44,000	72,000	16227	3 Shift / Day 6 days / Week 48 Weeks / Year	22.54

Sr No.	Manufacturing Facility	Fiscal /period	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
		Product Group ↓	Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
		SMP radiation monitor systems	180	0	3 Shift / Day 6 days / Week 48 Weeks / Year	0.00	180	2	3 Shift / Day 6 days / Week 48 Weeks / Year	1.11	180	15	3 Shift / Day 6 days / Week 48 Weeks / Year	8.33	180	90	10	3 Shift / Day 6 days / Week 48 Weeks / Year	11.11
		Digital security CZIP-PRO and CZIP-2R-PRO	3,456	0	3 Shift / Day 6 days / Week 48 Weeks / Year	0.00	3,456	10	3 Shift / Day 6 days / Week 48 Weeks / Year	0.29	3,456	10	3 Shift / Day 6 days / Week 48 Weeks / Year	0.29	3,456	1,728	256	3 Shift / Day 6 days / Week 48 Weeks / Year	14.81
		SHUNT (Earlier part of LSA MFG) (Mechanical Assly)	396,000	49737	3 Shift / Day 6 days / Week 48 Weeks / Year	12.56	3,96,000	90829	3 Shift / Day 6 days / Week 48 Weeks / Year	22.94	3,96,000	95427	3 Shift / Day 6 days / Week 48 Weeks / Year	24.10	3,96,000	1,98,000	49832	3 Shift / Day 6 days / Week 48 Weeks / Year	25.17
		PCBs (EMS Production)	12,528,000	3525974	3 Shift / Day 6 days / Week 48 Weeks / Year	28.14	1,25,28,000	2958172	3 Shift / Day 6 days / Week 48 Weeks / Year	23.61	1,25,28,000	2400127	3 Shift / Day 6 days / Week 48 Weeks / Year	19.16	1,25,28,000	62,64,000	1158879	3 Shift / Day 6 days / Week 48 Weeks / Year	18.50
		Total	13,296,456	3653811		27.48	13296456	3123160		23.49	13296456	2581420		19.41	13296456	6648228	1247932		18.77
5	Poland Manufacturing	AUTOMOTIVE (CAS	4,500,000	3870000	3 Shift / Day 6 days / Week 48 Weeks / Year	86.00	4500000	3000000	3 Shift / Day 5 days / Week 48 Weeks / Year	66.67	4500000	2500000	3 Shift / Day 6 days / Week 48 Weeks / Year	55.56	4500000	2250000	1234000	3 Shift / Day 6 days / Week 48 Weeks / Year	54.84

Sr No.	Manufacturing Facility	Fiscal /period	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
		Product Group ↓	Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days/ Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days in a week / Working days etc.)	Capacity Utilization (in %)	Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)	Actual Production (Units) (Annual)	Assumptions (No of shifts / Working Days / Working days, etc.)	Capacity Utilization (in %)	Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)	Available capacity during the six months ended September 30, 2022 (in Units)	Actual Production (Units)	Assumptions (No of shifts / Working Days / Working weeks, etc.)	Capacity Utilization (in %)
	Facility II	TING)																	
		NON AUTOMOTIVE (CASTING)	1,700,000	1300000	3 Shift / Day 5 days / Week 48 Weeks / Year	76.47	1700000	1300000	3 Shift / Day 5 days / Week 48 Weeks / Year	76.47	1700000	1660000	3 Shift / Day 5 days / Week 48 Weeks / Year	97.65	1700000	850000	810000	3 Shift / Day 5 days / Week 48 Weeks / Year	95.29
		AUTOMOTIVE (CNC MACHINING)	4,000,000	3420000	3 Shift / Day 6 days / Week 48 Weeks / Year	85.50	4000000	2390000	3 Shift / Day 5 days / Week 48 Weeks / Year	59.75	4000000	2052000	3 Shift / Day 7 days / Week 48 Weeks / Year	51.30	4000000	2000000	1050000	3 Shift / Day 7 days / Week 48 Weeks / Year	52.50
		NON AUTOMOTIVE (CNC MACHINING)	1,600,000	1220000	3 Shift / Day 5 days / Week 48 Weeks / Year	76.25	1600000	1210000	3 Shift / Day 5 days / Week 48 Weeks / Year	75.63	2400000	1954000	3 Shift / Day 6 days / Week 48 Weeks / Year	81.42	2400000	1200000	977000	3 Shift / Day 6 days / Week 48 Weeks / Year	81.42
		MOULDS (TOOLSHOP)	45	27	2 Shift / Day 5 days / Week 48 Weeks / Year	60.00	45	24	3 Shift / Day 5 days / Week 48 Weeks / Year	53.33	45	24	3 Shift / Day 5 days / Week 48 Weeks / Year	53.33	45	22.5	17	3 Shift / Day 5 days / Week 48 Weeks / Year	75.56
		TRIMING TOOL (TOOLSHOP)	15	8	2 Shift / Day 5 days / Week 48 Weeks / Year	53.33	15	3	3 Shift / Day 5 days / Week 48 Weeks / Year	20.00	15	5	3 Shift / Day 5 days / Week 48 Weeks / Year	33.33	15	7.5	13	3 Shift / Day 5 days / Week 48 Weeks / Year	173.33$

Sr No.	Manufacturing Facility	Fiscal /period	As at/for the Financial Year ended March 31, 2020				As at/for the Financial Year ended March 31, 2021				As at/for the Financial Year ended March 31, 2022				As at/for the six months ended September 30, 2022				
		Product Group ↓	**Installed Capacity as at March 31, 2020 (Units per Annum) (Annual)**	**Actual Production (Units) (Annual)**	**Assumptions (No of shifts / Working Days/ Working days etc.)**	**Capacity Utilization (in %)**	**Installed Capacity as at March 31, 2021 (Units per Annum) (Annual)**	**Actual Production (Units) (Annual)**	**Assumptions (No of shifts / Working Days in a week / Working days etc.)**	**Capacity Utilization (in %)**	**Installed Capacity as at March 31, 2022 (Units per Annum) (Annual)**	**Actual Production (Units) (Annual)**	**Assumptions (No of shifts / Working Days / Working days, etc.)**	**Capacity Utilization (in %)**	**Installed Capacity as at September 30, 2022 (Units per Annum) (Annual)**	**Available capacity during the six months ended September 30, 2022 (in Units)**	**Actual Production (Units)**	**Assumptions (No of shifts / Working Days / Working weeks, etc.)**	**Capacity Utilization (in %)**
		CNC FIXTURES (TOOLSHOP)	15	9	2 Shift / Day 5 days / Week 48 Weeks / Year	60.00	15	8	3 Shift / Day 5 days / Week 48 Weeks / Year	53.33	15	12	3 Shift / Day 5 days / Week 48 Weeks / Year	80.00	15	7.5	17	3 Shift / Day 5 days / Week 48 Weeks / Year	226.67$
		Total	11,800,075	9810044		83.14	11800075	7900035		66.95	12600075	8166041		64.81	12600075	6300037.5	4071047		64.62
Total		**All Products**	**2,85,17,031**	**15705094**		**55.07**	**28895591**	**13348044.03**		**46.19**	**30928591**	**14019667**		**45.33**	**30928591**	**15464295.5**	**6648335**		**42.99**

#*As certified by certificate dated December 28, 2022 by Manish M Kothari, Chartered Engineer.*

* *During the six months ended September 30, 2022, the capacity utilisation of the Nashik Manufacturing Facility II: (i) for manufacturing moulds was 145.71% and (ii) on an aggregate basis was 110%, due to the increase in required quantity of smaller size moulds, consuming less machine cycle time for manufacturing.*

During Fiscals 2020, 2021 and 2022, the capacity utilisation of the Nashik Manufacturing Facility II for manufacturing jigs and fixtures was 141.67%, 225.00% and 283.33%, respectively due to receipt of smaller size of jigs and fixtures requirements which consumes lesser machine cycle time allowing production of larger quantity.

$ *During the six months ended September 30, 2022, the capacity utilisation of the Poland Manufacturing Facility II for the Triming Tool (Toolshop) was 173.33% and (ii) CNC Fixtures (Toolshop) was 226.67% due to receipt of smaller size customize requirements which consumes lesser machine cycle time allowing production of larger quantity.*

% *The manufacturing facility of Shanghai VA shifted from 881 Yecheng Rd, Jia Ding District, Shanghai 201821, China (the "**Earlier Chinese Manufacturing Facility**") to its current location in January 2021. References to and details in relation to the China Manufacturing Facility in the table above are to the Earlier Chinese Manufacturing Facility and the current China Manufacturing Facility, as applicable.*

Note:

- *Assumptions mentioned in the table with respect to number of shifts per day and number of working days in a week and number of weeks at a particular Manufacturing Facility in a financial year are assumptions for the Installed Capacity of such Manufacturing Facility and the assumptions have been included on the basis of Available resources like Tools, Machineries along with manpower and the period for which such Manufacturing Facility was shut-down during the financial year.*
- The *Nashik Manufacturing Facility II is completely customised in nature, depending upon the customer specifications and design. Hence, we consider last year's highest production as the base of installed capacity for the future period.*

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1. Our Manufacturing Facilities in India

Our Nashik facilities comprise two facilities Nashik Manufacturing Facility I and Nashik Manufacturing Facility II (together "**Manufacturing Facilities in India**"). Both our Manufacturing Facilities in India are operated by our Company, are fully vertically integrated and bear a host of accreditations. For details, see "***– Our Manufacturing Facilities***" above on page 252. At our Manufacturing Facilities in India, we actively employ women employees, several of whom are hired from rural and tribal areas around Nashik. We provide such employees with accommodation as well as training.

Nashik Manufacturing Facility I, spread over 10,240 sq. mt., located at Nashik, India, is a vertically integrated facility with end-to-end product development capabilities from concept design to testing, with an R&D unit recognised by the Department of Scientific & Industrial Research, GoI and a warehouse. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured approximately 16.87%, 19.67%, 14.30% and 14.05%, respectively, of our products at Nashik Manufacturing Facility I.

Nashik Manufacturing Facility II, spread over 9,195 sq. mt., located at Nashik, India is also a vertically integrated facility with a tool room and an NABL accredited testing facility which includes EMI-EMC testing and is capable of both immunity and emission testing. Since Nashik Manufacturing Facility II manufactures tools and moulds which are supplied to our other facilities, in the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the percentage of products manufactured at Nashik Manufacturing Facility II was nil.

2. Our Manufacturing Facilities in Poland

In Poland, we have two manufacturing facilities both situated at Zielona Góra – Poland Manufacturing Facility I spread over 12,000 sq.mt. and Poland Manufacturing Facility II spread over 17,000 sq.mt. For details of accreditations in respect of these facilities see "***– Our Manufacturing Facilities***" above on page 252.

Poland Manufacturing Facility I operated by our Subsidiary, Lumel SA, is a dedicated facility for production of electrical and electronics products and it also has an R&D unit, a laboratory and a warehouse. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured approximately, 18.77%, 18.41%, 23.40% and 23.27%, respectively, of our products at Poland Manufacturing Facility I.

Poland Manufacturing Facility II is operated by our Subsidiary, Lumel Alucast and has an aluminium die casting facility comprising a foundry, CNC machining, tool shop and a laboratory. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured approximately, 61.23%, 58.25%, 59.18% and 62.46%, respectively, of our products at Poland Manufacturing Facility II.

3. Our Manufacturing Facility in China

Our China Manufacturing Facility located in Shanghai houses a production facility and an R&D unit and holds ISO 9001:2015 certification of quality management system. Products manufactured at our China Manufacturing Facility are tested and certified by testing laboratories for certifications including CE, ROHS, UKCA It is operated by our Subsidiary, Shanghai VA. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured approximately, 3.12%, 3.67%, 3.12% and 0.22%, respectively, of our products at our China Manufacturing Facility.

Our Other Facilities

We also operate a modification centre in Essex, United Kingdom through our Subsidiary Sifam UK and a modification centre in Kennesaw, Georgia, the United States through our Subsidiary Sifam USA. Our modification centres are supplied with 'virtually finished goods' from our Manufacturing Facilities and are equipped to complete the full products/ reprogram to suit the customer requirements for onward sale.

STI-UK STI-USA

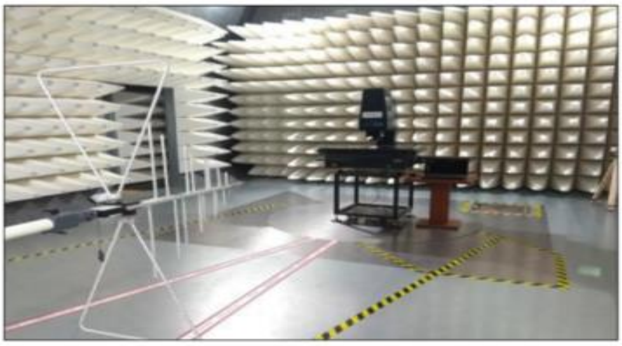
Our Manufacturing Services

In addition to manufacturing and supply of the products described above, we also provide certain manufacturing services which include mould design and manufacturing, EMI/EMC testing services, Electronic Manufacturing Services and software solutions (e.g., MARC).

Our manufacturing services are as follows:

- *Mould Design and Manufacturing*: We design and manufacture moulds for plastic components for our customers. We use prototyping technology such as 3D printing of plastic components.

- *EMI/ EMC Testing*: We have an NABL certified EMI-EMC testing facility (with radiated 3m shielded semi an-echoic chamber) which is capable of providing services such as immunity and emission testing. This service is important for our customers to enable them to obtain CE certification.



- *Electronic Manufacturing Services*: We provide end to end services to our customers which includes PCBA (printed circuit board assemblies), AOI (automatic optical inspection), complete PCBA testing, packaging and dispatch.

- *Software Solutions*: We provide advanced software solutions such as MARC, which is a cloud-based next generation IoT platform that enables energy optimization, cost saving and efficiency improvement, and contains built-in applications for efficiency, productivity, conditioning, control, predictive maintenance, demand site management and process monitoring. We developed the MARC software at Energy Solution Labs at our Nashik Manufacturing Facility II.

Manufacturing Process

Our manufacturing process may be divided into distinct analog and digital categories.

Our analog manufacturing process is as follows:

- *Material planning* – This begins with macro planning based on budgets and forecast and thereafter order booking, micro planning based on orders, purchase of raw material, inward of purchased raw material and quality inspection.

- *Preparation pre-product assembly* – This stage involves punching component manufacturing, moulding component manufacturing, core manufacturing, core winding and spring manufacturing.

- *Movement assembly* – This comprises pre-movement assembly, jewel assembly, spring soldering, coil assembly, pointer assembly, final movement assembly and movement balancing.

- *Product assembly* – This comprises movement UV curing, dial / scale printing, component assembly, terminal assembly and RI/TI welding / ultrasonic welding.

- *Product testing* – This involves product calibration followed by running the product through the automatic test system and finally product testing and electronic test report generation.

- *Product packing* – At this stage product cleaning is involved followed by box packing assembly and thereafter barcode / QR code / product sticker printing.

- *Final inspection* – This final stage comprises packing inspection, electrical inspection and the ultimate transfer of products to the finished goods stores.

Our digital manufacturing process is as follows:

- *Material planning* – This begins with macro planning based on budgets and forecast and thereafter order booking, micro planning based on orders, purchase of raw material, inward of purchased raw material and quality inspection.

- *Preparation pre-product assembly* – This stage involves punching component manufacturing, moulding component manufacturing, control transformer manufacturing and product sticker/ front fascia printing.

- *PCB assembly* – This comprises SMT component kitting, pick and place, reflow process, AOI inspection, discrete assembly, wave soldering, inspection and firmware programming.

- *Product assembly* – This comprises PCBA testing, housing assembly, terminal assembly and pre-testing.

- *Product testing* – This involves product calibration, BIT or burn in test, product testing / electronic test report generation and product – factory resetting.

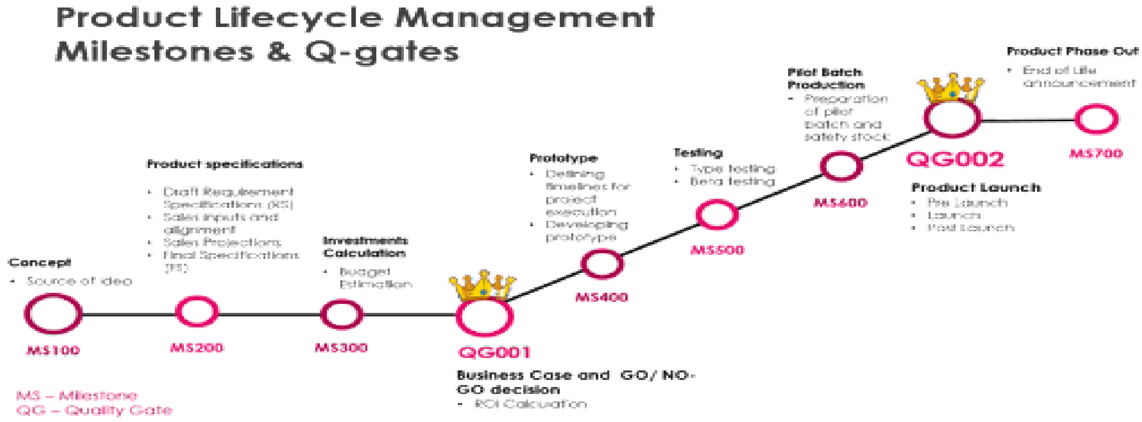
- *Product packing* – At this stage product cleaning is involved followed by box packing assembly and thereafter barcode / QR code / product sticker printing.

- *Final inspection* – This final stage comprises packing inspection, electrical inspection and the ultimate transfer of products to the finished goods stores.

Product Life Cycle Management

We follow a product life cycle management process (the "**PLM**") which extends from concept generation until phasing out of the product.

Our PLM cycle begins with the ideation, market study (which includes inputs from our sales team, channel partners, customers and end users), specification drafting, brain storming and discussions, based on which final specifications are drawn up for the new product. Once the final specifications are formed, an investment budget is prepared based on estimates which forms the basis for calculating return on investments or ROI. This is the first critical quality gate which must be cleared in order for the development process to proceed.



If this quality gate is passed with a decision being taken to proceed, the development team draws up plans for development with milestones consisting of prototype designing, type testing, beta testing and pilot batch manufacturing. These milestones are followed until the next quality gate, i.e. the decision for launch. If the decision for launch is taken, prelaunch activities are commenced followed by the launch of the product.

Raw Materials/ Components

We procure polycarbonate, Nylon 6, copper and steel on a spot purchase basis.

We also require other components, such as controllers and printed circuit boards which are sourced from the international suppliers based on our requirements on an on-going basis. We have long standing relationships with certain of our suppliers although we do not have any long-term contracts with such suppliers. We procure all of our raw materials/ components by way of purchase orders on an ongoing basis and therefore, are required to pay the market price of such products.

Quality Control

We are a quality-focused company and are committed to maintaining stringent quality standards at all steps of the manufacturing cycle of our products, from procurement of the raw materials/ components to supply/ installation of our products. We have dedicated quality assurance teams who ensure compliance with our quality management systems and statutory and regulatory compliances. We do root cause analysis of customer complaints to improve our processes. Tools such as 5S, TQM, Six Sigma, FMEA, Sun and Elephant charts are deployed for quality improvement on a continuous basis. Quality has always been a focus area for management and is part of our organizational corporate goals. Our customer rejects presently stand at 1,478 PPM for the financial year ended

March 31, 2022 for our operations in India, 1,278 PPM for the financial year ended March 31, 2022 for Lumel Alucast and 7,625 PPM for the financial year ended March 31, 2022 for Lumel SA.

We have a separate in-house Automation Department which set up several automated testing and quality control processes which eliminate human intervention and accordingly reduce inefficiencies caused by human error. These include the following:

- *Closed Loop Test Jig*: This is an automated set up utilised for testing our multi-function meters and transducers. It is capable of testing entire batches ranging from 2 meters to 30 meters at a time and generates a test report (i.e. comparison of the test results of individual meters as compared to a reference result) which is automatically uploaded to a server and is accessible to customers at large with just the product serial number.

- *Temperature and Humidity Monitoring*: In order to comply with standards applicable to certain product types, we are required to monitor and maintain reference conditions at the relevant manufacturing lines. Accordingly, we utilise devices connected to a centralised monitoring system to monitor temperature and humidity at reference levels.

- *Automatic Camera Detection or ACS:* This is utilised for our portable test and measuring instruments, particularly to capture multimeter display readings from multiple angles with calibrated cameras using optical character-based recognition or OCR. These images are fed into a software which determines whether the multimeter under test is pass or fail according to the accuracy limits, thus eliminating human intervention in the process.

- *Automatic Testing Set up or ATS:* Similarly, cameras and calibrators are used to test analog panel meters against a master image via a closed loop testing software. A single ATS is capable of calibrating four meters at a time and requires only 1.2 minutes to complete testing, as compared to skilled operators who take 1.5 minutes to test single meter.

- *Robotic Arm Picking or RAP:* Hot moulded components are picked by the robotic arm and placed on the conveyor to ensure man-less and safe operation of the machines and is a fully repeatable process. The sprue is picked up by a "Automated Sprue Picker" and put into the grinding machine without any manual intervention.

- *Automatic De-burring Stations or ADS:* These machines have been built in-house and can be programmed for various aluminium casted components. The components are automatically loaded and de-burred and placed back in trays. One operator can manage four stations at a time and the machines are capable of running 24x7.

Sales and Marketing

We have an extensive network of 167 authorized distributors/stockists across 81 districts in India with direct sales conducted through eight sales and marketing offices which collectively house 53 engineers and 23 sales personnel. The eight locations of our sales and marketing offices across India are New Delhi, Kolkata, Mumbai, Ahmedabad, Pune, Chennai, Bangalore and Hyderabad. Apart from sales and marketing offices, we also have resident sales engineers in 10 cities across India In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our Indian operations accounted for 30.41%, 32.14%, 32.25% and 33.88%, respectively, of our total revenue from operations. We propose to capitalize on our presence in India, and expand our network of stockists/distributors supported by opening up of branch offices in Tier II cities. In addition, we propose to upgrade existing branches to include regional technical training and service centres which will make our product service offerings more accessible and allow us to provide training, calibration and repair services as well.

Globally we have served customers in over 100 countries in the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020 through five sales and marketing offices and a strong global network of 343 authorized distributors/stockists as of October 31, 2022. Globally (outside India) our Company has over 164 authorized distributors/stockists catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, the Middle East, etc. Lumel has 15 authorized distributors/stockists in Poland and over 20 authorized distributors/stockists outside Poland. Lumel also has resident sales engineers situated at the UAE, Hungary, Taiwan, Spain, Germany and Cyprus. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our overseas operations accounted for 69.59%, 67.86%, 67.75% and 66.12% of our total revenue from operations, respectively. Internationally, we propose to rely on our sales office and distribution network to expand to adjacent geographies, such as Brazil, South Africa and Peru. We propose to expand our presence and open more branches in Europe, the Middle East, Latin America and China. Amongst these we also propose to establish centres of excellence for product categories to reduce repetition and establish product customization centres across global offices including in the United States and the United Kingdom.

Our sales and marketing offices also offer post-sales services which provides local, expert, technical and application support to our customers in that region. Our sales and marketing offices liaise with the distributors and customers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. Our sales and marketing team is technically well-equipped, and they work closely with our customers to understand and identify the specific needs/ requirements for customisation of our products.

We focus on digital as well as organic marketing initiatives for marketing our products. We are present on various social media channels, and we believe that social media integration, and content marketing will add to our business and help in increasing our brand recognition. Additionally, we also market our products and increase our market presence by participating in global exhibitions and through journals and magazines.

Information Technology

We recently migrated to SAP S/4HANA from ERP – SAP ECC 6.0. EHP5. SAP S/4HANA is an on-premises enterprise resource planning or ERP system (at Nashik Manufacturing Facility I). ERP integrates digital information of all business documents integrating with all business processes on real time basis. SAP ERP backups are taken twice a day in case of any failure of the hardware. Our information technology infrastructure consists of a firewall with network switches, SAP ERP landscape, windows domain controller and windows DHCP controller. All our locations use this ERP system for business operations.

Insurance

We maintain insurance policies with independent insurers in respect of our buildings, plant and machineries, fixtures and fittings, other equipments, stock and inventories. The coverage under such insurance policies is in respect of losses due to fire (including standard fire and allied perils) and burglary, for amounts that we believe are in keeping with industry standard. As part of our response to the COVID-19 pandemic, we have obtained a group term life insurance for our employees.

Typically, our supply arrangements with our customers, the risk of loss to the raw materials procured by us as well as to the products supplied by us typically remains with us until the title, risk and rewards and control on our products passes from us to such customers or suppliers. However, we do not maintain marine cargo insurance for our exports, imports and domestic sales and purchases as we perceive a limited risk. Further, as certain of our customers require us to maintain product liability insurance, our Company maintains comprehensive general liability insurance and Lumel maintains a civil liability insurance. For further information, see "***Risk Factors – Our insurance coverage is limited and may not be adequate to cover potential losses and liabilities***" on page 52.

Intellectual Property

We have been granted two patents for clamp meters with rotary jaw mechanism and clamp meter safe trigger mechanism in India and *inter alia* the United States (since 2011 and 2012 respectively), Poland and United Kingdom and three design registrations in relation to multimeter, current and voltage transducer and power transducer in India. Our Company has 19 trademarks registered under the Trade Marks Act, 1999, as amended. For further information regarding trademarks, see "***Government and Other Approvals***" on page 431 and "***Risk Factors – Our efforts in obtaining and protecting our patents, trademarks and other intellectual property may be costly and unsuccessful and we may not be able to protect our rights under our future patents, trademarks and other intellectual property***" on page 37.

Environmental, Health and Safety Management

We adopted a dedicated Environmental, Health and Safety Management Policy (the "**EHS Policy**"). The EHS Policy is required to be communicated to all persons working under the control of our Company with the intent that they be made aware of their individual environmental, health and safety ("**EHS**") obligations. This includes all contractors, visitors, suppliers working for or on behalf of our Company.

Specifically, the goals of the EHS Policy are: (i) minimizing environmental impacts, health and safety hazards of our activities, products and services; (ii) reduction and prevention of pollution, accidents and ill health due to activities by implementation of good work practices through continual improvement program and proper disposal of waste; (iii) complying with applicable legal and other requirements in respect of environment, health and safety aspects, objectives and targets; (iv) conservation of natural resources like energy, water by implementation of resource management program; (v) involvement of company employees and public in overall enhancement of environment performance of the company; (vi) communication to all persons working under the control of the organization including vendors, suppliers and sub-contractors with the intent that they are made aware of their individual obligations.

Employees and Human Resources

Our work force is a critical factor in maintaining our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We offer our employees performance-linked incentives. As of October 31, 2022, we had 516 permanent employees in India and 90 labourers hired on a contract basis.

Corporate Social Responsibility

We have constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR Policy on December 30, 2014, pursuant to which we have historically carried out our CSR activities. Our CSR activities cover various fields such as education, animal welfare, alleviating poverty, hunger and malnutrition, and empowerment of women. In Fiscal 2022, we were required to spend ₹ 3.41 million and we incurred ₹ 4.97 million as expenditure towards our CSR activities. We also recently amended our CSR Policy on December 19, 2022 for the purpose of compliance with the Companies Act.

Immovable Property

Our Registered Office is on a five year lease from September 1, 2022, and our Corporate Office, which is located on the same premises as our Nashik Manufacturing Facilities, is situated on property which has been leased from the Maharashtra Industrial Development Corporation for 95 years with effect from October 1, 1983.

Two of–our manufacturing facilities – Poland Manufacturing Facility I and Poland Manufacturing Facility II are situated on the land owned by us. Nashik Manufacturing Facility I is situated on the same premises as our Corporate Office and Nashik Manufacturing Facility II is situated on the land taken on lease by us from NICE. Our China Manufacturing Facility is also leased for a period of five years since November 1, 2020.

Competition

We face competition domestically in India as well as globally across the segments we operate in from companies which either operate in the same line of business as us or offer similar products (*Source: F&S Report*). Our electrical automation competitors include Masibus Automation and Instrumentation Private Limited and Selec Controls Private Limited. In respect of metering, control and protection devices our competitors include Schneider Electric India Private Limited, Elmeasure India Private Limited and Selec Controls Private Limited. Our portable test and measuring instruments segment competitors include Hioki India Private Limited and Meco Instruments Private Limited. Our solar string inverter international competitors include companies such as Shenzhen Growatt New Energy Co. Ltd. internationally, whereas domestically we compete with companies such as KSolare Energy Private Limited.

Competitors for our aluminium high pressure die casting offerings include Endurance Technologies Limited and Sunbeam Lightweighting Solutions Private Limited in India. Competitors for electronics manufacturing services (EMS) offerings include Syrma SGS Technology Limited, Amber Enterprises India Limited and Dixon Technologies (India) Limited in India.

KEY INDUSTRY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant sector specific regulations and policies applicable to our Company in India. The information detailed in this chapter has been obtained from publications available in the public domain and is based on the current provisions of Indian law. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. The description of the applicable laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

*For details in relation to material approvals of our Company and Material Subsidiaries, see "**Government and Other Approvals**" beginning on page 431.*

Environmental Laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The pollution control boards are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the pollution control boards, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

***The Environment (Protection) Act, 1986* ("EPA"), *the Environment (Protection) Rules, 1986 and the Environmental Impact Assessment Notification, 2006* ("EIA Notification")**

The EPA is an umbrella legislation designed to provide a framework for the Government to protect and improve the environment. The EPA vests with the Government, the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution.This includes rules for the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution. Additionally, under the EIA Notification and its subsequent amendments, industries are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

***The Water (Prevention and Control of Pollution) Act, 1974* ("Water Act")**

The Water Act aims to prevent and control water pollution by factories and manufacturing units and maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewageor new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

***The Air (Prevention and Control of Pollution) Act, 1981* ("Air Act")**

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state PCB.

***The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016* ("Hazardous Wastes Rules")**

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without causing adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facilitygenerating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter, the operator and the importer are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state pollution control board.

The Public Liability Insurance Act, 1991 (*"PLI Act"*) and the Public Liability Insurance Rules, 1991 (*"PLI Rules"*)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The Government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability toprovide relief under the terms of the legislation. The PLI Rules mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

The Maharashtra Electronics Policy, 2016

The Maharashtra Electronics Policy, 2016 was introduced to create a global competitive Electronics System Design and Manufacturing ("**ESDM**") industry in the state which can create huge employment opportunities for the people of Maharashtra and gain a foothold in the international market, thereby contributing to the overall economy and prosperity. The main objective of Maharashtra Electronics Policy, 2016 is to promote manufacturing of electronics products in their state by creating a favourable investor-friendly atmosphere and to proactively help in the development of a vibrant eco system of research and development, design and engineering and innovation in electronics in the state of Maharashtra. The Government of Maharashtra, through the Maharashtra Electronics Policy, 2016, provides for waiver of electricity, land at subsidised rates, a waiver of electricity dues for 15 years along with uninterrupted power supply, 100% return of VAT among other benefits. The Maharashtra Electronics Policy, 2016, which was issued in 2016 and was set to expire on April 10, 2021, has now been extended till March 31, 2023.

Modified Special Incentive Package Scheme

The Modified Special Incentive Package Scheme ("**M-SIPS**") was notified on July 27, 2012. Under this scheme, an incentive of 20% on the capital expenditure on plant and machinery is given to units situated in a SEZ and engaged in designing and manufacturing of electronic and nano-electronic products and their accessories. Further, an incentive of 25% is given for units which are not situated in a SEZ. The scheme shall apply to 44 categories/verticals across the value chain, including telecom products, IT hardware, consumer electronics, health and medical electronics, automotive electronics, intermediaries etc. The minimum investment thresholds for each product category/ vertical vary from ₹ 10 million for manufacturing of accessories to ₹ 50,000 million for manufacturing of semiconductor chips. Application under this scheme were accepted till August 3, 2015. However, the Ministry of Electronics and Information Technology, by way of a notification dated January 20, 2017 further extended the deadline till March 31, 2018 and thereafter till December 31, 2018. Further, incentives will be available for investments made within five years from the date of approval of the application.

The Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade (Regulation) Rules, 1993 (*"FTA"*)

The FTA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government of India:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the official gazette; (iv) is also authorized to appoint a 'director general of foreign trade' for the purpose of the FTA, including formulation and implementation of the export-import policy.

The FTA prohibits anybody from undertaking any import or export except under an importer-exporter code number ("**IEC**") granted by the director general of foreign trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹ 10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority.

***Remission of Duties and Taxes on Export Products Scheme* ("RoDTEP Scheme")**

Prior to January 1, 2021, the Merchandise Exports from India Scheme ("**MEIS**") was in force pursuant to which, the Government provided duty benefits depending on the product and the country of export. However, the Ministry of Finance, GoI has discontinued MEIS with effect from January 1, 2021 and announced RoDTEP Scheme for exporters. RoDTEP Scheme aims to ensure that exporters receive the refunds on the embedded taxes and duties that were previously non-recoverable. The benefits under the RoDTEP Scheme are to be received in the form of transferable duty credit scrips, or in the form of electronic scrips. The RoDTEP Scheme allows the exporter to utilise the scrips for the payment of import duty or to sell such duty credit scrips in the open market to other importers subject to the terms of the RoDTEP Scheme.

Intellectual property laws

Intellectual property in India enjoys protection under both common law and statutes. The key legislations are the Patents Act, 1970 for patent protection, the Copyright Act, 1957 for copyright protection, and the Trade Marks Act, 1999 for trademark protection. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement.

Labour related regulations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our operations from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
2. The Employees' State Insurance Act, 1948;
3. The Minimum Wages Act, 1948;
4. The Payment of Bonus Act, 1965;
5. The Payment of Gratuity Act, 1972;
6. The Payment of Wages Act, 1936;
7. The Maternity Benefit Act, 1961;
8. The Industrial Disputes Act, 1947;
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
10. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979[****];
11. The Industries (Development and Regulation) Act, 1951;
12. The Employees' Compensation Act, 1923;
13. The Industrial Employment Standing Orders Act, 1946;
14. The Child Labour (Prohibition and Regulation) Act, 1986;
15. The Equal Remuneration Act, 1976;
16. The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001;
17. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
18. The Code on Wages, 2019[*];
19. The Industrial Relations Code, 2020[**]; and
20. The Code on Social Security, 2020[***]

[*]*The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

[**]*The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

[***]The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. Section 142 of the Code on Social Security, 2020 has been brought into force from May 3, 2021 by the Ministry of Labour and Employment through a notification dated April 30, 2021 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

[****] Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Rishabh Instruments Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 6, 1982, granted by the RoC. Pursuant to the conversion of our Company into a public limited company and as approved by our Board on September 8, 2022, and a special resolution passed by our Shareholders at the EGM on September 13, 2022, the name of our Company was changed to "Rishabh Instruments Limited", and the RoC issued a fresh certificate of incorporation on September 22, 2022.

Changes in the registered office

Effective date	Details of change	Reasons for change
July 1, 2007	Plot A-54, MIDC Marol Ind. Area, Andheri East, Mumbai 400 093, Maharashtra, India to F-31, MIDC Satpur, Nashik 422 007, Maharashtra, India.	Administrative convenience
June 1, 2009	F-31, MIDC Satpur, Nashik 422 007, Maharashtra, India to Plot A-54, MIDC Marol Ind. Area, Andheri East, Mumbai 400 093, Maharashtra, India.	Administrative convenience
April 1, 2019	Plot A-54, MIDC Marol Ind. Area, Andheri East, Mumbai 400 093, Maharashtra, India to Crescent Business Square, 301, Khairani Road, Opposite Gundecha Onclave, Sakinaka, Andheri (East), Mumbai 400 072, Maharashtra, India.	Administrative convenience
September 5, 2021	Crescent Business Square, 301, Khairani Road, Opposite Gundecha Onclave, Sakinaka, Andheri (East), Mumbai 400 072, Maharashtra, India to Plot A-54, MIDC, Opposite MIDC Bus Depot, Andheri East, Mumbai 400 093, Maharashtra, India.	Administrative convenience

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To manufacture, process, sell, purchase, import, export, hire or let on hire, indent, invest, design, develop, exchange, alter, improve, service, assemble, fabricate, distribute, repair or otherwise deal with:*

   (a) *Electrical and other measuring instruments, moving coil, moving iron-electro dynamic type, volt-ampere meters, galvanometers, insulation testers, tong testers, phase sequence indicators, Ohms meters, current transformers, shunts, Vtvm, transformers, electrical cables and wires, insulators, transmission line accessories, dynamos, armatures, panel boards and industrial and laboratory apparatus.*

   (b) *Electrical and electronic control equipments.*

   (c) *Electrical, electronic and mechanical instruments whether operated by hand, manual power, electrical power, atomic power, hydraulic power, pneumatic power, animal power and mechanically operated.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association in the last 10 years

Set forth below are details of the changes made to our Memorandum of Association of our Company in the last 10 years.

Date of Shareholders' resolution/ Effective date	Details of amendment
August 17, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital from ₹ 150,000,000 divided into 15,000,000 Equity Shares of ₹ 10 each to ₹ 300,000,000 divided into (i) 17,000,000 Equity Shares of ₹ 10 each; (ii) 10,000 class A equity shares with differential voting rights as to voting and dividend of ₹ 10 each; and (iii) 4,330,000, 0.001% CCPS of ₹ 30 each.

Date of Shareholders' resolution/ Effective date	Details of amendment
September 13, 2022	Clause V of the Memorandum of Association was amended to reflect the reclassification of the authorised share capital from ₹ 300,000,000 divided into (i) 17,000,000 Equity Shares of ₹ 10 each; (ii) 10,000 class A equity shares with differential voting rights as to voting and dividend of ₹ 10 each; and (iii) 4,330,000, 0.001% CCPS of ₹ 30 each to ₹ 300,000,000 divided into (i) 17,010,000 Equity Shares of ₹ 10 each; and (ii) 4,330,000, 0.001% CCPS of ₹ 30 each.
September 13, 2022*	Clause I of our Memorandum of Association was amended to reflect the change in name from "Rishabh Instruments Private Limited" to "Rishabh Instruments Limited"
September 21, 2022	Clause V of the Memorandum of Association was amended to reflect the reclassification of the authorised share capital from ₹ 300,000,000 divided into (i) 17,010,000 Equity Shares of ₹ 10 each; and (ii) 4,330,000, 0.001% CCPS of ₹ 30 each to ₹ 300,000,000 divided into (i) 19,181,670 Equity Shares of ₹ 10 each and (ii) 3,606,110, 0.001 % CCPS of ₹ 30 each.
September 21, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 300,000,000 divided into (i) 19,181,670 Equity Shares of ₹ 10 each and (ii) 3,606,110, 0.001 % CCPS of ₹ 30 each to ₹ 410,000,000 divided into (i) 30,181,670 Equity Shares of ₹ 10 each and (ii) 3,606,110, 0.001 % CCPS of ₹ 30 each.

* *The Company, pursuant to an EGM dated September 13, 2022, changed the name to "Rishabh Instruments Limited". The fresh certificate of incorporation was received on September 22, 2022.*

Major events and milestones in the history of our Company and Material Subsidiaries

The table below sets forth some of the key events and milestones in our history.

Calendar Year	Particulars
1982	Incorporation of our Company
1983	Entered into an agreement for technical assistance with a Germany based company
1993	Entered into a distributorship agreement with Larsen & Toubro Limited
1997	Entered into an agreement for technical assistance with M/s Gossen - Metrawatt GmbH
1998	Increased the area of our Nashik Manufacturing Facility I
2002	Entered into a technology transfer agreement with a Germany based company
2008	Entered into an agreement with a company based out of United Kingdom for production of audio / video recording equipment's
2011	Entered into a supplier agreement for supply of APM and digital panel meters with a USA based company
2012	Acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna in Fiscal 2012
	Lumel started the supply of aluminium die casting to the automotive industry
2013	Sifam Tinsley Instrumentation Ltd acquired Sifam meter product line from a UK based company
2014	Incorporated Sifam USA, a Subsidiary of our Company
2016	Entered into an intellectual property agreement with an Italy based company wherein it assigned intellectual property rights in respect of APV centralised inverters, APV cabinets, APV-S string inverters and string boxes
	Restructuring of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna into Lumel SA. (our current Subsidiary) for electronic business and Lumel Alucast Sp. zo.o. for aluminium die casting
2018	Entered into a brand label frame agreement with one of the leading industrial manufacturing company
2020	Lumel SA built a manufacturing facility for electronics manufacturing
	Lumel acquired a division of product from Relpol S.A.
2021	Received M-SIPs approval from the Government of India

Key awards, accreditations and recognitions

The table below sets forth key awards, accreditations and recognitions received by us.

Calendar Year	Particulars
2005	Recognised as a star performer (large enterprises) by Engineering Export Promotion Council, India, Western Region for 2004 – 2005
	Received a second runner up trophy at the NIMA (Nashik Industries Manufacturing Association) Excellence Awards 2004 - 2005
2006	Recognised as a star performer as medium enterprise in the product group of miscellaneous instruments and appliances by Engineering Export Promotion Council, India, Western Region for 2005 – 2006
2007 – 2009	Recognised as a star performer (miscellaneous instruments and appliances, large enterprise) by Engineering Export Promotion Council, India for two consecutive years

Calendar Year	Particulars
2010-2012	Recognised as a star performer (miscellaneous instruments and appliances, large enterprise) by Engineering Export Promotion Council, India for two consecutive years
2014	Innovation award for N43 power network meter received by Lumel SA
	Best company in Lubuskie Region (Poland) under 25-year-old companies received by Lumel SA
	BLASER Productivity Trophy 2014 awarded to Lumel SA
	Most popular brand in the group of indicators and temperature controllers received by Lumel SA
	Most popular brand in the group of recorders received by Lumel SA
2015	Business Leaders Award received by Lumel SA
2016	Most popular brand in the group of indicators and temperature controllers received by Lumel SA
	Most popular brand in the group of recorders received by Lumel SA
2018	Most popular brand in the group of indicators and temperature controllers received by Lumel SA
	Most popular brand in the group of recorders received by Lumel SA
2019	Our Good Lubuskie Award for HT22 data logger received by Lumel SA
2020	Best building in December in Europe received by Lumel SA
2021	Lubuski Mister Budowy Award (building master) received by Lumel SA
2022	Received recognition for "digitization and innovation" at the ABB Supplier Meet 2022

Significant financial or strategic partnerships

Our Company does not have any financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Time and cost overrun

As on the date of this Draft Red Herring Prospectus, there has been no time or cost over-run in respect of our business operations.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there has been no instance of defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Launch of key products or services, entry into new geographies or exit from existing markets

For details in relation to our corporate profile including details of our business, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "***Risk Factors***" "***Our Business***", "***Our Management***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 27, 227, 280, and 400, respectively.

Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations orrevaluation of assets in the last 10 years

Except as stated below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last 10 years.

1. ***Share purchase agreement dated June 6, 2019 ("Shanghai SPA") executed amongst our Company, Xiaohua Wu ("Seller A"), Jue Cheng ("Seller B") (together referred to as "Sellers") and Shanghai Yihua V&A Instruments Co. Ltd ("V&A").***

   The Sellers, pursuant to a reorganisation of the business of V&A, set up a new company ("**New Company**") (now Shanghai VA) and transferred all their shareholding including all rights and interests, the assets and resources in relation to the business of V&A free of all encumbrances, to the New Company. Post the reorganisation, Seller A was holding 52%, Seller B was holding 43% and Huang Libin (an employee of V&A) was holding 5% of the registered capital of the New Company.

Pursuant to the terms of Shanghai SPA, our Company purchased 47% and 43% of the registered capital of the New Company, from Seller A and Seller B, respectively, at a purchase price of USD 2,250,000 or its equivalent in RMB in three tranches, thereby making our Company a majority shareholder, holding 90% of the registered share capital of the above-mentioned New Company.

2. ***Asset purchase agreement dated November 15, 2013 ("Sifam Agreement") executed amongst our Company, Elektron Technology UK Limited and Sifam UK.***

   Sifam UK, pursuant to the Sifam Agreement, purchased the assets, records and all the rights against the third parties from Elektron Technology UK Limited excluding certain liabilities and other rights, as provided in Sifam Agreement at a purchase price of £ 275,000. Basis the terms of the Sifam Agreement, Elektron Technology UK Limited agreed to provide royalty free and non-terminable license of certain "Tinsley" trademarks to our Company along with an option to purchase the same.

Summary of key agreements and shareholders' agreements

Shareholders' Agreement

Our Company entered into a shareholders' agreement ("**SHA**") dated September 16, 2013, amongst our Promoter, Asha Narendra Goliya, Rishabh Narendra Goliya, Narendra Rishabh Goliya (HUF), Anushree Goliya and SACEF Holdings II ("**SACEF**") (together "**SHA Parties**") pursuant to which SACEF subscribed to class A equity shares, Equity Shares and CCPS of the Company. See "***Capital Structure – Share capital history of our Company***" on page 84.

In accordance with the terms of the SHA, certain rights were conferred upon SACEF including, *inter alia*: (i) the right to appoint two directors on the board of our Company and the other SHA Parties have the right to appoint the remaining board of directors; and (ii) the right to receive dividends pro rata to its shareholding in the Company on a fully diluted/as converted basis. The SHA also provides for restrictions on transfer of Equity Shares by the Shareholders of the Company and requires our Chairman and Managing Director and Promoter, Narendra Joharimal Goliya along with certain members of the Promoter Group to collectively hold 51% of the shareholding in the Company at all times unless as provided for, under the terms of the SHA. The CCPS will be automatically converted into Equity Shares either on the expiry of the 18 years from the date on which they were allotted to SACEF or at the time of buy back or an initial public offer being undertaken by the Company.

The SHA also provides for certain rights and obligations, including reserved matters, pre-emptive rights and anti-dilution right in case of further issuance of share capital by our Company (except under certain circumstances, including the Fresh Issue in the Offer), lock-in of Promoter's shareholding in our Company, exit rights, drag along and tag along rights.

Subsequently, the SHA was amended pursuant to an amendment and waiver agreement dated September 8, 2022 ("**SHA Amendment and Waiver Agreement**"). Consequent to the SHA Amendment and Waiver Agreement, the class A equity shares were reclassified into ordinary Equity Shares (voting rights in *pari passu* with the existing Equity Shares) and SACEF (*in relation to the CCPS held by them*) will be entitled to vote on all matters on an "*as if converted*" basis subject to applicable law including but not limited to the Companies Act, 2013, until the conversion of CCPS into Equity Shares.

Basis the terms of the SHA Amendment and Waiver all rights available to SACEF and the other SHA Parties under the SHA shall terminate and fall away upon the completion of the Offer, i.e. receipt of the listing and trading approval for the listing of the Equity Shares from the Stock Exchanges. However, post listing of the Equity Shares on the BSE Limited and/ or the National Stock Exchange of India Limited, subject to applicable laws and the approval of the Shareholders by way of a special resolution in a general meeting convened after the Offer, so long as SACEF, holds at least 10% of the issued and subscribed share capital of the Company on a fully diluted basis, the Investor shall be entitled to nominate one Director on the Board of the Company and so long as the Promoter, together with the members of the Promoter Group, holds at least 20% of the issued and subscribed share capital of the Company on a fully diluted basis, the Promoter shall be entitled to nominate two Directors on the Board.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Except as disclosed above, there are no other inter se agreements, deeds of assignment, acquisition agreements, shareholder agreements, arrangements or agreements of like nature by whatever name called among the Company, its shareholders or the Promoter as on the date of this Draft Red Herring Prospectus. Further, none of the material agreements have been terminated, modified or not renewed such that there has been an adverse impact on the results of business operations and financials of the Company. There are no clauses or covenants which are material or which are in way adverse or prejudicial to the interest of minority or public shareholders.

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has four direct Subsidiaries and four indirect Subsidiaries, details of which are provided below.

A. Direct Subsidiaries

1. ESL

Corporate Information

ESL was originally incorporated as Rishabh Applied Meters Private Limited, a private limited company on November 10, 2004 under the Companies Act, 1956. Pursuant to a fresh certificate of incorporation dated October 15, 2015, Rishabh Applied Meters Private Limited was re-named as EnergySolution Labs Private Limited. The registered office of ESL is at A-54, Opp. MIDC Bus Depot, MIDC, Andheri (East) Mumbai, 400 093 Maharashtra, India. Its CIN is U74999MH2004PTC149485. ESL is engaged in the business of, *inter alia*, manufacturing, processing, buying, selling, trading, exchanging, altering, improving, importing or exporting or dealing in all kinds of energy saving devices. .

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of ESL is ₹ 40,000,000 divided into 400,000 equity shares of ₹ 100 each. The issued, subscribed and paid-up equity share capital of ESL is ₹ 23,000,000 divided into 230,000 equity shares of ₹ 100 each.

Our Company holds 229,000 equity shares of ₹ 100 each of ESL aggregating to 99.58% of the total equity share capital of ESL.

2. Dhruv Enterprises

Corporate Information

Dhruv Enterprises was incorporated as a private company on May 23, 2011, under the Cyprus Companies Law (Cap.113). The registered office of Dhruv Enterprises is at Strovolou, 77, Strovolos Center, flat/office 301, Strovolos, 2018, Nicosia, Cyprus. Its CIN is HE287418. Dhruv Enterprises is engaged in the business of, *inter alia*, a holding company and of an investment company with its own capital and funds and trading.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Dhruv Enterprises is € 78,600 divided into 78,600 equity shares of € 1 each. The issued, subscribed and paid-up equity share capital of Dhruv Enterprises is € 78,600 divided into € 78,600 equity shares of € 1 each.

Our Company holds 78,600 equity shares of €1 each of Dhruv Enterprises aggregating to 100% of the total equity share capital of Dhruv Enterprises.

3. Sifam USA

Corporate Information

Sifam USA was incorporated as a domestic for-profit corporation on April 3, 2014 under laws of State of Georgia, United States of America. The registered office of Sifam USA is at 2105, Barett Park Side, Suite 105, Kennesaw, GA 30144, United States. Its CIN/control number is 14036630. Sifam USA is engaged in the business of, *inter alia*, providing instrumentation and metering solutions for all market segments including the power and energy industry, food and beverage, IT, chemical industry, automotive industry, food processing industry and manufacturing industries.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Sifam USA is USD 494,000 divided into 494,000 equity shares of USD 1 each. The issued, subscribed and paid-up equity share capital of Sifam USA is USD 494,000 divided into 494,000 equity shares of USD 1 each.

Our Company holds 494,000 equity shares of USD 1 each of Sifam USA aggregating to 100% of the total equity share capital of Sifam USA.

4. Shanghai VA

Corporate Information

Shanghai VA was incorporated as a foreign joint venture enterprise on June 14, 2019 under the Companies Act of the People's Republic of China. The registered office of Shanghai VA is at Building 22, 4th Floor, Area A, 258 Yinlong Road, Jiading District, Shanghai, China. Its CIN is 91310114MA1GWC9K16. Shanghai VA is engaged in the business of technology development, technology transfer, technical consultation, technical services in the field of instrumentation technology, industrial automatic control system device technology, import and export of goods, technology and assembly of general instrumentation and industrial automatic control system devices.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Shanghai VA is 1.70 million RMB divided into 1.70 million equity shares of 1 RMB each. The issued, subscribed and paid-up equity share capital of Shanghai VA is 1.20 million RMB divided into 1.20 million equity shares of 1 RMB each.

Our Company holds 1,197,000 equity shares of 1 RMB each of Shanghai VA aggregating to 99.75% of the total equity share capital of Shanghai VA.

B. Indirect Subsidiaries

1. Lumel SA

Corporate Information

Lumel SA was incorporated as spółka akcyjna with the Krajowy Rejestr Sądowy on March 9, 2016 in Zielona Góra, Poland. The registered office of Lumel SA is situated at Building 4 Słubicka, 65-127, Zielona Góra, Poland. Its registration number is KRS: 0000592422. Lumel SA is engaged in the business of industrial automation devices, including the production of converters, network parameter and analog meters.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Lumel SA is PLN

13,975,000 divided into 139,750 equity shares of PLN 100 each. The issued, subscribed and paid-up equity share capital of Lumel SA is PLN 13,975,000 divided into 139,750 equity shares of PLN 100 each.

Dhruv Enterprises holds 139,750 equity shares of PLN 100 each of Lumel SA aggregating to 100% of the total equity share capital of Lumel SA.

2. Sifam UK

Corporate Information

Sifam UK was incorporated as a private company on October 25, 2013 under Companies Act, 2006. The registered office of Sifam UK is at 1 Warner Drive, Springwood Industrial Estate, Braintree, United Kingdom CM7 2YW. Its CIN is 8748046. Sifam UK is engaged in the business of, *inter alia*, supply of electrical metering, monitoring and control devices for the electrical and automation industry.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Sifam UK is GBP 1,000 divided into 1000 equity shares of GBP 1 each. The issued, subscribed and paid-up equity share capital of Sifam UK is GBP 1,000 divided into 1,000 equity shares of GBP 1 each.

Dhruv Enterprises holds 501 equity shares of GBP 1 each of Sifam UK aggregating to 50.10% of the total equity share capital of Sifam UK.

3. Lumel Alucast

Corporate Information

Lumel Alucast was incorporated as spółka z ograniczoną odpowiedzialnością with the Krajowy Rejestr Sądowy in Zielona Góra, Poland on March 22, 2011. The registered office of Lumel Alucast Sp. z o.o. is situated at Building 1 Słubicka, 65-127 Zielona Góra, Poland. Its registration number is KRS: 0000381491. Lumel Alucast is engaged in the business of aluminium pressure die-casting which includes *inter alia*, casting of light metals, manufacturing of tools, installation of industrial machinery, equipment and appliances, manufacture of other plastic products, metalworking and metal coating, machining of metal parts.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Lumel Alucast is PLN 5,916,600 divided into 59,166 equity shares of PLN 100 each. The issued, subscribed and paid-up equity share capital of Lumel Alucast is PLN 5,916,600 divided into 59,166 equity shares of PLN 100 each.

Dhruv Enterprises holds 59,166 equity shares of PLN 100 each of Lumel Alucast aggregating to 100.00% of the total equity share capital of Lumel Alucast.

4. Lumel Śląsk

Corporate Information

Lumel Śląsk was incorporated as a spółka z o.o. on March 9, 2004 with the Krajowy Rejestr Sądowy. The registered office of Lumel Śląsk is at Building 275 Grunwaldzka, 43-600 Jaworzno, Poland. Its registration number is KRS: 0000198745. Lumel Śląsk is engaged in the business of, *inter alia*, trading of measuring, control and navigation instruments and devices.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Lumel Śląsk is 86,000 PLN divided into 172 equity shares of 500 PLN each. The issued, subscribed and paid-up equity share capital of Lumel Śląsk is 86,000 PLN divided into 172 equity shares of 500 PLN each.

Lumel SA holds 112 equity shares of 500 PLN each of Lumel Śląsk aggregating to 65.12% of the total equity share capital of Lumel Śląsk.

Other Confirmations

Amount of accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries not accounted for by our Company.

Interest in our Company

Except as provided in "***Our Business***" on page 227, none of our Subsidiaries have any business interest in our Company. For details of related business transactions between our Company and our Subsidiaries, see ***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

Listing of our Subsidiaries

None of our Subsidiaries have their securities listed on any stock exchange in India or abroad.

Common Pursuits

Our Subsidiaries (other than ESL, Lumel Alucast and Dhruv Enterprises) are engaged in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst such Subsidiaries and our Company. However, there is no conflict of interest amongst such Subsidiaries and our Company.

OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have not less than two Directors. Effective from the date of listing and trading of our Equity Shares pursuant to this Offer, Part B of our Articles of Association shall stand automatically terminated and simultaneously, Part A of our Articles of Association will become automatically effective, in accordance with which our Company will be authorised to have up to 15 Directors , provided that our Company may appoint more than 15 directors after passing a special resolution.

As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising one Executive Director, one Non-Executive Director, two Non-Executive Nominee Directors and four Non-Executive Independent Directors, including one woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Our Board

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

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Narendra Joharimal Goliya *Designation*: Chairman and Managing Director *Address:* Siddhachal Bungalow, Gangapur Road, Near Serene Meadows, Rishabh Enclave, Anandvalli, Nashik 422 013, Maharashtra, India *Occupation*: Business *Date of birth:* September 20, 1951 *Term:* Five years with effect from September 15, 2021 *Period of directorship:* Since incorporation *DIN:*00315870	71	*Indian Companies* • ESL • Ivaan Foundation • Nashik Engineering Cluster • Nashik Exhibition and Business Centre • Nashik Manav Sewa Foundation *Foreign Companies* • Lumel Alucast (*Supervisory Board*) • Lumel S.A (*Supervisory Board*) • Sifam UK • Sifam USA • Shanghai VA
Parappath Kottekode Ramakrishnan *Designation*: Non-Executive Director *Address:* Aradhana, 11, Walnut Creek, Gangapur Road, Near Aditya Petrol Pump, Savarkar Nagar, Nashik 422 013, Maharashtra, India *Occupation*: Business *Date of birth:* September 29, 1949 *Term:* Liable to retire by rotation *Period of directorship:* Since April 17, 2009 *DIN:* 00304272	73	*Indian Companies* Nil *Foreign Companies* Nil
Alipt Sharma *Designation*: Non-Executive Nominee Director[(1)] *Address:* D – 104, Oberoi Splendor, Opp. Majas Depot, Jogeshwari Vikhroli Link Road, Jogeshwari, Mumbai 400 060, Maharashtra, India	46	*Indian Companies* • ESDS Software Solution Limited • Kalki Communication Technologies Private Limited • Rochem Separation Systems (India) Private Limited

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Occupation: Investment Advisor *Date of birth:* November 11, 1976 *Term:* Liable to retire by rotation *Period of directorship:* Since September 17, 2013 *DIN:* 03128439		*Foreign Companies* • Lumel Alucast (*Supervisory Board*) • Lumel S.A (*Supervisory Board*)
Krishnan Ganesan *Designation*: Non- Executive Nominee Director[(1)] *Address:* 702, Shiv Anil, Plot 6, Union Park, Near R.K Studio, Chembur (East), Mumbai 400 071, Maharashtra, India *Occupation*: Professional *Date of birth:* March 14, 1980 *Term:* Liable to retire by rotation *Period of Directorship:* Since September 4, 2021 *DIN:* 07885495	42	*Indian Companies* • Kalki Communication Technologies Private Limited • SS Supply Chain Solutions Private Limited *Foreign Companies* Nil
Rathin Kumar Banerjee *Designation*: Independent Director *Address:* Flat No. 203, Anita Apartment, Pali Road, Near St. Joseph School, Bandra (West), Mumbai 400 050, Maharashtra, India *Occupation*: Service *Date of birth:* July 17, 1950 *Term:* Three years with effect from September 13, 2022 *Period of Directorship:* Since September 17, 2015 *DIN:* 02101072	72	*Indian Companies* Nil *Foreign Companies* Nil
Siddharth Nandkishore Bafna *Designation*: Independent Director *Address:* 43, Jolly Maker, Apt No. 2, 94 Cuffe Parade, Colaba, Mumbai 400 005, Maharashtra, India *Occupation*: Professional *Date of birth:* December 7, 1974 *Term:* Five years with effect from August 23, 2022 *Period of Directorship:* Since August 23, 2022 *DIN:* 00689925	48	*Indian Companies* • Diya Investo – Consultancy Private Limited • Jalapeno Foods Private Limited *Foreign Companies* Nil

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Astha Ashish Kataria *Designation*: Independent Director *Address:* Anshuman Bunglow, Dutta Chowk, Sahdev Nagar, Near Anand Heights, Nashik 422 013, Maharashtra, India *Occupation*: Business *Date of birth:* July 8, 1979 *Term:* Five years with effect from August 8, 2022 *Period of Directorship:* Since August 8, 2022 *DIN:* 01813262	43	*Indian Companies* • Anubhuti Seva Kendra • Ashoka Biogreen Private Limited • Ashoka City Towers Constructions Private Limited • Ashoka Construwell Private Limited • Ashoka Deserts and Developers Private Limited • Ashoka Errectors Private Limited • Ashoka Housing Constructions Private Limited • Ashoka Institute of Medical Sciences and Research • Ashoka Nirmiti Private Limited • Ashoka Premises Private Limited • Ashoka Promoters Private Limited • Ashoka Shilp Akruti Private Limited • Ashoka Universal Academy Private Limited • Ashoka Vastu Akruti Private Limited • Ashoka Vastukala Nirman Private Limited • Precrete Technologies Private Limited *Foreign Companies* Nil
Lukasz Jan Meissner *Designation*: Independent Director *Address:* Drwesa, Ul. Bukowa 7, 62-070, Dopiewo, Poland *Occupation*: Business *Date of birth:* November 10, 1974 *Term:* Five years with effect from September 23, 2022 *Period of Directorship:* Since September 23, 2022 *DIN:* 09740048	48	*Indian Companies* Nil *Foreign Companies* • Lumel Alucast (*Supervisory Board*) • Lumel SA (*Supervisory Board*) • TheCFO Sp. z o.o • Pekaes Sp. z.o.o (*Supervisory Board*)

(1) Nominee of SACEF.

Arrangement or understanding with major shareholders, customers, suppliers or others

Apart from (i) Alipt Sharma; and (ii) Krishnan Ganesan, nominated to our Board by SACEF, pursuant to the SHA, none of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, supplier or others. For further details, please see "***History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements – Shareholders' Agreement***" on page 275.

Brief profiles of our Directors

Narendra Joharimal Goliya is the Chairman and Managing Director of our Company. He is the founder and Promoter of our Company. He has been associated with our Company since its incorporation and accordingly has over four decades of experience in the manufacturing and electrical industry. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Bombay and a master's degree in science from the Leland Stanford Junior University. He is also on the board of Nashik Engineering Cluster, Nashik Exhibition and Business Centre and Nashik Manav Sewa Foundation.

Parappath Kottekode Ramakrishnan is a Non-Executive Director of our Company. He holds a bachelor's degree in science (mechanical engineering) from the University of Kerala. He was previously associated with VIP Industries Limited and Madras Rubber Factory Limited.

Alipt Sharma is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in arts (economics) from the University of Delhi, has completed a post-graduate programme in management from the Indian School of Business, Hyderabad and is an associate member of the Institute of Chartered Accountants of India. He was previously associated with Ambit Private Limited.

Krishnan Ganesan is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in commerce from University of Madras and a postgraduate diploma in management from the Indian Institute of Management, Kozhikode. He is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He was previously associated with Florintree Advisors, WIP (India) Private Limited, ICICI Venture Funds Management Company Limited, Stern Stewart India Private Limited and PricewaterhouseCoopers. He is currently associated with South Asia Advisors, a sub-advisor to GEF Capital Partners.

Rathin Kumar Banerjee is an Independent Director of our Company. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, Bombay and a postgraduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. He was previously associated with Asian Paints (India) Limited, Blow Plast Limited, Indian Shaving Products Limited, Zicom Electronic Security Systems Limited and Institute of Advanced Security Training and Management Private Limited.

Siddharth Nandkishore Bafna is an Independent Director of our Company. He holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, University of Bombay and a master's degree in business administration from Fuqua School of Business, Duke University, Durham. He is an associate member of the Institute of Chartered Accountants of India. He is currently associated with Lodha & Co., Chartered Accountants.

Astha Ashish Kataria is an Independent Director of our Company. She holds a bachelor's degree in engineering (electronics and telecommunication) from Pt. Ravishankar Shukla University, Raipur and a diploma in business finance from The ICFAI University. She was previously associated with Ashoka Buildcon Limited.

Lukasz Jan Meissner is an Independent Director of our Company. He holds a masters of economics diploma (international trade) from the School of Economics, Poznan. He is a fellow member of the Association of Chartered Certified Accountants. He has completed the fundamentals workshop and leadership skill workshop from Honeywell Academy Schonaich, Germany along with the workshop on "The Influence Edge – Getting work done without authority" from Vengel Consulting Group, Inc. He was previously associated with Pricewaterhouse Coopers N.V. and Raben Group.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of our Key Managerial Personnel.

Terms of appointment of our Executive Director

Narendra Joharimal Goliya, Chairman and Managing Director

Pursuant to a resolution passed by our Shareholders in the EGM on September 30, 2021, Narendra Joharimal Goliya is entitled to the following remuneration and other employee benefits:

(i) Salary: ₹ 1,107,000 per month including allowances and perquisites; and
(ii) He is entitled to an incentive of ₹ 3,000,000 (up to 100% amount achievement linear) which is capped at 200% provided any or all of the following thresholds are met -
  - A 20% growth in sales - 40.00%
  - A 0.5% growth in EBITDA to sales ratio - 40.00%
  - Launch of new family of products – 20.00%

In Fiscal 2022, Narendra Joharimal Goliya received an aggregate compensation of ₹ 16.28 million from our Company.

Sitting Fees to Non-Executive Directors including our Independent Directors

Pursuant to resolutions passed by our Board on September 8, 2022, our Non-Executive Directors including our Independent Directors, are each entitled to receive a sitting fee of ₹ 0.04 million for attending each meeting of our Board and ₹ 0.02 million for attending each meeting of the committees of our Board:

None of our Non-Executive Directors were paid any sitting fees or compensation in Fiscal 2022, except as disclosed below:

(in ₹ million)

Name of our Director	Compensation paid
Parappath Kottekode Ramakrishnan	0.08*
Rathin Kumar Banerjee	0.08

* *He was also paid ₹ 0.30 million as consultancy fees. See "**Our Management – Interest of Directors**" below on page 285.*

Remuneration paid or payable to our Directors from our Subsidiaries

Except as disclosed below, none of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries for Fiscal 2022:

1. Narendra Joharimal Goliya is entitled to receive a sitting fee of 3,000 PLN (monthly) each from Lumel S.A and Lumel Alucast in his capacity as the chairman of their respective supervisory boards.

   In Fiscal 2022, Narendra Joharimal Goliya received an aggregate compensation of 72,000 PLN from Lumel SA and Lumel Alucast as sitting fees in his capacity as the chairman of the supervisory board.

2. Lukasz Jan Meissner is entitled to receive a sitting fee of 2,500 PLN (per meeting) each from Lumel S.A and Lumel Alucast in his capacity as a member of their respective supervisory board.

   In Fiscal 2022, Lukasz Jan Meissner received a sitting fee of 5,000 PLN each from Lumel SA and Lumel Alucast.

Loans to Directors

No loans have been availed by our Directors from our Company.

Bonus or profit-sharing plan for our Directors

Except for the bonus component under the terms of appointment of our Executive Director, our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 95, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof, and any commission payable to them. Our Non-Executive Director, Parappath Kottekode Ramakrishnan, is also interested to the extent of the consultancy fees paid to him by the Company for other consultancy services provided.

Our Chairman and Managing Director, Narendra Joharimal Goliya, may also be interested to the extent of Equity Shares, held by him or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which he is interested as promoter, director, partner, proprietor, karta, member or trustee pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares.

Our Chairman and Managing Director, Narendra Joharimal Goliya, is also interested to the extent of the amount received by him pursuant to the leave and license agreement dated April 1, 2020 entered between him and our Company pursuant to which he has leased property situated at Plot No. 53, Satpur, Nashik 422 007, Maharashtra to our Company.

Further, our Promoter is interested in our Company to the extent of the rights held by him to nominate Directors on the Board of our Company, pursuant to the terms of the SHA read with the SHA Amendment and Waiver Agreement. Further, our Non-Executive Nominee Directors, Alipt Sharma and Krishnan Ganesan may be deemed to be interested in our Company to the extent of the shareholding of held by SACEF who have nominated them on our Board.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property

None of our Directors are interested in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus, or presently proposed to be acquired by it.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

Interest in promotion of our Company

Except our Promoter, Narendra Joharimal Goliya, none of our Directors have an interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

Business interest

Except as stated in "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366, our Directors do not have any other business interest in our Company.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Confirmations

None of our Directors are, or for the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any stock exchange, , during their tenure.

None of our Directors has been or is a director on the board of directors of any listed company that has been or was delisted from any stock exchange, during their tenure.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date of Change	Reasons
Lukasz Jan Meissner	September 23, 2022	Appointment as an additional Independent Director#
Rathin Kumar Banerjee	September 13, 2022	Change of designation from non-executive director to Independent Director
Astha Ashish Kataria	August 8, 2022	Appointment as an additional Independent Director*
Siddharth Nandkishore Bafna	August 23, 2022	Appointment as an additional Independent Director*
Krishnan Ganesan	September 4, 2021	Appointment as a Non-Executive Nominee Director
Rajesh Pai	September 4, 2021	Resignation as a nominee director
Kesava Venkatesan	June 30, 2020	Resignation as a director

Regularized pursuant to a shareholders' resolution passed in the extra-ordinary general meeting dated September 26, 2022.

**Regularized pursuant to a shareholders' resolution passed in the annual general meeting dated September 21, 2022.*

Borrowing Powers

Pursuant to our Articles of Association, a resolution of our Board dated December 19, 2022 and a resolution passed by our Shareholders on December 22, 2022, our Board may borrow money, subject to approval of members, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with amount already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up capital and free reserves and securities premium provided that the total amount that may be borrowed by the Board and outstanding at any point of time shall not exceed ₹ 500.00 million.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are eight Directors on our Board comprising one Executive Director, one Non-Executive Director, two Non-Executive Nominee Directors and four Independent Directors, including one independent woman director. Further, the independent director on the supervisory board of our Material Subsidiaries i.e., Lumel SA and Lumel Alucast, Lukasz Jan Meissner, is also an Independent Director on our Board. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations in relation to the composition of our Board and constitution of committees thereof, as required under law.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board Committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Risk Management Committee; and
(e) CSR Committee.

Audit Committee

The Audit Committee was reconstituted pursuant to a resolution passed by our Board at its meeting held on September 26, 2022 and the terms of reference were last amended on December 19, 2022. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Director	Designation
1.	Siddharth Nandkishore Bafna	Chairman
2.	Narendra Joharimal Goliya	Member
3.	Rathin Kumar Banerjee	Member
4.	Lukasz Jan Meissner	Member

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;
(2) to seek information from any employee;
(3) to obtain outside legal or other professional advice;
(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
(5) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of the financial reporting process and the disclosure of financial information relating to our Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of statutory auditors of the Company and the fixation of the audit fee;

(3) monitoring the end use of funds raised through public offers and related matters;

(4) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(5) examining and reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.

(6) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(7) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offering by the Company;

(8) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(9) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(10) scrutiny of inter-corporate loans and investments;

(11) valuation of undertakings or assets of the Company, wherever it is necessary;

(12) evaluation of internal financial controls and risk management systems;

(13) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(14) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

(15) discussion with internal auditors of any significant findings and follow-up thereon;

(16) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(17) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(18) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(19) reviewing the functioning of the whistle blower mechanism;

(20) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(21) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(22) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(23) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(24) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses;

e. The appointment, removal and terms of remuneration of the chief internal auditor;

f. Approve Key Performance Indicators as disclosed by the Management; and

g. Statement of deviations in terms of the SEBI Listing Regulations

    i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
    ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted pursuant to a resolution passed by our Board at its meeting held on September 26, 2022. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Director	Designation
1.	Rathin Kumar Banerjee	Chairman
2.	Astha Ashish Kataria	Member
3.	Krishnan Ganesan	Member

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may (a) use the services of external agencies, if required; (b) consider candidates for a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;

- Formulation of criteria for evaluation of performance of independent directors and the Board;

- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

- Analyzing, monitoring and reviewing various human resource and compensation matters;

- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:

  (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

  (a) administering any employee stock option schemes (the "**Plans**");
  (b) determining the eligibility of employees to participate under the Plans;
  (c) granting options to eligible employees and determining the date of grant;
  (d) determining the number of options to be granted to an employee;
  (e) determining the exercise price under the Plans; and
  (f) construing and interpreting the Plans and any agreements defining the rights and obligations of the Company and eligible employees under the Plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plans.

- Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

- carrying out any other activities as may be delegated by the Board and other functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 26, 2022, in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Director	Designation
1.	Alipt Sharma	Chairman
2.	Parappath Kottekode Ramakrishnan	Member
3.	Siddharth Nandkishore Bafna	Member

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 26, 2022, in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Member	Designation
1.	Narendra Joharimal Goliya	Chairman
2.	Parappath Kottekode Ramakrishnan	Member
3.	Astha Ashish Kataria	Member

Scope and terms of reference:

The role and responsibility of the Risk Management Committee shall be as follows:

- Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;

- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

- Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;

- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

- To implement and monitor policies and/or processes for ensuring cyber security; and

- Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted pursuant to a resolution passed by our Board at its meeting held on September 26, 2022, and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

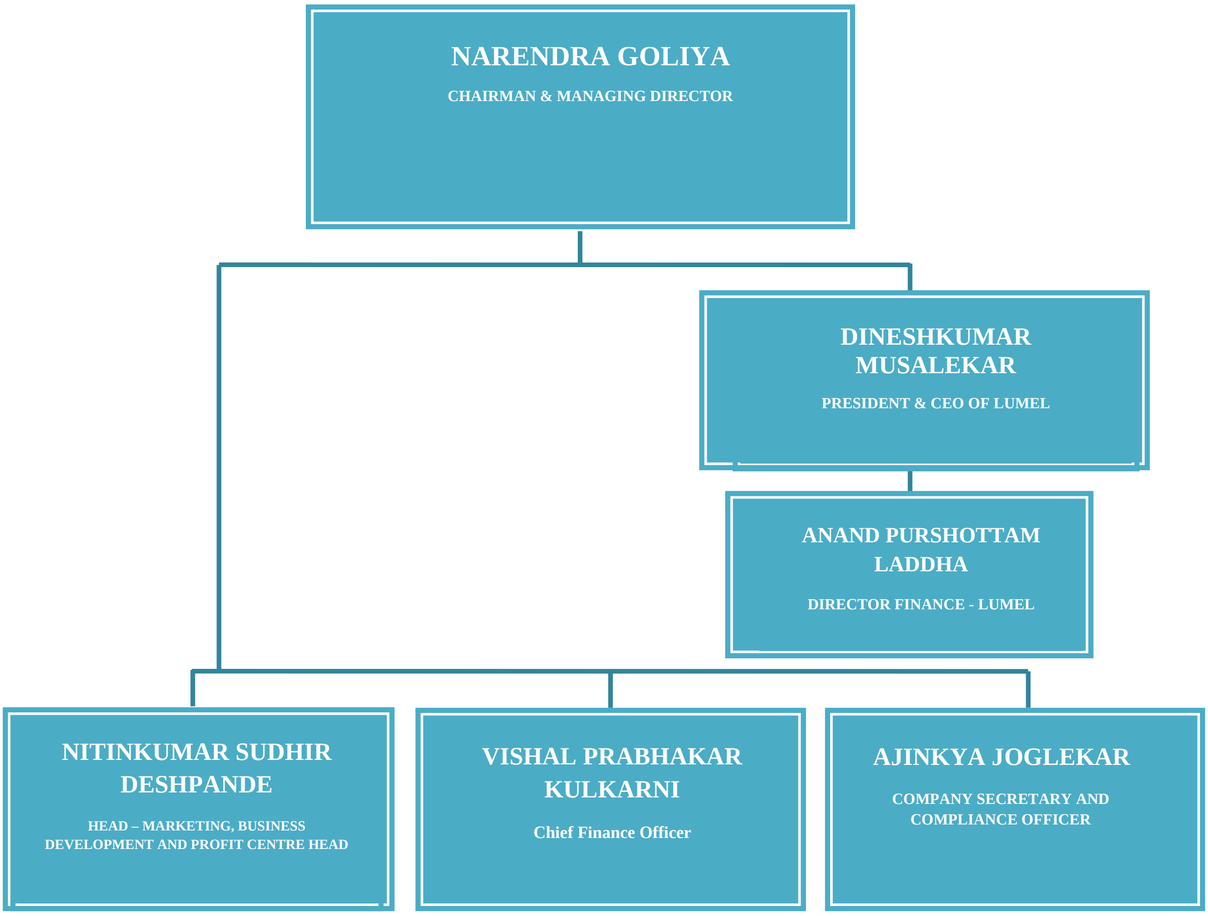
S. No.	Director	Designation
1.	Narendra Joharimal Goliya	Chairman
2.	Rathin Kumar Banerjee	Member
3.	Krishnan Ganesan	Member

Scope and terms of reference:

The Corporate Social Responsibility Committee shall be authorized to perform the following functions:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
(c) instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
(d) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities; and
(f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Management Organization Structure



Key Managerial Personnel

In addition to Narendra Joharimal Goliya, Chairman and Managing Director of our Company, whose details are disclosed under "– ***Brief profiles of our Directors***" on page 282, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Dineshkumar Musalekar is the President and Chief Executive Officer of Lumel. He has been associated with Lumel since January 16, 2014. He holds a bachelor's degree of engineering (electronics and communication) from the Karnatak University Dharwad and a master's degree in human resources development management from Somaiya Institute of Management Studies and Research, University of Mumbai. He was previously associated with TL Jones India Pte (now Avire India Pte) and Otis Elevators Company India Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 14.41 million from Lumel.

Nitinkumar Sudhir Deshpande is the Head – Marketing, Business Development and Profit Centre Head of our Company. He has been associated with our Company since July 8, 2018. He holds a bachelor's degree of engineering (electrical engineering) from the University of Mumbai, diploma in electrical engineering from Maharashtra State Board of Technical Education and a master's degree in business administration from Tilak Maharashtra Vidyapeeth, Pune. He was previously associated with ABB Limited, Siemens Limited and Schneider Electric India Pvt Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 3.60 million from our Company.

Anand Purshottam Laddha is the Director - Finance of Lumel. He has been associated with our Company since September 1, 2014 and thereafter was deputed to Lumel SA. He holds a bachelor's degree of commerce from Amrabati University and is an associate member of the Institute of Chartered Accountants of India. He was previously associated with Radico NV Distilleries Maharashtra Ltd. In Fiscal 2022, he received an aggregate compensation of ₹ 4.97 million from our Company.

Vishal Prabhakar Kulkarni is the Chief Financial Officer of our Company. He has been associated with our Company since July 21, 2014. He holds a master's degree in commerce from the University of Pune. He is an associate member of the Institute of Company Secretaries of India. He was previously associated with Techno Force (I) Pvt Ltd. and ThyssenKrupp Electrical Steel India Private Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 1.41 million from our Company.

Ajinkya Joglekar is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since August 8, 2022. He holds a bachelor's degree of commerce from the Rashtrasant Tukadaji Maharaj Nagpur University. He is an associate member of the Institute of Company Secretaries of India. He was previously associated with Galactico Corporate Services Limited. In Fiscal 2022, he did not receive any compensation from our Company.

Status of Key Managerial Personnel

Except Dineshkumar Musalekar, President and Chief Executive Officer of Lumel, all the Key Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or any of the Directors.

Bonus or profit-sharing plan for the Key Managerial Personnel

Except for the bonus component under the terms of appointment of Narendra Joharimal Goliya, none of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company. Our Company makes annual variable payments to the Key Managerial Personnel, as part of the variable pay component of their remuneration, in accordance with their terms of appointment.

Contingent and deferred compensation payable to Key Managerial Personnel

No contingent or deferred compensation is payable to any of our Key Managerial Personnel for Financial Year 2022.

Shareholding of Key Managerial Personnel in our Company

Except our Promoter, Narendra Joharimal Goliya, none of our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus. For details of the Equity Shares held by Narendra Joharimal Goliya, see ***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 95.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel are governed by the terms of their respective appointment letters / resolutions of our Board on their terms of appointment and have not entered into any other service contracts with our Company. Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Interest of Key Managerial Personnel

Our Key Managerial Personnel (other than our Chairman and Managing Director) may be interested to the extent of the remuneration, benefits, reimbursement of expenses incurred in the ordinary course of business, and to the extent of employee stock options that may be granted to them from time to time under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B or any other employee stock option schemes that may be formulated by our Company from time to time.

For details of the interest of our Chairman and Managing Director, see "***Our Management – Interest of Directors***" on page 285.

The details of the ESOPs granted to our Key Managerial Personnel, outstanding as on the date of this Draft Red Herring Prospectus, are set out below:

S. No	Name of the Shareholder	Number of Equity Shares held	Granted Options	Vested Options as on the date of this Draft Red Herring Prospectus	Number of Equity Shares on a fully diluted basis[(1)]	Percentage of Equity Share capital on a fully diluted basis[(1)] (%)
1.	Nitinkumar Sudhir Deshpande	Nil	13,886	3,886	3,886	0.01
2.	Vishal Prabhakar Kulkarni	Nil	10,760	3,760	3,760	0.01
3.	Dinesh Musalekar	Nil	744,000	Nil	Nil	Nil

(1) Includes Equity Shares to be allotted: (i) upon conversion of 3,606,110 CCPS, and (ii) pursuant to exercise of any of the 256,062 options vested under ESOP 2016, as applicable.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

For details of the ESOP implemented by our Company, see "***Capital Structure – Employee Stock Option Schemes***" on page 98.

Changes in Key Managerial Personnel during the last three years

Except as stated below and in "***– Changes in our Board during the last three years***" on page 286, there has been no change in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of KMP	Date of Change	Reason
Vishal Prabhakar Kulkarni	August 9, 2022	Appointment as a Chief Financial Officer
Ajinkya Joglekar	August 8, 2022	Appointment as a Company Secretary and Compliance Officer
Vishal Prabhakar Kulkarni	August 8, 2022	Resignation as a company secretary

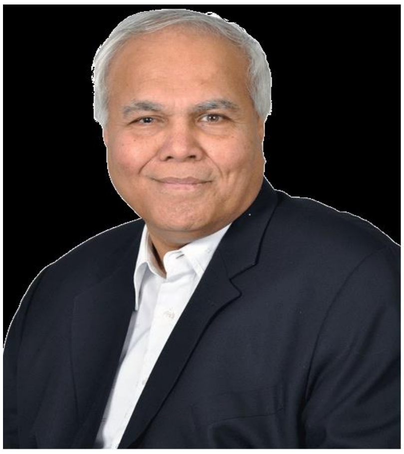
Payment or Benefit to Key Managerial Personnel of our Company

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTER AND PROMOTER GROUP

Narendra Joharimal Goliya is the Promoter of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter, holds 16,262,098 Equity Shares, representing 55.60% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, see "***Capital Structure – History of Promoters' shareholding and Promoters' contribution – Build-up of Promoter's equity shareholding in our Company***" on page 90.

Details of our Promoter



Narendra Joharimal Goliya

Narendra Joharimal Goliya born on September 20, 1951, aged 71 years, is the Promoter, Chairman and Managing Director of our Company. He resides at Siddhachal Bungalow, Gangapur Road, Near Serene Meadows, Rishabh Enclave, Anandvalli, Nashik 422 013, Maharashtra, India. For the complete profile of Narendra Joharimal Goliya, along with the details of his educational qualification, experience in the business, positions/ posts held in past, other directorships and other ventures, see "***Our Management – Brief profiles of our Directors***" on page 282.

The permanent account number of Narendra Joharimal Goliya is AEEPG1586K.

Our Company confirms that the permanent account number, bank account number(s), aadhar card number, driving license number and passport number of our Promoter will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in the control of our Company in the last five years preceding the date of this Draft Red Herring Prospectus. Pursuant to a resolution passed by our Board of Directors dated August 8, 2022, Narendra Joharimal Goliya was identified as the Promoter of our Company. Accordingly, as on the date of this Draft Red Herring Prospectus, our Company has only one Promoter.

Interest of our Promoter

(a) Our Promoter is interested in our Company to the extent (i) that he has promoted our Company (ii) of his direct and indirect shareholding in our Company and the shareholding of his relatives in our Company; and (iii) of dividends payable (if any) and any other distributions in respect of the Equity Shares held by him in our Company. For details of the Promoters' shareholding in our Company, see "***Capital Structure – History of Promoter's shareholding and Promoters' contribution – Build-up of Promoter's equity shareholding in our Company***" on page 90.

(b) Our Promoter, Narendra Joharimal Goliya, is also deemed to be interested to the extent of remuneration payable to him as the Chairman and Managing Director of our Company and amount payable as a supervisory board member of Lumel. Further, he is also interested to the extent of amount payable to him as the lessor of Plot No. 53, Satpur, Nashik 422 007, Maharashtra which was leased to our Company as per the terms of the leave and license agreement dated April 1, 2020 entered into by him with our Company. For details see "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

(c) Our Promoter has no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

(d) No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is a member, in cash or shares or otherwise by any person for services rendered by such Promoter or by such firm or company in connection with the promotion or formation of our Company.

Payment or benefits to our Promoter or our Promoter Group

Except as stated in this chapter, "***Our Management***" on page 280 and "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366 there has been no payment or benefits given by our Company to our Promoter and members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Material guarantees given by our Promoter

Our Promoter has not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoter in the three immediately preceding years

Except as stated below, our Promoter has not disassociated himself from any companies or firms during the three immediately preceding years.

Our Promoter transferred all his shareholding in Shanti Instruments Private Limited on March 15, 2022.

Promoter Group

In addition to our Promoter, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulations 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group are as follows:

(a) *Immediate relatives of our Promoter*

Name of Promoter	Name of relative	Relationship
Narendra Joharimal Goliya	Asha Narendra Goliya	Spouse
	Rishabh Narendra Goliya	Son
	Anushree Goliya	Daughter
	Surendra Goliya*	Brother
	Ashok Bora	Spouse's brother
	Mangala Rajendra Mehta*	Spouse's sister
	Sunanda Lalwani	Spouse's sister

* *Our Company, pursuant to a letter dated October 12, 2022 has sought an exemption from SEBI for the inclusion of Surendra Goliya, brother of our Promoter and Mangala Rajendra Mehta, sister of the spouse of our Promoter, from inclusion in the "Promoter Group" in terms of Regulation 2(i)(pp) of the SEBI ICDR Regulations on account of not receiving any information from Surendra Goliya and Mangala Rajendra Mehta and entities that they may be interested in for inclusion in this Draft Red Herring Prospectus. SEBI, pursuant to its letter dated December 29, 2022 has directed our Company to include Surendra Goliya and Mangala Rajendra Mehta, as part of the Promoter Group of the Company based on information available in the public domain. See "**Risk Factors – The immediate relatives of our Promoter, who are deemed to be a part of the Promoter Group under SEBI ICDR Regulations have not provided consent, information or any confirmations or undertakings pertaining to themselves which are required to be disclosed in relation to a member of the Promoter Group in this Draft Red Herring Prospectus**" beginning on page 53.*

(b) *In addition to the individuals mentioned above, persons whose shareholding is aggregated under the heading "shareholding of the promoter group":*

(i) Mohini Goliya

Entities forming part of the Promoter Group

The entities forming part of the Promoter Group are as follows:

1. Agam Electricals Private Limited;
2. Anushree Family Trust;
3. Biostar Pharmaceuticals Private Limited;
4. Bora Ashok Sukhlal (HUF);
5. Bora Sukhlal Chandmal (HUF);
6. Ivaan Foundation;
7. Narendra Rishabh Goliya (HUF);
8. Pharmalinks Agency (India) LLP;
9. Rass Healthcare Private Limited;
10. Rishabh Family Trust;
11. Surnadev Electricals Private Limited; and
12. Trabolet Holdings.

GROUP COMPANIES

As per the SEBI ICDR Regulations, group companies of a company include such companies (other than promoters and subsidiaries of such company) (i) with which there are related party transactions, during the period for which financial information is disclosed in the Offer Documents issued by the issuer company, as covered under the applicable accounting standards; and (ii) other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above such companies (other than any Subsidiaries) with which there were related party transactions as set out in the Restated Consolidated Financial Information as covered under the relevant accounting standard (i.e., Ind AS 24) have been considered for purposes of identification Group Companies in terms of the SEBI ICDR Regulations.

In relation to (ii) above, in accordance with the Materiality Policy, for the purposes of disclosure in this Draft Red Herring Prospectus, such other companies that form a part of the Promoter Group and with which there were transactions in the Fiscal 2022 and six months ended September 30, 2022, as per the Restated Consolidated Financial Information, which individually or in the aggregate, exceed 10% of the total restated consolidated revenue from operations of the Company shall be considered material to be disclosed as a Group Company.

Accordingly, in accordance with the SEBI ICDR Regulations and the terms of the Materiality Policy, our Board has identified the following as Group Companies of our Company:

S. No.	Group Company	Registered Office
1.	Shanti Instruments Private Limited	A-54 MIDC, Andheri east, Mumbai – 400093
2.	Przedsiębiorstwo Wdrożeniowe INMEL Spółka z ograniczoną odpowiedzialnością	ul. Sulechowska 1, 65-022, Zielona Góra, Poland
3.	SARAN Spółka z ograniczoną odpowiedzialnością	ul.Sulechowska 1, 65-022, Zielona Gora, Poland

Details of our Group Companies

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our Group Companies based on their respective audited financial statements for the preceding three years shall be hosted on their respective websites or the website of our Company as indicated below:

S. No.	Group Companies	Website
1.	Shanti Instruments Private Limited	https://www.shanti-instruments.com/
2.	Przedsiębiorstwo Wdrożeniowe INMEL Spółka z ograniczoną odpowiedzialnością	NA*
3.	SARAN Spółka z ograniczoną odpowiedzialnością	NA*

**Under Polish Law, Inmel and Saran are not statutorily required to have their financials audited and hence they have not prepared audited financials*

Our Company has provided link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Neither our Company nor the BRLMs or the Selling Shareholders nor any of their respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above.

Nature and extent of interests of our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company. Our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus. Except as disclosed under "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366, our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery. Except as disclosed under "***Restated Consolidated Financial Information – Related Party***

Disclosures" on page 366 and in the ordinary course of business, our Group Companies do not have or currently propose to have any business interest in our Company.

Related Business Transactions

Except as set forth in "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366, no other related party transactions have been entered into between our Group Companies and our Company.

Common pursuits of our Group Companies

Except for Shanti Instruments Private Limited, which is engaged in the same line of business as that of our Company, there are no common pursuits between our Associate/ Group Companies and our Company. As a result, there may be conflicts of interest in allocating business opportunities between us and such Group Company. Our Company and Shanti Instruments Private Limited will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. For risks relating to the same, please refer to "***Risk Factors – Certain of our Subsidiaries and Group Companies have common pursuits as they are engaged in similar business or industry segments and may compete with us***" on page 44.

Litigation

As on the date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act, 2013.

The dividend distribution policy of our Company was approved and adopted by our Board on September 26, 2022 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, which, amongst others, include, profits, cashflows, contractual obligations and growth and expansion plans.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including but not limited to earning stability, past dividend trends, contractual obligations, applicable legal restrictions, overall financial position of our Company and other factors considered relevant by the Board. In addition, our Company's ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing documents, our Company is currently a party to or may enter into from time to time. For more information on restrictive covenants under our loan agreements, see "***Financial Indebtedness***" on page 395.

Our Company has not declared any dividend on the Equity Shares of our Company in the last three Fiscals, the six months ended September 30, 2022 and the period from October 1, 2022 until the date of this Draft Red Herring Prospectus.

The Company has not declared any dividend on the CCPS from the period from October 1, 2022 until the date of this Draft Red Herring Prospectus. The dividends declared and paid by our Company on the CCPS during the three Fiscals and the six months period ended September 30, 2022 are as follows:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022	From April 1, 2022 till September 30, 2022
Face value per CCPS (in ₹)	30	30	30	30
Dividend (in ₹)	1,292	1,292	1,082	Nil*
Dividend per share (in ₹)	0.0003	0.0003	0.0003	Nil*
Rate of dividend (%)	0.001	0.001	0.001	0.0005
Number of CCPS	4,307,669	4,307,669	3,606,110	3,606,110
Dividend distribution tax (in ₹)	N.A.	N.A.	N.A.	N.A
Mode of payment	Bank transfer	Bank transfer	Bank transfer	N.A

**As per the Restated Consolidated Financial Information, the Company has created a provision of ₹ 541 at ₹ 0.00015 per CCPS for the six months ended September 30, 2022; however, the same is neither declared nor paid.*

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, see "***Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***" on page 53.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Examination Report of the Independent Auditor on the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Significant Accounting Policies and other explanatory information for the half year ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 of Rishabh Instruments Limited (formerly known as Rishabh Instruments Private Limited) (collectively, the "Restated Consolidated Financial Information")

The Board of Directors

Rishabh Instruments Limited
(*Formerly known as Rishabh Instruments Private Limited*)
A-54, MIDC, Opposite MIDC Bus Depot, Andheri (East),
Mumbai – 400093

Dear Sirs/ Madams,

1. We have examined the Restated Consolidated Financial Information of **Rishabh Instruments Limited** (the "Company" or the "Holding Company" or the "Issuer"), its subsidiaries and associate (the Company, its subsidiaries and associate together referred to as the "Group") as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, annexed to this examination report for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), prepared by the Holding Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 10 each (the "Offer"). The Restated Consolidated Financial Information, which have been approved by the board of directors of the Holding Company (the "Board of Directors") at their meeting held on December 19, 2022, and have been prepared by the Holding Company in accordance with the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Holding Company's management are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in connection with the Offer. The Restated Consolidated Financial Information have been prepared by the management of the Holding Company in accordance with the basis of preparation stated in Note 2.1 to Annexure 5 of the Restated Consolidated Financial Information. The management of the Holding Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management of the Holding Company is also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined the Restated Consolidated Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated September 01, 2022, in connection with the Offer.

   b) the Guidance Note which requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

   c) the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the management from:

   a) the audited special purpose interim consolidated IND AS financial statements of the Group as at and for the half year ended September 30, 2022 prepared in accordance with Indian Accounting Standard ("IND AS") 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and have been approved by the Board of Directors at their meeting held on December 19, 2022.

   b) the audited consolidated IND AS financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and have been approved by the Board of Directors at their meeting held on September 21, 2022.

   c) The audited special purpose consolidated IND AS financial statements of the Group as at and for the years ended March 31, 2021 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and have been approved by the Board of Directors at their meeting held on September 21, 2022.

   d) The audited special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with the basis of preparation, as set out in Note 2.1 of Annexure 5 to the Restated Consolidated Financial Information and have been approved by the Board of Directors at their meeting held on September 21, 2022.

5. For the purpose of our examination, we have relied on:

   a) Auditor's report issued by us dated December 19, 2022 on the audited special purpose interim consolidated IND AS financial statements of the Group as at and for the half year ended September 30, 2022 ("September 2022 Audited Consolidated IND AS Financial Statements"), as referred in Para 4(a) above.

b) Auditor's report issued by us dated September 21, 2022 on the audited consolidated IND AS financial statements of the Group as at and for the year ended March 31, 2022 ("2022 Audited Consolidated IND AS Financial Statements"), as referred in Para 4 (b) above.

c) Auditor's report issued by Kirtane & Pandit LLP (the "Chartered Accountant") dated September 21, 2022 on the special purpose audited consolidated IND AS financial statements of the Group as at and for the year ended March 31, 2021 ("2021 Audited Consolidated IND AS Financial Statements"), as referred in Para 4(c) above.

d) Auditor's reports issued by the Chartered Accountant dated September 21, 2022 on the special purpose audited consolidated financial statements of the Group as at and for the year ended March 31, 2020 ("2020 Audited Consolidated Financial Statements"), as referred in Para 4(d) above.

e) The special purpose audit for years ended March 31, 2021 and March 31, 2020 were conducted by the Chartered Accountant as referred in paragraph 5 (c) & (d) above and accordingly reliance is placed on the examination report dated December 19, 2022 on the restated Consolidated statement of assets and liabilities as at March 31, 2021 and March 31, 2020 and the restated Consolidated statement of profit and loss (including other comprehensive income), restated Consolidated statement of cash flows, restated Consolidated statement of changes in equity, the statement of significant accounting policies and other explanatory information for each of the years ended March 31, 2021 and March 31, 2020 ("Restated Prior Period Consolidated Financial Information") issued by the Chartered Accountant. Our examination report insofar as it relates to the said years is based solely on the examination report submitted by the Chartered Accountant.

The Chartered Accountant *vide* their examination report have also confirmed that:

i) the Restated Prior Period Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the half year ended September 30, 2022, as more fully described in Note 2.1 of Annexure 5 to the Restated Consolidated Financial Information.

ii) there are no qualifications in the auditor's reports issued on the 2021 Audited Consolidated IND AS Financial Statements and 2020 Audited Consolidated Financial Statements of the Group which require any adjustments to the Restated Prior Period Consolidated Financial Information; and

iii) the Restated Prior Period Consolidated Financial Information has been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

6. The special purpose audit for three foreign subsidiaries for the half year ended September 30, 2022 and for the year ended March 31, 2022 (the "Components") were conducted by the component auditor and accordingly reliance is placed on the examination reports, the details of which is tabulated below on the restated statement of assets and liabilities of the Components as at September 30, 2022 and March 31, 2022, the restated Statement of profit and loss (including other comprehensive income), restated statement of cash flows, restated statement of changes in equity, the statement of significant accounting policies and other explanatory information for the half year ended September 30, 2022 and the year ended March 31, 2022 ("Restated Financial Information of the Components") examined by the Component Auditor. Our examination report insofar as it relates to the said components for the half year ended September 30, 2022 and year ended March 31,

2022 is based solely on the examination reports submitted by the Component Auditor. The Component Auditor has vide its examination reports also confirmed that the Restated Financial Information of the Components:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months ended September 30, 2022 by the Holding Company, as more fully described in Note 2.1 of Annexure 5 to the Restated Consolidated Financial Information;

(ii) there are no qualifications in the auditor's reports issued on the Special Purpose IND AS Financial Statements of the Components as at and for the half year ended September 30, 2022 and as at and for the year ended March 31, 2022 which require any adjustments to the Restated Financial Information of the Components; and

(iii) Restated Financial Information of the Components have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

Details of the Examination Reports on components audited by the Component Auditor

No.	Name of the Component	Nature of Relationship	Name of Component Auditor	Date of Examination Report
1.	Lumel Spółka Akcyjna, Poland (Along with its subsidiary Lumel Slask Spółka Z Ograniczoną Odpowiedzialnością Poland)	Subsidiary	BDO spółka z ograniczoną odpowiedzialnością sp.k.	December 19, 2022
2.	Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością, Poland	Subsidiary	BDO spółka z ograniczoną odpowiedzialnością sp.k.	December 19, 2022

7. Our audit report referred to in Para 5 (a) above included Other Matter paragraph as follows:

We did not audit the financial information of seven foreign subsidiaries, whose special purpose interim financial information reflect total assets of Rs. 4,425.37 million as at September 30, 2022, total revenues of Rs. 1,846.71 million and net cash inflow amounting to Rs. 128.54 million for the half year ended on that date, as considered in the consolidated financial statements. This special purpose interim financial information have been audited by other auditors whose reports have been 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 these subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial information of one subsidiary incorporated in India, whose special purpose interim financial information reflect total assets of Rs. 23.24

million as at September 30, 2022, total revenues of Rs. 5.27 million and net cash outflow amounting to Rs. 0.58 million for the half year ended on that date, as considered in the consolidated financial statements. This special purpose interim financial information have been audited by another auditor whose report have been 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 this subsidiary is based solely on the report of the other auditor.

The consolidated financial statements also include the Group's share of net profit of Rs. 0.04 million for the year ended September 30, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and have been 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 this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion is not modified in respect of the above matters

8. Our audit report referred to in Para 5 (b) above included Other Matter paragraph as follows:

We did not audit the financial information of seven foreign subsidiaries, whose special purpose financial information reflect total assets of Rs. 4,537.74 million as at March 31, 2022, total revenues of Rs. 3,374.49 million and net cash outflow amounting to Rs. 81.08 million for the year ended on that date, as considered in the consolidated financial statements. This special purpose financial information have been audited by other auditors whose reports have been 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 these subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial information of one subsidiary incorporated in India, whose financial information reflect total assets of Rs. 21.91 million as at March 31, 2022, total revenues of Rs. 16.49 million and net cash inflow amounting to Rs. 1.50 million for the year ended on that date, as considered in the consolidated financial statements. This financial information have been audited by another auditor whose report have been 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

The consolidated financial statements also include the Group's share of net profit of Rs. 0.20 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and have been 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 this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

The comparative financial information of the Group for the year ended March 31, 2021 and the transition date opening balance sheet as at April 01, 2020 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the Chartered Accountant. The report of Chartered Accountant on the special purpose financial information for the year ended March 31, 2021 and March 31, 2020 expressed an unmodified audit opinion dated September 21, 2022. & September 21, 2022, respectively.

Our opinion is not modified in respect of the above matters

9. The Audit report on the 2021 Special Purpose Audited Consolidated IND AS Financial Statements issued by Chartered Accountant referred to in Para 5 (c) above included Other Matter paragraph which is reproduced below:

We did not audit the financial statements of eight subsidiaries of the Company as at and for the financial years ended March 31, 2021, whose special purpose financial information reflect total assets of Rs. 4,248.04 million as at March 31, 2021, total revenue of Rs. 2,793.55 million and net cash inflow amounting to Rs.186.47 million for the year ended on that date, considered in the Special Purpose Audited Consolidated Financial Statements for the year ended March 31, 2021. The financial statements of such eight subsidiaries of the Company have been audited by other auditors, whose reports have been furnished to us by the Company's management and our opinion, in so far as it related to the amounts and disclosures included in respect of these subsidiaries of the Company, is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net profit of Rs. 0.33 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and have been 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 this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion is not modified in respect of the above matters

10. The Audit report on the 2020 Special Purpose Audited Consolidated Financial Statements issued by Chartered Accountant referred to in Para 5 (d) above included Other Matter paragraph which is reproduced below:

We did not audit the financial statements of eight subsidiaries of the Company as at and for the financial years ended March 31, 2020, whose special purpose financial information reflect total assets of Rs. 3,885.70 million as at March 31, 2020, total revenue of Rs. 2,838.24 million and net cash inflow amounting to Rs. 204.00 million for the year ended on that date, considered in the Special Purpose Audited Consolidated Financial Statements for the year ended March 31, 2020. The financial statements of such eight subsidiaries of the Company have been audited by other auditors, whose reports have been furnished to us by the Company's management and our opinion, in so far as it related to the amounts and disclosures included in respect of these subsidiaries of the Company, is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net profit of Rs. 0.15 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and have been 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 this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion is not modified in respect of the above matters

11. Based on the above and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the Chartered Accountant and Component Auditor for the respective years and Components as stated above we report that the:

    i) Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months ended September 30, 2022, as more fully described in Note 2.1 of Annexure 5 to the Restated Consolidated Financial Information;

    ii) there are no qualifications in the auditor's, Chartered Accountant's and Component Auditor's reports for the respective years and components as stated above which require any adjustments to the Restated Consolidated Financial Information.

    iii) Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

12. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements of the Group mentioned in paragraph 5 above.

13. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Chartered Accountant or by the Component Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

14. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

15. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, in connection with the proposed Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on this examination report without our prior written consent in writing.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nitin Manohar Jumani

Partner
Membership No. 111700
UDIN: 22111700BFSWHR3152

Place: Pune
Date: December 19, 2022

Rishabh Instruments Limited
(Formerly known as Rishabh Instruments Private Limited)

Annexure I : Restated consolidated statement of assets and liabilities
(Amount in Rupees million except per share data and unless otherwise stated)

	Annexure 6 (Note No.)	As at 30 September 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS					
Non-current assets					
Property, Plant and Equipment	6	1,756.36	1,943.54	1,980.76	1,534.00
Capital work-in-progress	7	73.92	51.34	20.69	316.31
Goodwill	10	205.46	210.57	211.62	211.23
Intangible asset under development	8	5.05			
Other intangible assets	9	34.79	42.02	51.19	61.22
Financial assets					
Investments	11	1.80	2.08	1.88	1.69
Other financial assets	12	6.81	34.62	23.08	9.63
Deferred Tax Asset	39	24.79	17.32	15.45	8.37
Other non-current assets	13	12.00	12.11	16.26	12.40
Total non-current assets		**2,120.98**	**2,313.60**	**2,320.93**	**2,154.85**
Current assets					
Inventories	14	1,406.62	1,284.17	794.14	733.67
Financial assets					
Trade receivables	15	903.77	799.79	683.15	611.73
Cash and cash equivalents	16	589.05	462.41	543.25	428.44
Bank balances other than cash and cash equivalents	17	467.66	588.88	635.96	745.88
Loans	18	-	-	-	39.45
Other financial assets	19	19.09	24.11	24.99	29.86
Current tax assets (net)	20	-	4.95	1.28	11.55
Other current assets	21	155.59	161.01	116.00	137.56
Total current assets		**3,541.78**	**3,325.32**	**2,798.77**	**2,738.14**
Total assets		**5,662.76**	**5,638.92**	**5,119.70**	**4,892.99**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	22(A) & 22(B)	292.50	146.25	146.25	146.25
Instruments entirely equity in nature	22(C)	108.18	108.18	108.18	129.23
Other equity	23	3,028.83	3,150.45	2,738.17	2,563.63
Equity attributable to equity holders of parent		**3,429.51**	**3,404.88**	**2,992.60**	**2,839.11**
Non-Controlling Interest		69.25	56.10	28.65	14.49
Total equity		**3,498.76**	**3,460.98**	**3,021.25**	**2,853.60**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	24	274.26	336.18	454.80	318.42
Lease Liabilities	43	0.41	0.59	68.48	132.15
Deferred tax liabilities (net)	39	40.95	61.76	53.62	51.65
Provisions	25	60.10	70.79	71.75	64.21
Total non-current liabilities		**375.72**	**469.32**	**648.65**	**566.43**
Current liabilities					
Financial liabilities					
Borrowings	26	707.27	629.51	464.72	499.44
Lease Liabilities	43	35.18	66.92	71.31	85.77
Trade payables	27				
i)total outstanding dues of micro enterprises and small enterprises		35.94	39.09	10.16	19.97
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		698.29	639.18	611.30	497.94
Other financial liabilities	28	129.46	143.58	112.99	226.91
Other current liabilities	29	124.70	144.88	110.82	100.81
Provisions	25	52.19	44.33	49.41	42.12
Current tax liabilities (net)	30	5.25	1.13	19.09	-
Total current liabilities		**1,788.28**	**1,708.62**	**1,449.80**	**1,472.96**
Total liabilities		**2,164.00**	**2,177.94**	**2,098.45**	**2,039.39**
Total equity and liabilities		**5,662.76**	**5,638.92**	**5,119.70**	**4,892.99**
See accompanying notes to the restated consolidated financial information	1-67				

The accompanying notes are an integral part of the restated consolidated financial information.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Rishabh Instruments Limited
CIN: U31100MH1982PLC028406

Nitin Manohar Jumani
Partner
Membership No: 111700

Place: Pune
Date: 19.12.2022

Narendra Goliya
Chairman and Managing Director
DIN: 00315870

Place: Poland
Date: 19.12.2022

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date: 19.12.2022

P.K.Ramakrishnan
Non-Executive Director
DIN: 00304272

Place: Nashik
Date: 19.12.2022

Ajinkya Joglekar
Company Secretary
Membership No: A57272

Place: Nashik
Date: 19.12.2022

Rishabh Instruments Limited
(Formerly known as Rishabh Instruments Private Limited)

Annexure 2: Restated consolidated statement of profit and loss
(Amount in Rupees million except per share data and unless otherwise stated)

Particulars	Annexure 6 (Note No)	Period ended 30 September 2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Income					
Revenue from operations	31	2,611.43	4,702.50	3,899.56	4,006.93
Other income	32	37.46	96.65	125.36	86.81
Total income		**2,648.89**	**4,799.15**	**4,024.92**	**4,093.74**
Expenses					
Cost of material consumed	33	1,228.10	2,010.80	1,488.66	1,610.92
Purchase of Stock-in-trade		101.47	128.70	62.78	50.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(51.74)	(167.56)	10.95	(28.48)
Employee benefits expense	35	624.00	1,257.48	1,149.20	1,129.87
Finance costs	36	15.70	34.31	31.71	39.98
Depreciation and amortization expense	37	118.21	199.80	210.87	240.34
Other expenses	38	388.99	743.41	613.12	647.35
Total expenses		**2,424.73**	**4,206.94**	**3,567.29**	**3,690.70**
Profit for the year before share of profit of an associate and tax		224.16	592.21	457.63	403.04
Share of profit of an associate		0.04	0.20	0.33	0.15
Profit before tax		224.20	592.41	457.96	403.19
Tax expense					
Current tax expense	39	(84.10)	(117.64)	(102.09)	(94.53)
Adjustment for earlier years	39	-	28.21	-	-
Deferred tax	39	28.22	(6.46)	3.53	6.81
Total income tax expense		**(55.88)**	**(95.89)**	**(98.56)**	**(87.72)**
Profit for the year		**168.32**	**496.52**	**359.40**	**315.47**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(117.32)	(35.38)	24.06	2.31
		(117.32)	**(35.38)**	**24.06**	**2.31**
Items that will not be reclassified to profit or loss					
Remeasurement of net defined benefit liability		(0.73)	0.88	(1.55)	(5.11)
Income tax effect on these items		0.09	(0.23)	0.08	1.25
		(0.64)	0.65	(1.47)	(3.86)
Other comprehensive income/(loss) for the year, net of tax		**(117.96)**	**(34.73)**	**22.59**	**(1.55)**
Total comprehensive income for the year		**50.36**	**461.79**	**381.99**	**313.92**
Profit for the year attributable to:					
Equity holders of the parent		154.82	470.64	347.29	303.93
Non-controlling interests		13.50	25.88	12.11	11.54
Other comprehensive income/(loss) for the year attributable to:					
Equity holders of the parent		(117.61)	(36.30)	20.54	(1.26)
Non-controlling interests		(0.35)	1.57	2.05	(0.29)
Total comprehensive income for the year attributable to:					
Equity holders of the parent		37.21	434.34	367.83	302.67
Non-controlling interests		13.15	27.45	14.16	11.25
Earnings per share after bonus issue (Face value per share of Rs 10 each)					
Basic earnings per share (INR)	40	4.25	12.91	9.32	8.03
Diluted earnings per share (INR)	40	4.24	12.89	9.32	8.02
See accompanying notes to the restated consolidated financial information	1-67				

The accompanying notes are an integral part of the restated consolidated financial information.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
Rishabh Instruments Limited
CIN: U31100MH1982PLC028406

Nitin Manohar Jumani
Partner
Membership No: 111700

Place: Pune
Date:19.12.2022

Narendra Goliya
Chairman and Managing Director
DIN: 00315870

Place: Poland
Date:19.12.2022

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date:19.12.2022

P.K.Ramakrishnan
Non-Executive Director
DIN: 00304272

Place: Nashik
Date:19.12.2022

Ajinkya Joglekar
Company Secretary
Membership No: A57272

Place: Nashik
Date:19.12.2022

Rishabh Instruments Limited
(Formerly known as Rishabh Instruments Private Limited)

Annexure 3: Restated consolidated statement of cash flow
(Amount in Rupees million except per share data and unless otherwise stated)

	Period ended 30-Sep-22	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities				
Profit before tax	224.20	592.41	457.96	403.19
Adjustments for:				
Depreciation and amortization expenses	118.21	199.80	210.87	240.34
Share based payment expense	-	-	0.27	1.26
Finance cost	15.70	34.31	31.71	39.98
Interest income	(12.64)	(29.43)	(43.47)	(52.73)
Liabilities written back	-	(2.60)	-	-
Loss/ (Gain) on sale of fixed assets	(2.59)	0.50	0.02	0.42
Provision / (Reversal of excess provision) for bad and doubtful debts	(4.83)	(35.56)	(2.64)	18.19
Share of Profit of an associate	(0.04)	(0.20)	(0.33)	(0.15)
Operating profit before working capital changes	338.01	759.23	654.39	650.50
Changes in working capital				
Increase/ (Decrease) in trade payables	129.83	59.41	103.55	(68.43)
Decrease/ (increase) in inventories	(122.45)	(490.03)	(60.46)	35.85
Decrease/ (increase) in trade receivables	(93.97)	(81.08)	(68.78)	152.88
Decrease/ (increase) in loans	-	-	39.45	-
(Decrease)/ increase in other current liabilities	(30.60)	34.07	10.00	94.24
Increase / (Decrease) in provisions	(3.39)	(6.04)	14.81	83.16
Increase/ (Decrease) in other financial liabilities	15.70	9.67	(109.16)	10.32
Decrease/ (increase) in other financial assets	5.00	2.57	(2.53)	(0.09)
Decrease/(increase) in other assets	(68.15)	(43.91)	18.88	(146.61)
Cash generated from operations	169.98	243.89	600.15	811.82
Income tax paid	(75.02)	(111.07)	(70.81)	(95.32)
Net cash flow from operating activities (A)	94.96	132.82	529.34	716.50
Cash flow from Investing activities				
Purchase of property, plant and equipment and intangible assets	(122.35)	(158.46)	(354.03)	(466.64)
Acquisition of Non controlling interest/controlling interest in subsidiary	-	(14.08)	-	(155.44)
Proceeds from sale/ disposal of fixed assets	3.00	1.65	0.23	2.09
Net proceeds from /(Investment in) fixed deposits	149.59	33.72	94.91	(78.45)
Interest received	12.10	29.57	50.50	63.65
Net cash flow used in investing activities (B)	42.33	(107.60)	(208.39)	(634.79)
Cash flow from Financing activities				
Payout on buyback of compulsary convertible preference shares(including taxes)		-	(205.81)	-
Dividend Paid	(2.06)	(10.73)	(8.79)	(7.97)
Proceeds from borrowings	15.84	46.18	101.66	373.79
Interest paid	(15.21)	(31.52)	(27.77)	(39.46)
Payment of lease liabilities	(32.45)	(74.61)	(89.49)	(116.68)
Net cash flow used in financing activities (C)	(33.88)	(70.68)	(230.20)	209.68
Net increase/(decrease) in cash and cash equivalents (A+B+C)	103.42	(45.46)	90.75	291.39
Cash and cash equivalents at the beginning of the year	462.41	543.25	428.44	134.74
Net foreign exchange difference	23.22	(35.38)	24.06	2.31
Cash and cash equivalents at the end of the year	589.05	462.41	543.25	428.44
Cash and cash equivalents comprise (Refer note 16)				
Balances with banks				
On current, EEFC & Social Fund accounts	257.34	234.99	453.27	426.04
Fixed deposits with maturity of less than 3 months	331.20	227.42	89.48	1.93
Cash on hand	0.51	0.00	0.50	0.47
Total cash and bank balances at end of the year	589.05	462.41	543.25	428.44

See accompanying notes to the restated consolidated financial information 1-67

The accompanying notes are an integral part of the financial information.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Rishabh Instruments Limited
CIN: U31100MH1982PLC028406

Nitin Manohar Jumani
Partner
Membership No: 111700

Place: Pune
Date: 19.12.2022

Narendra Goliya
Chairman and Managing Director
DIN: 00315870

Place: Poland
Date: 19.12.2022

P.K.Ramakrishnan
Non-Executive Director
DIN: 00304272

Place: Nashik
Date: 19.12.2022

Ajinkya Joglekar
Company Secretary
Membership No: A57272

Place: Nashik
Date: 19.12.2022

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date: 19.12.2022

Rishabh Instruments Limited (Formerly known as Rishabh Instruments Private Limited)

Annexure 4: Restated consolidated statement of changes in equity
(Amount in Rupees million except per share data and unless otherwise stated)

(A) Equity share capital
(i) Ordinary Equity Shares

For the period ended 30 September 2022	**30 September 2022**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2022	14,625,100	146.25
Changes during the period	14,625,300	146.25
Balance as at 30 September 2022	29,250,400	292.50

For the year ended 31 March 2022	**31 March 2022**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2021	14,625,100	146.25
Changes during the year	-	-
Balance as at 31 March 2022	14,625,100	146.25

For the year ended 31 March 2021	**31 March 2021**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2020	14,625,100	146.25
Changes during the year	-	-
Balance as at 31 March 2021	14,625,100	146.25

For the year ended 31 March 2020	**31 March 2020**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2019	14,625,100	146.25
Changes during the year	-	-
Balance as at 31 March 2020	14,625,100	146.25

(ii) Class A Equity Shares*

For the period ended 30 September 2022	**30 September 2022**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2022	100	0.00
Changes during the period	-100	(0.00)
Balance as at 30 September 2022	-	-

For the year ended 31 March 2022	**31 March 2022**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2021	100	0.00
Changes during the year	-	-
Balance as at 31 March 2022	100	0.00

For the year ended 31 March 2021	**31 March 2021**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2020	100	0.00
Changes during the year	-	-
Balance as at 31 March 2021	100	0.00

For the year ended 31 March 2020	**31 March 2020**	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	Amount
Balance as at 1 April 2019	100	0.00
Changes during the year	-	-
Balance as at 31 March 2020	100	0.00

* The Class A Equity Shares are converted and reclassed to Ordinary Equity Shares of face value of Rs. 10 each on September 08, 2022

(B) Instruments entirely equity in nature.

For the period ended 30 September 2022	30 September 2022	
Compulsorily Convertible Preference shares of INR 30 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at 1 April 2022	3,606,110	108.18
Changes during the period	-	-
Balance as at 30 September 2022	3,606,110	108.18

For the year ended 31 March 2022	31 March 2022	
Compulsorily Convertible Preference shares of INR 30 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at 1 April 2021	3,606,110	108.18
Changes during the year	-	-
Balance as at 31 March 2022	3,606,110	108.18

For the year ended 31 March 2021	31 March 2021	
Compulsorily Convertible Preference shares of INR 30 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at 1 April 2020	4,307,669	129.23
Changes during the year	(701,559)	(21.05)
Balance as at 31 March 2021	3,606,110	108.18

For the year ended 31 March 2020	31 March 2020	
Compulsorily Convertible Preference shares of INR 30 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at 1 April 2019	4,307,669	129.23
Changes during the year	-	-
Balance as at 31 March 2020	4,307,669	129.23

(C) Other equity

For the period ended 30 September 2022

Particulars	Other Equity					Other Reserve	Other Comprehensive Income		Non-Controlling Interest	Total
	Securities Premium	Capital Redemption Reserve	Surplus in Statement of Profit & Loss	ESOP Reserve	General Reserve	Capital Reserve	Foreign currency translation reserve	Remeasurement of net defined benefit liability		
Balance as at 1 April 2022	436.96	24.33	2,504.12	11.82	175.56	14.69	(12.35)	(4.68)	56.10	3,206.55
Profit for the period	-	-	154.82	-	-		-	-	13.50	168.32
Other comprehensive income	-	-	-	-	-		(116.97)	(0.64)	(0.35)	(117.96)
Total Comprehensive Income	**-**	**-**	**154.82**	**-**	**-**		**(116.97)**	**(0.64)**	**13.15**	**50.36**
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-			-
Distribution of dividend	-	-	-	-	-	-	-	-	-	-
Transfer from profit & loss to general reserve	-	-	(2.28)	-	2.28	-	-	-	-	-
Bonus issue of shares during the period	(146.25)	-	-	-	-	-	-	-	-	(146.25)
Others	-	-	(10.52)	-	-	-	-	-	-	(10.52)
Dividend distribted	-	-	(2.06)	-	-	-	-	-	-	(2.06)
	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2022	**290.71**	**24.33**	**2,644.08**	**11.82**	**177.84**	**14.69**	**(129.32)**	**(5.32)**	**69.25**	**3,098.08**

For the year ended 31 March 2022

Particulars	Other Equity					Other Reserve	Other Comprehensive Income		Non-Controlling Interest	Total
	Securities Premium	Capital Redemption Reserve	Surplus in Statement of Profit & Loss	ESOP Reserve	General Reserve	Capital Reserve	Foreign currency translation reserve	Remeasurement of net defined benefit liability		
Balance as at 1 April 2021	436.96	24.33	2,058.10	11.82	172.99	14.69	24.61	(5.33)	28.65	2,766.82
Profit for the year	-	-	470.64	-	-		(36.96)	-	25.88	459.56
Other comprehensive income	-	-	-	-	-			0.65	1.57	2.22
Total Comprehensive Income	**-**	**-**	**470.64**	**-**	**-**		**(36.96)**	**0.65**	**27.45**	**461.78**
Transactions with owners in their capacity as owners:										
	-	-	-	-	-	-	-			-
Distribution of dividend	-	-	(10.73)	-	-	-	-	-	-	(10.73)
Transfer from profit & loss to general reserve	-	-	-	-	2.57	-	-	-	-	2.57
Transfer To general reserve from profit & loss.	-	-	(2.57)	-	-	-	-	-	-	(2.57)
Transfer on Acquisition of NCI	-	-	(11.32)	-	-	-	-	-	-	(11.32)
Balance as at 31 March 2022	**436.96**	**24.33**	**2,504.12**	**11.82**	**175.56**	**14.69**	**(12.35)**	**(4.68)**	**56.10**	**3,206.55**

For the year ended 31 March 2021

Particulars	Other Equity					Other Reserve	Other Comprehensive Income		Non-Controlling Interest	Total
	Securities Premium	Capital Redemption Reserve	Surplus in Statement of Profit & Loss	ESOP Reserve	General Reserve	Capital Reserve	Foreign currency translation reserve	Remeasurement of net defined benefit liability		
Balance as at 1 April 2020	**621.73**	**3.28**	**1,722.61**	**11.55**	**191.03**	**14.69**	**2.60**	**(3.86)**	**14.49**	**2,578.12**
Profit for the year	-	-	347.29	-	-	-		-	12.11	359.40
Other comprehensive income	-	-	-	-	-	-	22.01	(1.47)	2.05	22.59
Total Comprehensive Income	**-**	**-**	**347.29**	**-**	**-**	**-**	**22.01**	**(1.47)**	**14.16**	**381.99**
Transactions with owners in their capacity as owners:										
Distribution of dividend	-	-	(8.79)	-	-	-	-	-	-	(8.79)
Buyback of Shares	(168.96)	-	-	-	-	-	-	-	-	(168.96)
Tax on Buy Back	(15.81)	-	-	-	-	-	-	-	-	(15.81)
Transfer from general reserve on account of buy back	-	-	-	-	(21.05)	-	-	-	-	(21.05)
Transfer to capital redemption Reserve on account of buy back	-	21.05	-	-	-	-	-	-	-	21.05
Transfer from profit & loss to general reserve	-	-	-	-	3.01	-	-	-	-	3.01
Transfer To general reserve from profit & loss.	-	-	(3.01)	-	-	-	-	-	-	(3.01)
ESOP expenditure during the year	-	-	-	0.27	-	-	-	-	-	0.27
Balance as at 31 March 2021	436.96	24.33	2,058.10	11.82	172.99	14.69	24.61	(5.33)	28.65	2,766.82

Particulars	Other Equity					Other Reserve	Other Comprehensive Income		Non-Controlling Interest	Total
	Securities Premium	Capital Redemption Reserve	Surplus in Statement of Profit & Loss	ESOP Reserve	General Reserve	Capital Reserve	Foreign currency translation reserve	Remeasurement of net defined benefit liability		
Balance as at 1 April 2019	**621.73**	**3.28**	**1,384.91**	**10.29**	**187.91**	**69.51**	**-**	**-**	**3.24**	**2,280.87**
Impact of Changes on account of IND AS Adjustments	-	-	44.86	-	-	(54.82)	-	-	-	(9.96)
Net Balance as at 1 April 2019	**621.73**	**3.28**	**1,429.77**	**10.29**	**187.91**	**14.69**	**-**	**-**	**3.24**	**2,270.91**
Profit for the year	-	-	303.93	-	-	-	-	-	11.54	315.47
Other comprehensive income	-	-	-	-	-	-	2.60	(3.86)	(0.29)	(1.55)
Total Comprehensive Income	**-**	**-**	**303.93**	**-**	**-**	**-**	**2.60**	**(3.86)**	**11.25**	**313.92**
Transactions with owners in their capacity as owners:										
Distribution of dividend	-	-	(7.97)	-	-	-	-	-		(7.97)
Transfer from profit & loss to general reserve	-	-	-	-	3.12	-	-	-		3.12
Transfer To general reserve from profit & loss.	-	-	(3.12)	-	-	-	-	-		(3.12)
ESOP expenditure during the year	-	-	-	1.26	-	-	-	-		1.26
Balance as at 31 March 2020	**621.73**	**3.28**	**1,722.61**	**11.55**	**191.03**	**14.69**	**2.60**	**(3.86)**	**14.49**	**2,578.12**

See accompanying notes to the restated consolidated financial information 1-67

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nitin Manohar Jumani
Partner
Membership No: 111700

Place: Pune
Date:19.12.2022

For and on behalf of the Board of Directors of
Rishabh Instruments Limited
CIN: U31100MH1982PLC028406

Narendra Goliya
Chairman and Managing Director
DIN: 00315870

Place: Poland
Date: 19.12.2022

P.K.Ramakrishnan
Non-Executive Director
DIN: 00304272

Place: Nashik
Date: 19.12.2022

Ajinkya Joglekar
Company Secretary
Membership No: A57272

Place: Nashik
Date: 19.12.2022

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date: 19.12.2022

Annexure 5 : Summary of Significant accounting policies and other explanatory information
(Amount in Rupees million except per share data and unless otherwise stated)

1 General Information

The consolidated financial statements comprise financial statements of Rishabh Instruments Limited (the "Company") (formerly, known as Rishabh Instruments Private Limited), its subsidiaries and associate (collectively, the Group). Company is domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the Act"). The CIN of the Company is U31100MH1982PLC028406 and its registered office is A-54, MIDC, Opp MIDC Bus Depot, Andheri (East), Mumbai 400093.

The Company was converted to a public limited Company with effect from September 22, 2022.

The Group is engaged in the designing, development and manufacturing of test and measuring instruments and industrial control products. The Group caters to both domestic and international markets.

2 Significant accounting policies

Significant accounting policies adopted by the group are as under:

2.1 Basis of Preparation

(a) **Statement of Compliance and Basis of Preparation**

The Restated Consolidated Financial Information comprise of the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2022, 31 March 2022, 31 March 2021 and 31 March 2020, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for the half year ended 30 September 2022 and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'Restated Consolidated Financial Information').

The Restated Consolidated Financial Information has been approved by the Board of Directors of Rishabh Instruments Limited ('the Holding Company') at their meeting held on December 19th, 2022 and has been specifically prepared for inclusion in the draft red herring prospectus to be filed by the Holding Company with the Securities and Exchange Board of India ('SEBI'), BSE Limited and National Stock Exchange of India Limited in connection with the proposed Initial Public Offer of equity shares ('IPO') of the Holding Company (referred to as the 'Issue'). The Restated Consolidated Financial Information has been prepared by the management of the Holding Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the 'Act') as amended from time to time;
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date ('SEBI ICDR Regulations'); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information has been compiled by the management of the Holding Company from the:

1. Audited special purpose interim consolidated IND AS financial statements of the Group as at and for the half year ended 30 September 2022 prepared in accordance with Indian Accounting Standard ("IND AS") 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and have been approved by the Board of Directors at their meeting held on December 19th, 2022.

2. Audited consolidated IND AS financial statements of the Group as at and for the years ended 31 March 2022 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 26 September 2022.

3. Audited special purpose IND AS consolidated financial statment of the Group as at and for the years ended 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 21 Setpember 2022.

4. Audited special purpose consolidated financial statement of the Group as at and for the year ended March 31, 2020, have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Previous GAAP' or 'Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) as initially adopted on transition date i.e. April 01, 2020. These audited special purpose consolidated financial information, have been approved by the Board of Directors on 21 September 2022.

In accordance with SEBI ICDR Regulations, these audited special purpose consolidated financial statement have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in Offer Documents in relation to the proposed IPO. As such these audited special purpose consolidated financial statment are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated financial statements for half year ended 30 September 2022. This Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the consolidated financial statements as at and for the half year ended 30 September 2022 and the years ended 31 March 2022, 31 March 2021 and 31 March 2020 as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial information of the Group for the half year ended 30 September 2022 and the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

All amounts included in the Restated Consolidated Financial Information are reported in Indian Rupees (INR) which is also the Group's functional currency, and all the values are in million (INR 000,000) upto 2 decimals, except otherwise indicated.

The Restated Consolidated Financial Information have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

(b) **Basis of measurement**

The consolidated financial statements have been prepared on a historical cost convention on 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) Share based payment transactions

All assets and liabilities have been classified as current or non-current as per the group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the group has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) **Use of estimates**

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the group

(i) Subsidiaries

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost. The financial information of the associate has been prepared for the year ended December 31 and the same has been considered for preperation of consolidated financial statement.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity, Note 22 & 23.

When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Buildings	28 years
Plant & Machinery	10-20 years
Moulds	6 years
Motor Vehicle	10 years
Furniture and Fixtures	15 years
Office Equipment	6-20 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.5 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on annual basis.

2.5 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Uesful Life
Technical knowhow	10 years
Software (Others)	3 years
Software (SAP)	10 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.6 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information are presented in Indian rupee (INR), which is also the parent company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet
• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
• All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the group.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The group's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.8 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Rendering of services

The group primarily earns revenue from service income. Revenue from service income is recognised over the period as and when the services are rendered.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Revenue received in advance".

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

(b) Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 Leases

The group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IND AS 116, the Group recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated

on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The group as a Lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.13 Impairment of non-financial assets

The group assesses at each year end 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 group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the group 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 Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.14 Provisions and contingent liabilities

Groups are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a Group to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a Group is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, Groups are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the Group due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and impairment are recognised in the profit or loss. This category generally applies to loans. trade receivables and other financial assets.

(iv) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(v) Equity instrument

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(vi) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 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.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

(vii) Derecognition of financial assets

A financial asset is derecognized only when
a) the rights to receive cash flows from the financial asset is transferred or
b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.
All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.
The company's financial liabilities include trade and other payables, loans and borrowings, lease liabilities etc.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

2.17 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The group provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

(c) **Share-based payments**

Employees (including senior executives) of the group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.18 Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

a) When the grant relates to revenue , it is recognized as income in the statement of Profit & Loss account under the head "Other Income"

b) When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

2.19 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.21 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.
Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.
Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.22 Rounding off amounts

All amounts disclosed in consolidated financial statements and notes have been rounded off to the nearest million upto 2 decimals as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 41.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The group neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the group has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 39.

(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 41.

(d) Intangible asset under development

The group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(e) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

4.1 Standards (including amendments) issued that became effective during the year

Ministry of Corporate Affairs ("MCA") notifies new standard 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, applicable from April 01, 2022, as below:

i) Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii) Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that 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.

iv) Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

v) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove The illustration of The reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

These amendments have no significant impact on the restated consolidated financial statements of the group.

5 First-time adoption of Ind-AS

These consolidated financial statements are the first set of Ind AS consolidated financial statements prepared by the group. Accordingly, the group has prepared consolidated financial statements which comply with Ind AS applicable for year ending on 31 March 2022, together with the comparative year data as at and for the year ended 31 March 2021, as described in the significant accounting policies. In preparing these consolidated financial statements, the group's opening balance sheet was prepared as at 1 April 2020, being the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at 1 April 2020 and the consolidated financial statements as at and for the year ended 31 March 2021.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has accordingly applied the following exemptions.

(a) Deemed Cost¤

Since there is no change in the functional currency, the group has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP consolidated financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Decommissioning liabilities included in the cost of property, plant and equipment

Appendix A of Ind AS 16, Changes in Existing Decommissioning, Restoration and Similar Liabilities, requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The group is not required to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

(c) Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32, Financial Instruments: Presentation, retrospectively to split the liability and equity components of the instrument.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with Indian GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:
(i) Impairment of financial assets based on expected credit loss model.
(ii) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Annexure 5 : Summary of Significant accounting policies and other explanatory information
(Amount in Rupees million except per share data and unless otherwise stated)

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) **Effect of Ind AS on Balance Sheet**
Reconcilation of Balance sheet as on March 31, 2021

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	1	1,973.37	7.39	1,980.76
Capital work-in-progress		20.69	-	20.69
Goodwill		211.62	-	211.62
Other intangible assets		51.19	-	51.19
Financial assets				
Investments		1.88	-	1.88
Other financial assets	2 & 7	18.68	4.40	23.08
Deferred Tax Asset	3	13.86	1.59	15.45
Other non-current assets		16.26	-	16.26
Total non-current assets		2,307.55	13.38	2,320.93
Current assets				
Inventories		794.14	-	794.14
Financial assets		0.00	-	0.00
Trade receivables	6	709.50	(26.35)	683.15
Cash and cash equivalents		543.25	-	543.25
Bank balances other than cash and cash equivalent		635.96	-	635.96
Loans		0.00	-	0.00
Other financial assets	2 & 7	23.14	1.85	24.99
Current tax assets (net)		4.30	(3.02)	1.28
Other current assets		116.00	-	116.00
Total current assets		2,826.29	(27.52)	2,798.77
Total assets		5,133.84	(14.14)	5,119.70
EQUITY AND LIABILITIES				
Equity				
Equity share capital		146.25	-	146.25
Instruments entirely equity in nature		108.18	-	108.18
Other equity	1 to 9	2,768.99	(30.82)	2,738.17
Non Controlling Interest		28.65	-	28.65
Total equity		3,052.07	(30.82)	3,021.25
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	8	455.24	(0.44)	454.80
Lease Liabilities	1	55.41	13.07	68.48
Deferred tax liabilities (net)	3	53.41	0.21	53.62
Provisions		71.75		71.75
Total non-current liabilities		635.81	12.84	648.65
Current liabilities				
Financial liabilities				
Borrowings	8	466.02	(1.30)	464.72
Lease Liabilities	1	66.17	5.14	71.31
Trade payables		0.00		0.00
i)total outstanding dues of micro enterprises and small enterprises		10.16	-	10.16
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		611.30	-	611.30
Other financial liabilities		112.99	-	112.99
Other current liabilities		110.82	-	110.82
Provisions		49.41	-	49.41
Current tax liabilities (net)		19.09	-	19.09
Total current liabilities		1,445.96	3.84	1,449.80
Total liabilities		2,081.77	16.68	2,098.45
Total equity and liabilities		5,133.84	(14.14)	5,119.70

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) **Effect of Ind AS on Balance Sheet**
Reconcilation of Balance sheet as on March 31, 2020

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	1	1,504.15	29.85	1,534.00
Capital work-in-progress		316.31	-	316.31
Goodwill		211.23	-	211.23
Other intangible assets		61.22	-	61.22
Financial assets		0.00	-	0.00
Investments		1.69	-	1.69
Other financial assets	2 & 7	3.41	6.22	9.63
Deferred Tax Asset	3	6.11	2.26	8.37
Other non-current assets		12.40	-	12.40
Total non-current assets		2,116.52	38.33	2,154.85

Current assets				
Inventories		733.67	-	733.67
Financial assets		0.00	-	0.00
Trade receivables	6	640.03	(28.30)	611.73
Cash and cash equivalents		428.44	-	428.44
Bank balances other than cash and cash equivalent		745.88	-	745.88
Loans		39.45	-	39.45
Other financial assets	2 & 7	28.55	1.31	29.86
Current tax assets (net)		11.55	-	11.55
Other current assets		140.58	(3.02)	137.56
Total current assets		2,768.15	(30.01)	2,738.14
Total assets		4,884.67	8.32	4,892.99
EQUITY AND LIABILITIES				
Equity				
Equity share capital		146.25	-	146.25
Insturments entriely equity in nature		129.23	-	129.23
Other equity	1 to 9	2,596.22	(32.59)	2,563.63
Non Controlling Interest		14.49	-	14.49
Total equity		2,886.19	(32.59)	2,853.60
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	8	320.16	(1.74)	318.42
Lease Liabilities	1	92.99	39.16	132.15
Deferred tax liabilities (net)	3	51.54	0.11	51.65
Provisions		64.21	-	64.21
Total non-current liabilities		528.90	37.53	566.43
Current liabilities				
Financial liabilities				
Borrowings	8	500.45	(1.01)	499.44
Lease Liabilities	1	81.38	4.39	85.77
Trade payables		0.00	-	0.00
i)total outstanding dues of micro enterprises and small enterprises		19.97	-	19.97
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		497.94	-	497.94
Other financial liabilities		226.91	-	226.91
Other current liabilities		100.81	-	100.81
Provisions		42.12	-	42.12
Current tax liabilities (net)		0.00		0.00
Total current liabilities		1,469.58	3.38	1,472.96
Total liabilities		1,998.48	40.91	2,039.39
Total equity and liabilities		4,884.67	8.32	4,892.99

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) **Reconciliation of profit or loss for the year ended 31 March 2021**

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations	9	3,904.27	(4.71)	3,899.56
Other income	2 & 7	124.65	0.71	125.36
Total income		4,028.92	(4.00)	4,024.92
Expenses				
Cost of material consumed		1,488.66	-	1,488.66
Purchase of Stock-in-trade		62.78	-	62.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress		10.95	-	10.95
Employee benefit expense	4	1,150.75	(1.55)	1,149.20
Finance costs	1 & 8	28.93	2.78	31.71
Depreciation and amortization expense	1	186.84	24.03	210.87
Other expenses	1, 5 & 6	662.27	(49.15)	613.12
Total expenses		3,591.18	(23.89)	3,567.29
Profit /(Loss) before share of profit/(Loss) of an associate and tax		437.74	19.89	457.63
Share of profit/(loss) of an associate		0.33	-	0.33
Profit/(loss) before tax		438.07	19.89	457.96
Tax expense				
Current tax		(102.09)	-	(102.09)
Deferred tax	3	4.37	(0.84)	3.53
Total income tax expense		(97.72)	(0.84)	(98.56)
Profit/(Loss) for the year from continuing operations		340.35	19.05	359.40
Other comprehensive income				

Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		24.06	-	24.06
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) of gratuity	4	-	(1.55)	(1.55)
Income tax effect	3	-	0.08	0.08
		-	(1.47)	(1.47)
Other comprehensive income for the year		24.06	(1.47)	22.59
Total other comprehensive income for the year		364.41	17.58	381.99

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) **Reconciliation of profit or loss for the year ended 31 March 2020**

	Notes to first-time adoption	**Indian GAAP***	**Adjustments**	**Ind AS**
Income				
Revenue from operations		4,006.93	-	4,006.93
Other income	2 & 7	87.26	(0.45)	86.81
Total income		4,094.19	(0.45)	4,093.74
Expenses				
Cost of material consumed		1,610.92	-	1,610.92
Purchase of Stock-in-trade		50.72	-	50.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(28.48)	-	(28.48)
Employee benefit expense	4	1,134.98	(5.11)	1,129.87
Finance costs	1 & 8	35.15	4.83	39.98
Depreciation and amortization expense	1	181.58	58.76	240.34
Other expenses	1 & 6	685.97	(38.62)	647.35
Total expenses		3,670.84	19.86	3,690.70
Profit /(Loss) before share of profit/(Loss) of an associate and tax		423.35	(20.31)	403.04
Share of profit/(loss) of an associate		0.15	0.00	0.15
Profit/(loss) before tax		423.50	(20.31)	403.19
Tax expense				
Current tax		(94.53)	-	(94.53)
Previous year tax expense		-	-	-
Deferred tax	3	5.21	1.60	6.81
Total income tax expense		(89.32)	1.60	(87.72)
Profit/(Loss) for the year from continuing operations		334.18	**(18.71)**	**315.47**
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**2.31**	**-**	**2.31**
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) of gratuity	4	-	(5.11)	(5.11)
Income tax effect	3	-	1.25	1.25
Other comprehensive income for the year		**2.31**	**(3.86)**	**(1.55)**
Total other comprehensive income for the year		**336.49**	**(22.57)**	**313.92**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total equity as at 31 March 2021, 31 March 2020 and 1 April 2019	**As at 31 March 2021**	**As at 31 March 2020**	**As at 01 April 2019**
Shareholder's equity as per Indian GAAP financial statements	2,768.99	2,596.22	2,277.64
- Impact of Leaseses pursuant to Ind AS 116	(13.50)	(15.10)	(9.95)
- Impact of Credit Impairment on Accounts Receivable & Deferred Tax thererof Pusuant to Ind AS 109	(16.73)	(18.47)	-
- Impact of Effective Rate of Interest on Borrowings	(1.28)	(0.27)	-
- Impact of Actuarial gain/loss on OCI pursuant to Ind AS 19	0.69	1.25	-
Balance of Reserve as per Ind AS	**2,738.17**	**2,563.63**	**2,267.69**

Reconciliation of total comprehensive income for the year	**As at 31 March 2021**	**As at 31 March 2020**
Net Profit after tax as per IGAAP	364.41	336.49
Adjustment		
- Impact of Leaseses pursuant to Ind AS 116	1.59	(5.15)
- Impact of Credit Impairment on Accounts Receivable	1.75	(18.41)
- Impact of Effective Rate of Interest on Borrowings	(1.01)	(0.27)
- Impact of Tax on Buy Back	15.81	-
Total Adjustments	**18.14**	**(23.83)**
Other Comprhensive Income		
- Impact of Actuarial gain/loss on OCI pursuant to Ind AS 19	(0.56)	1.25
Total Other Comprehenstive Income	**(0.56)**	**1.25**
Total Comprehensive Income as per Ind AS	381.99	313.92

Note Reference in Reconcilaition

1 Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

2 Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of contract.

3 Under the Indian GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base.

4 Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

5 Under the Indian GAAP, tax on buy back was debited to profit and loss account. Under IND AS, transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Accordinlgy, tax on buyback is debited to equity

6 Under the India GAAP, provision for bad and doubtful debts trade receivable were made as per Group policy and ageing of trade receivable. Under IND AS, provision for trade receivable is considered basis expected credit loss model based on provision matrix.

7 Under the Indian GAAP, lease rental incomes were accounted as income in the statement of profit and loss. Under Ind AS, Finance lease asset and reduction of Asset is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance Income is accrued on lease Asset and lease receipts are recorded by way of reduction in lease Asset. Depreciation cost earlier incurred on PPE are now avoided on account of deletion of PPE.

8 Under Indian GAAP, the transaction costs related to borrowings were recognised upfront on disbursal and amortised over a period of loan in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest rate method in the statement of profit and loss.

9 Under Ind AS Discount on Sale is shown as deduction from revenue as compared to IGAAP where it was classified under Other Expense.

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

6 Property, Plant and Equipment

	Gross block					Depreciation					Net block
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 30 September 2022	As at 1 April 2022	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at30 September 2022	As at30 September 2022
Plant and Machinery	953.08	43.55	(19.37)	(140.28)	836.98	173.01	62.53	(19.37)	(15.41)	200.77	636.21
Right of Use Asset	375.73	-	-	(6.78)	368.95	199.33	25.24	-	(7.52)	217.05	151.90
Buildings	913.95	0.74	-	0.65	915.34	85.61	5.94	-	0.78	92.33	823.01
Land	61.60	-	-	(5.49)	56.11	-	-	-	-	-	56.11
Furniture and Fixtures	68.60	5.05	(0.43)	(4.46)	68.76	30.18	9.86	(0.43)	(1.93)	37.68	31.08
Vehicles	34.34	5.29	(2.53)	(1.15)	35.95	9.80	2.82	(2.53)	0.74	10.83	25.12
Leasehold Land	13.53	-	-	0.03	13.56	1.98	0.77	-	(0.12)	2.63	10.93
Computers	19.80	3.07	-	1.21	24.08	5.60	2.53	-	1.24	9.37	14.71
Office Equipment	11.71	0.12	(0.41)	0.18	11.60	3.29	0.83	-	0.19	4.31	7.29
Total	2,452.34	57.82	(22.74)	(156.09)	2,331.33	508.80	110.52	(22.33)	(22.02)	574.97	1,756.36

	Gross block					Depreciation					Net block
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2022	As at31 March 2022
Plant and Machinery	890.67	141.12	(59.17)	(19.54)	953.08	159.77	77.18	(57.38)	(6.56)	173.01	780.07
Right of Use Asset	376.99	0.50	-	(1.76)	375.73	160.98	36.78	-	1.57	199.33	176.40
Buildings	921.52	9.92	-	(17.49)	913.95	51.66	35.75	-	(1.80)	85.61	828.34
Land	63.02	-	-	(1.42)	61.60	-	-	-	-	-	61.60
Furniture and Fixtures	75.02	5.80	(11.10)	(1.12)	68.60	19.38	22.28	(10.76)	(0.72)	30.18	38.42
Vehicles	25.55	11.30	(1.74)	(0.77)	34.34	7.12	4.54	(1.74)	(0.12)	9.80	24.54
Leasehold Land	11.16	2.37	-	-	13.53	0.37	1.61	-	-	1.98	11.55
Computers	10.03	10.41	(0.64)	-	19.80	2.97	3.26	(0.63)	-	5.60	14.20
Office Equipment	10.27	1.44	-	-	11.71	1.22	2.07	-	-	3.29	8.42
Total	2,384.23	182.86	(72.65)	(42.10)	2,452.34	403.47	183.47	(70.51)	(7.63)	508.80	1,943.54

	Gross block					Depreciation					Net block
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2021	As at31 March 2021
Plant and Machinery	755.12	129.66	(9.08)	14.97	890.67	87.75	75.65	(9.07)	5.44	159.77	730.90
Right of Use Asset	373.64	1.56	-	1.79	376.99	97.64	68.96	-	(5.62)	160.98	216.01
Buildings	504.92	419.33	-	(2.73)	921.52	21.96	30.11	-	(0.41)	51.66	869.86
Land	61.57	-	-	1.45	63.02	-	-	-	-	-	63.02
Furniture and Fixtures	23.06	53.59	-	(1.63)	75.02	6.57	13.16	-	(0.35)	19.38	55.64
Vehicles	21.15	7.69	(3.51)	0.22	25.55	4.77	5.60	(3.29)	0.04	7.12	18.43
Leasehold Land	6.53	4.63	-	-	11.16	0.11	0.26	-	-	0.37	10.79
Computers	6.21	5.27	(1.45)	-	10.03	2.42	1.97	(1.42)	-	2.97	7.06
Office Equipment	3.72	6.54	0.01	-	10.27	0.70	0.52	-	-	1.22	9.05
Total	1,755.92	628.27	(14.03)	14.07	2,384.23	221.92	196.23	(13.78)	(0.90)	403.47	1,980.76

	Gross block					Depreciation					Net block
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2020	As at31 March 2020
Plant and Machinery	671.00	86.19	(0.73)	(1.34)	755.12	-	84.56	(0.70)	3.89	87.75	667.37
Right of Use Asset	276.51	98.10	-	(0.97)	373.64	-	98.66	-	(1.02)	97.64	276.00
Buildings	495.78	9.46	-	(0.32)	504.92	-	22.19	-	(0.23)	21.96	482.96
Land	61.62	-	-	(0.05)	61.57	-	-	-	-	-	61.57
Furniture and Fixtures	17.34	6.48	(0.71)	(0.05)	23.06	-	7.32	(0.71)	(0.04)	6.57	16.49
Vehicles	18.81	5.09	(2.72)	(0.03)	21.15	-	5.31	(0.51)	(0.03)	4.77	16.38
Leasehold Land	6.53	-	-	-	6.53	-	0.11	-	-	0.11	6.42
Computers	5.37	0.84	-	-	6.21	-	2.42	-	-	2.42	3.79
Office Equipment	3.58	0.13	0.01	-	3.72	-	0.70	-	-	0.70	3.02
Total	1,556.54	206.29	(4.15)	(2.76)	1,755.92	-	221.27	(1.92)	2.57	221.92	1,534.00

7 **Capital Work-in-Progress -**

	As at 1 April 2022	Additions	Capitalized during the year	Foreign currency translation reserve	As at 30 September 2022
Capital Work in Progress	51.34	52.03	(23.77)	(5.68)	73.92

	As at 1 April 2021	Additions	Capitalized during the year	Foreign currency translation reserve	As at 31 March 2022
Capital Work in Progress	20.69	184.89	(152.35)	(1.89)	51.34

	As at 1 April 2020	Additions	Capitalized during the year	Foreign currency translation reserve	As at 31 March 2021
Capital Work in Progress	316.31	241.83	(555.83)	18.38	20.69

	As at 1 April 2019	Additions	Capitalized during the year	Foreign currency translation reserve	As at 31 March 2020
Capital Work in Progress	14.81	373.59	(68.42)	(3.67)	316.31

8 **Intangible Assets under development**

	As at 1 April 2022	Additions	Capitalized during the year	Foreign currency translation reserve	As at30 September 2022
Intangible Assets under development	-	5.05	-	-	5.05

9 Other intangible assets

	Gross block					Amortisation					Net block
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 30 September 2022	As at 1 April 2022	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at30 September 2022	As at30 September 2022
Computer Software	20.28	1.25	-	(0.82)	20.71	12.84	1.48	-	(0.52)	13.80	6.91
Technical knowhow	70.52	-	-	(2.62)	67.90	36.03	6.19	-	(2.13)	40.09	27.81
Patents & Trademark	0.19	-	-	-	0.19	0.10	0.02	-	-	0.12	0.07
Total	90.99	1.25	-	(3.44)	88.80	48.97	7.69	-	(2.65)	54.01	34.79

	Gross block					Amortisation					Net block
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2022	As at31 March 2022
Computer Software	18.20	2.52	(0.21)	(0.23)	20.28	8.65	4.34	-	(0.15)	12.84	7.44
Technical knowhow	66.21	5.63	(0.42)	(0.90)	70.52	24.71	11.94	-	(0.62)	36.03	34.49
Patents & Trademark	0.19	-	-	-	0.19	0.05	0.05	-	-	0.10	0.09
Total	84.60	8.15	(0.63)	(1.13)	90.99	33.41	16.33	-	(0.77)	48.97	42.02

	Gross block					Amortisation					Net block
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2021	As at31 March 2021
Computer Software	15.84	2.28	-	0.08	18.20	5.40	3.27	-	(0.02)	8.65	9.55
Technical knowhow	64.16	1.44	-	0.62	66.21	13.55	11.34		(0.18)	24.71	41.50
Patents & Trademark	0.19	-	-	-	0.19	0.02	0.03	-	-	0.05	0.14
Total	80.19	3.72	-	0.70	84.60	18.97	14.64	-	(0.20)	33.41	51.19

	Gross block					Amortisation					Net block
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	Foreign currency translation reserve	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	Foreign currency translation reserve	As at31 March 2020	As at31 March 2020
Computer Software	15.36	0.49	-	(0.01)	15.84	-	5.43	-	(0.03)	5.40	10.44
Technical knowhow	48.87	15.39	-	(0.10)	64.16	-	13.62	-	(0.07)	13.55	50.61
Patents & Trademark	0.12	0.07	-	-	0.19	-	0.02	-		0.02	0.17
Total	64.35	15.95	-	(0.11)	80.19	-	19.07	-	(0.10)	18.97	61.22

(Amount in Rupees million except per share data and unless otherwise stated)

10 Goodwill

	Amount
As at 1 April 2019	**211.41**
Additions	-
Net exchange difference	0.18
As at 31 March 2020	**211.23**
Additions	23.14
Less: Impairment	(23.14)
Net exchange difference	0.39
As at 31 March 2021	**211.62**
Additions	-
Net exchange difference	(1.05)
As at 31 March 2022	**210.57**
Additions	
Net exchange difference	(5.11)
As at 30 September 2022	**205.46**

10.1 Impairment test for goodwill

Goodwill is tested for impairment annually. The recoverable amount of each cash generating unit (subsidiary) is determined based on value-in-use calculations. The calculations use cash flow projections based on financial budgets approved by management covering a detailed five-year period. Cash flows beyond the five year period are extrapolated using a estimated growth rate determined by management as stated below.

The present value of the expected cash flows of is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific.

Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the cash generating unit
These growth rates are consistent with forecasts included in industry reports specific to the industry in which each cash generating unit operates.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

11 **Financial Assets- Investments**

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Unquoted equity shares				
Investment in Associate	1.80	2.08	1.88	1.69
Total (equity instruments)	**1.80**	**2.08**	**1.88**	**1.69**
Current	-	-	-	-
Non- Current	1.80	2.08	1.88	1.69
	1.80	2.08	1.88	1.69
Aggregate book value of:				
Quoted investments		-	-	-
Unquoted investments	1.80	2.08	1.88	1.69

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
12 Other financial assets				
Security Deposits	4.28	2.69	2.89	3.20
Fixed Deposit with maturity for more than 12 months from the balance sheet date	-	28.37	15.00	-
Lease receivables	2.53	3.56	5.19	6.43
	6.81	**34.62**	**23.08**	**9.63**

13 Other non-current assets	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Capital advance*	2.64	2.45	5.92	3.35
Prepaid expense	0.57	0.59	0.65	2.26
Gratuity Plan Assets	3.88	4.16	3.24	1.88
Balance with Government authorities	4.91	4.91	6.45	4.91
Total other non-current other assets	**12.00**	**12.11**	**16.26**	**12.40**

* The estimated amount of contracts remaining to be executed on capital account and not provided for as at September 30, 2022 Rs. 9.05 Milliion (net of advance of Rs, 2.64 Million) [31 March 2022 is Rs. 1.18 Million (net of advance of Rs. 2.45 Million)], [31 March 2021 is Rs. 12.45 Million (net of advance of Rs. 5.92 Million) [31 March 2020: Rs. 44.78 Million (net of advance of Rs. 3.35 Million)].

14 Inventories

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Raw Material (At cost less impairment provision, wherever required)	937.00	865.87	543.15	451.87
Work in progress in stock (At lower of cost and net realisable value)	235.71	251.91	158.28	145.36
Finished & Traded goods in stock (At lower of cost and net realisable value)	226.17	158.23	84.30	108.17
Store and spares parts including packing material (At cost)	7.74	8.16	8.41	28.27
	1,406.62	**1,284.17**	**794.14**	**733.67**

During the period ended 30 September 2022 Rs. 28.39 million [31 March 2022: 20.42 million, 31 March 2021: (5.50) million, 31 March 2020 10.86 million] was recognised as expense/ (reversal of expense) for inventories carried at net realisable value & Slow moving.

(Amount in Rupees million except per share data and unless otherwise stated)

15 **Trade receivable**

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Secured, considered good	903.77	799.79	683.15	611.73
Unsecured Considered good				
Receivables which have significant increase in Credit Risk	2.57	7.56	24.00	24.36
Less : Allowance for bad and doubtful debts	(2.57)	(7.56)	(24.00)	(24.36)
Credit impaired	4.77	5.40	24.51	26.80
Less : Allowance for bad and doubtful debts	(4.77)	(5.40)	(24.51)	(26.80)
	903.77	799.79	683.15	611.73
Further classified as:				
Receivable from related parties (Refer Note 44)	7.22	4.60	4.58	6.28
Receivable from others	896.56	795.19	678.57	605.45
	903.77	799.79	683.15	611.73

30 September 2022	Current						
		Outstanding for following periods from due date of Receipts					
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	469.82	432.22	0.75	0.95	0.03	-	**903.77**
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	1.38	1.19	-	-	**2.57**
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.18	1.28	1.02	2.29	**4.77**
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(1.56)	(2.47)	(1.02)	(2.29)	**(7.34)**
Total	469.82	432.22	0.75	0.95	0.03	-	**903.77**

31 March 2022	Current						
		Outstanding for following periods from due date of Receipts					
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	617.71	121.44	60.64	-	-	-	**799.79**
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	7.07	0.49	-	-	**7.56**
(iii) Undisputed Trade Receivables - credit impaired	-	-	1.46	0.48	0.91	2.55	**5.40**
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-		**-**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(8.53)	(0.97)	(0.91)	(2.55)	**(12.96)**
Total	**617.71**	**121.44**	**60.64**	**-**	**-**	**-**	**799.79**

31 March 2021	Current						
		Outstanding for following periods from due date of Receipts					
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	535.12	91.75	54.93	1.35		-	**683.15**
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-		6.94	0.49	0.11	16.46	**24.00**
(iii) Undisputed Trade Receivables - credit impaired	-	18.98	0.27	0.30	1.56	3.40	**24.51**
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-		**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	(18.98)	(7.21)	(0.79)	(1.67)	(19.86)	**(48.51)**
Total	**535.12**	**91.75**	**54.93**	**1.35**	**-**	**-**	**683.15**

31 March 2020	Current						
Particulars		Outstanding for following periods from due date of Receipts					
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	436.66	143.06	30.33	1.68	0.00	-	611.73
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	0.24	7.99	-	16.13	-	24.36
(iii) Undisputed Trade Receivables - credit impaired	-	6.32	1.21	-	1.15	18.12	26.80
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	(6.56)	(9.20)	-	(17.28)	(18.12)	(51.16)
Total	**436.66**	**143.06**	**30.33**	**1.68**	**-**	**-**	**611.73**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

16 Cash and cash equivalents	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Balances with banks:				
In current accounts	240.77	202.39	429.67	345.02
In EEFC accounts	12.45	20.10	11.68	67.94
In social security fund account	4.12	12.50	11.92	13.08
Fixed deposits with original maturity of less than 3 months	331.20	227.42	89.48	1.93
Cash in hand	0.51	0.00	0.50	0.47
	589.05	**462.41**	**543.25**	**428.44**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash and cash equivalents	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Balances with banks:				
On current and EEFC accounts & social security fund account	257.34	234.99	453.27	426.04
Fixed deposits with original maturity of less than 3 months	331.20	227.42	89.48	1.93
Cash on hand	0.51	0.00	0.50	0.47
	589.05	**462.41**	**543.25**	**428.44**

17 Bank balances other than Cash and cash equivalent	30 September 2022	31 March 2022	31 March 2021	31 March 2020
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	467.66	588.88	635.96	745.88
	467.66	**588.88**	**635.96**	**745.88**

18 Current Loans	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Unsecured - Considered Good				
Loan to related party	-	-	-	39.45
	-	**-**	**-**	**39.45**

19 Other financial assets	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Security Deposits	7.92	13.89	7.68	3.97
Interest accrued on fixed deposits	8.89	8.38	11.15	21.49
Lease receivable	1.41	1.51	1.39	1.23
Other receivable	0.87	0.33	4.77	3.17
	19.09	**24.11**	**24.99**	**29.86**

20 Current tax assets	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Advance income tax (Net of provision)	-	4.95	1.28	11.55
	-	**4.95**	**1.28**	**11.55**

21 Other current assets	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Advance recoverable from employees	1.04	2.42	0.67	3.08
Advance to suppliers	31.40	42.48	38.22	27.71
Prepaid Expenses	37.06	11.93	8.49	6.97
Balance with government authorities	86.09	104.18	68.62	99.80
	155.59	**161.01**	**116.00**	**137.56**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

22 Share capital

(A) Ordinary Equity shares

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Authorized				
30,181,670 (March 31, 2022 : 17,000,000; March 31, 2021 : 17,000,000; April 01, 2020 : 17,000,000) Ordinary equity shares of Rs. 10 each	301.82	170.00	170.00	170.00
	301.82	**170.00**	**170.00**	**170.00**
Issued, subscribed and paid up				
29,250,400 (March 31, 2022 : 14,625,100; March 31, 2021 : 14,625,100; April 01, 2020 : 14,625,100) Ordinary equity shares of Rs. 10 each	292.50	146.25	146.25	146.25

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	14,625,100	146.25	14,625,100	146.25	14,625,100	146.25	14,625,100	146.25
Add : Class A Equity shares coverted into Ordinatry Equiity shares	100	0.00	-	-	-	-	-	-
Add: Bonus shares issued during the period*	14,625,200	146.25	-	-	-	-	-	-
Outstanding at the end of the year	29,250,400	292.50	14,625,100	146.25	14,625,100	146.25	14,625,100	146.25

*During the period ended September 30, 2022, Board of directors of holding company have proposed the bonus issue of shares in the ratio of 1:1 vide it's meeting held on September 21, 2022. The Members have approved the scheme of bonus issue by way of Special Resolution passed in the Extra Ordinary General Meeting held on September 21, 2022. Further there is also coversion of Class A Equity shares 100 Numbers of 10 each into ordinary equity shares and for these shares, bonus shares are also issued in the ratio of 1:1.

Note: The amount reported as 0.00 above is below the rounding off threshold.

(ii) Rights, preferences and restrictions attached to shares

These shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends, if any declared is payable in Indian Rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
Name of the shareholder	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Mr. Narendra Goliya	16,262,098	55.60	11,741,249	80.28	11,741,249	80.28	11,741,249	80.28
Mrs. Asha N. Goliya	4,500,000	15.38	2,250,000	15.28	2,250,000	15.28	2,250,000	15.28
Rishabh Family Trust	3,600,000	12.31	-	-	-	-	-	-
Anushree Family Trust	3,600,000	12.31	-	-	-	-	-	-
Total	**27,962,098**	**95.60**	**13,991,249**		**13,991,249**		**13,991,249.00**	

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Details of Shares held by Promoters & Promoter Group at the end of the year

Promoter & Promotor Group	30 September 2022			
	Number Of Shares	% of total shares	% Change during the year	Remark
Ordinary Shares -				
Mr. Narendra Goliya	16,262,098	55.60%	-30.75%	M. Narendra Goliya has gited his shares to Rishab Family Trust and Anushree Family Trust
Mrs. Asha Narendra Goliya	4,500,000	15.38%	0.00%	
Mr. Rishabh Narendra Goliya	750,000	2.56%	0.00%	
Narendra Rishabh Goliya, HUF	517,500	1.77%	0.00%	
Ms.Anushree Goliya jointly held with Mr. Narendra Goliya	2	0.00%	0.00%	
Ivaan Foundation	20,000	0.07%	100.00%	
Rishabh Family Trust	3,600,000	12.31%	100.00%	Shares Received as a gift from Mr. Narendra Goliya
Anushree Family Trust	3,600,000	12.31%	100.00%	Shares Received as a gift from Mr. Narendra Goliya
Mohini Goliya	400	0.00%	100.00%	Shares Received as a gift from Mr. Narendra Goliya
	29,250,000	100.00%		

Promoter & Promotor Group	31 March 2022			31 March 2021			31 March 2020		
	Number Of Shares	% of total shares	% Change during the year	Number Of Shares	% of total shares	% Change during the year	Number Of Shares	% of total shares	% Change during the year
Ordinary Shares -									
Mr. Narendra Goliya jointly held with Mrs. Asha Goliya	11,741,249	80.28%	-	11,741,249	80.28%	-	11,741,249	80.28%	-
Mrs. Asha Narendra Goliya jointly held with Mr. Narendra Goliya	2,250,000	15.38%	-	2,250,000	15.38%	-	2,250,000	15.38%	-
Mr. Rishabh Goliya jointly with Mr. Narendra Goliya	375,000	2.56%	-	375,000	2.56%	-	375,000	2.56%	-
Narendra Rishabh Goliya, HUF	258,750	1.77%	-	258,750	1.77%	-	258,750	1.77%	-
Ms.Anushree Goliya jointly held with Mr. Narendra Goliya	1.00	0.00%	-	1	0.00%	-	1	0.00%	-
	14,625,000	99.99%		**14,625,000**	99.99%		**14,625,000**	99.99%	

(B) Class A Equity shares

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
<u>**Authorized**</u>				
Nil (31 March 2022 : 10,000, 31 March 2021 : 10,000; 31 March 2020 : 10,000) Class A equity shares of Rs. 10 each	-	0.10	0.10	0.10
	-	**0.10**	**0.10**	**0.10**
<u>**Issued, subscribed and paid up**</u>				
Nil (31 March 2022 : 10,000, 31 March 2021 : 10,000; 31 March 2020 : 10,000) Class A equity shares of Rs. 10 each	-	0.00	0.00	0.00
	-	**0.00**	**0.00**	**0.00**

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	100	0.00	100	0.00	100	0.00	100	0.00
Add: Issued / (conversion) during the period*	(100)	(0.00)	-	-	-	-	-	-
Outstanding at the end of the year	-	-	100	0.00	100	0.00	100	0.00

*During the period ended Septmeber 30, 2022, the board of directors of holding company has proposed to convert Class A equity shares into ordinary equity shares vide it's meeting held on September 08, 2022. The memebers have approved the coversion in Extra Ordinary General Meeting held on September 13, 2022.

(ii) Rights, preferences and restrictions attached to shares

These shares having par value of Rs. 10 per share. Shareholder is entitled to differential voting right in accordance with the shareholders agreement. They are entitle to the to preferentially participate in dividends , if any declared is payable in Indian Rupees. In the event of liquidation of the company, the holders of Class A equity shares will be entitled to receive remaining assets of the company, to the preference over ordinary equity shares. The distribution will be in accordance with the shareholders agreement.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
SACEF - II	-	-	100	100.00	100	100.00	100	100.00

(C) Instruments entirely equity in nature

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Authorized				
36,06,110 (31 March 2022 : 4,330,000, 31 March 2021 : 4,330,000 : 31 March 2020 : 43,30,000) Compulsorily Convertible Preference shares of Rs. 30 each.	108.18	129.90	129.90	129.90
	108.18	**129.90**	**129.90**	**129.90**
Issued, subscribed and paid up				
3,606,110 (31 March 2022 : 36,06,110, 31 March 2021 : 36,06,110; 31 March 2020 : 43,07,669) Compulsorily Convertible Preference shares of Rs. 30 each	108.18	108.18	108.18	129.23
	108.18	**108.18**	**108.18**	**129.23**

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
	Number of shares	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Outstanding at the beginning of the year	3,606,110	108.18	3,606,110	108.18	4,307,669	129.23	4,307,669	129.23
Less : CCPS bought back	-	-	-	0.00	-701,559	(21.05)	-	-
Outstanding at the end of the year	3,606,110	108.18	3,606,110	108.18	3,606,110	108.18	4,307,669	129.23

(ii) Rights, preferences and restrictions attached to shares

During the year ended March 31, 2014, the company had issued 4,307,669 CCPS of Rs. 30 each fully paid-up at a premium of Rs. 144.10 per share. CCPS carry cumulative dividend @ 0.001% p.a. The company declares and pays dividends in Indian rupees. Each holder of CCPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to CCPS.

Each holder of CCPS can opt to convert its preference shares into equity share up to the end of 18th year from the date of issue, viz., September 16, 2013. If the holder exercises its conversion option, the Company will issue one equity share for each preference share held.

If CCPS holders do not exercise conversion option, all CCPS will compulsorily convert into equity shares at the end of 18th year from the date of issue. In the event of liquidation of the Company before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

The Board of Directors in the Board Meeting dated October 23, 2020 have approved a scheme for buyback of CCPS did buyback of 7,01,559 CCPS at the price of 270.83 per share.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
Name of the shareholder	**Number of shares**	**% of holding in the class**	**Number of shares**	**% of holding in the class**	**Number of shares**	**% of holding in the class**	**Number of shares**	**% of holding in the class**
SACEF - II	3,606,110	100.00	3,606,110	100.00	3,606,110	100.00	4,307,669	100.00

(iv) Compulsory Convertible Preference Share

	30 September 2022	31 March 2022	31 March 2021	1 April 2020
Outstanding at the beginning of the year	108.18	108.18	129.23	129.23
Less : Preference shares bought back during the year	-	-	(21.05)	-
Balance at the end of the year	108.18	108.18	108.18	129.23

(D) No class of shares for consideration other than cash by the Company during the period of five years immediately preceding the current year end. Company have issued bonus share in the period ended September 30, 2022.

Note: Amounts reported as 0.00 in the aboves schedules are the amounts which are below the rounding off thresholds

23 Other equity

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Securities premium	290.71	436.96	436.96	621.73
General reserve	177.84	175.56	172.99	191.03
Surplus in the Statement of Profit and Loss	2,644.08	2,504.12	2,058.10	1,722.61
Capital Redemption Reserve	24.33	24.33	24.33	3.28
ESOP Reserve	11.82	11.82	11.82	11.55
Exchange difference on translating the financial statements of a foreign operation	(129.32)	(12.35)	24.61	2.60
Remeasurement gains on defined benefit plans [Net of Taxes]	(5.32)	(4.68)	(5.33)	(3.86)
Capital Reserve	14.69	14.69	14.69	14.69
	3,028.83	**3,150.45**	**2,738.17**	**2,563.63**

(A) Securities premium (SP)

Opening balance	436.96	436.96	621.73	621.73
Less: Premium upon Buy back of CCPS	-	-	(168.96)	-
Less: Taxes paid on Buy back	-	-	(15.81)	-
Less: Bonus Issued though securities peremium during the period.	(146.25)			
Closing balance	**290.71**	**436.96**	**436.96**	**621.73**

(B) General reserve (GR)

Opening balance	175.56	172.99	191.03	187.91
Less: Amount equal to nominal vale of CCPS transferred to Capital Redemption Reserve	-	-	(21.05)	-
Add : Transfer from Surplus balance in statement of Profit & Loss	2.28	2.57	3.01	3.12
Closing balance	**177.84**	**175.56**	**172.99**	**191.03**

(C) Surplus/(deficit) in the Statement of Profit and Loss

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Opening balance	2,504.12	2,058.10	1,722.61	1,384.91
Impacts of changes in accounting policy owing to first time adoption of Ind As			-	44.86
Less: Transfer to General Reserve	(2.28)	(2.57)	(3.01)	(3.12)
Add: Net Profit / (loss) for the current year	154.82	470.64	347.29	303.93
Less: Appropriations				
Dividend on preference share	(0.00)	(0.00)	(0.00)	(0.00)
Dividend on equity share	(2.06)	(10.73)	(8.79)	(7.97)
Others	(10.52)	-	-	-
Less: Transfer on Acquisition of NCI	-	(11.32)	-	-
Closing balance	**2,644.08**	**2,504.12**	**2,058.10**	**1,722.61**

(D)	Capital Redemption Reserve	30 September 2022	31 March 2022	31 March 2021	31 March 2020
	-As at beginning of year	24.33	24.33	3.28	3.28
	Add: Amount equal to nominal value of CCPS transferred from General reserve	-	-	21.05	-
	Closing balance	**24.33**	**24.33**	**24.33**	**3.28**

(E)	Employee Stock Option Reserve Outstanding	30 September 2022	31 March 2022	31 March 2021	31 March 2020
	Opening Balance	11.82	11.82	11.55	10.29
	Add: Expense during the year	-	-	0.27	1.26
	Closing Balance	**11.82**	**11.82**	**11.82**	**11.55**

(F)	Exchange difference on translating the financial statements of a foreign operation	30 September 2022	31 March 2022	31 March 2021	31 March 2020
	Opening Balance	(12.35)	24.61	2.60	-
	Add: Movement during the year	(116.97)	(36.96)	22.01	2.60
	Closing Balance	**(129.32)**	**(12.35)**	**24.61**	**2.60**

(G)	Other Reserve - Remeasurement gains on defined benefit plans [Net of Taxes]	30 September 2022	31 March 2022	31 March 2021	31 March 2020
	At the beginning of the year	**(4.68)**	**(5.33)**	**(3.86)**	**-**
	Remeasurement gains on defined benefit plans [Net of Taxes]	(0.64)	0.65	(1.47)	(3.86)
	Balance at the end of the year	**(5.32)**	**(4.68)**	**(5.33)**	**(3.86)**

(H)	Capital Reserve				
	At the beginning of the year	14.69	14.69	14.69	69.51
	Impacts of changes in accounting policy owing to first time adoption of Ind As	-	-	-	(54.82)
	Closing Balance	**14.69**	**14.69**	**14.69**	**14.69**

		30 September 2022	31 March 2022	31 March 2021	31 March 2020

24 Non-current borrowings

Secured

(a) Term loan

From Bank	379.98	440.42	556.15	391.59
	379.98	**440.42**	**556.15**	**391.59**
Less: Current maturities of long term debt	(105.72)	(104.24)	(101.35)	(73.17)
Total non current maturities of long term borrowings	**274.26**	**336.18**	**454.80**	**318.42**

Terms & conditions of long term borrowings

i)In case of holding company foreign currency term loan has been taken in February, 2020 in EUR from DBS Bank and is secured by term deposits of 110% of the facilities sanctioned. The loan carries interest rate of 12 months EURIBOR + 1.50% p.a. and is repayable in quarterly instalments over a period of 5 years starting from September 2020 comprising of 18 equal instalments.

ii) Lumel Alucast (Step-down Subsidiary) has obtained term loan from Bank during the financial year 2017–18. As per the Loan Agreement, the said Loan was taken for the Purpose of purchase of machinery. The company has used such borrowings for the purposes as stated in the loan agreement. Such term loan carries interest @ 1.5% + EURIBOR 1 month. The Instalments of loans are payable on various dates starting from 31-3-2018 to 31-10-2024.

iii) Lumel SA (Step-down Subsidiary) has obtained EUR corporate investment loan obtained from ING Bank Śląski S.A., Poland. The said loan is repayable in 36 equal monthly instalments beginning from October 2020 and carries an interest rate of 1 month EURIBOR + 1.38%

25 Provisions

	Long term				Short term			
	30 September 2022	31 March 2022	31 March 2021	31 March 2020	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Provision for leave encashment	2.67	2.44	2.66	2.68	38.06	32.12	29.94	21.82
Provision for gratuity	13.76	14.89	15.53	14.25	3.18	2.15	3.45	4.39
Provision for Jubilee benefits	42.46	51.12	50.62	44.07	8.43	5.72	5.80	7.25
Provision for warranties	1.21	2.34	2.94	3.21	2.42	2.69	4.68	4.89
Other Provisions	-	-	-	-	0.10	1.65	5.54	3.77
Total Provisions	**60.10**	**70.79**	**71.75**	**64.21**	**52.19**	**44.33**	**49.41**	**42.12**

26 Short -term borrowings	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Secured, from bank, working capital loan				
Cash credit from bank	385.28	254.39	112.43	103.58
Foreign currency working capital demand loan	85.45	98.82	21.86	111.29
Unsecured, Loans from related parties	130.82	172.06	229.08	211.40
Current Maturity of Long term Debts	105.72	104.24	101.35	73.17
Total short-term borrowings	**707.27**	**629.51**	**464.72**	**499.44**

Terms and conditions of short term borrowings

(i) In case of holding company cash credit from State Bank of India is secured primarily by hypothecation of current assets and collateral security by mortgage over certain immovable properties of the Company. Further, the loan has a personal guarantee of the Managing Director of the Company. The cash credit is repayable on demand and carries interest rate varying between 8.27% - 9.55% p.a.

(ii) In Case of Lumel Alucast (Step-down Subsidiary) cash credit from ING Bank Slaski SA, Poland obtained in Euros and is secured primarily by registered pledge on inventories and mortgage over certain immovable properties of the company. The cash credit is repayable on demand and carries interest rate of 1.25% +1% month EUROIBOR.

(iii) In case of Lumel SA (Step-down Subsidiary) Euro cash credit from ING Bank Śląski S.A. Poland has been obtained Cash credit is secured primarily by registered pledge on inventories and mortgage over certain immovable properties of the company. The cash credit is repayable on demand and carries rate of 1.25%+ 1 month EURIBOR.

(iv) In case of Shanghai VA Instrument Co. Limited China, a subsidiary company, has taken working capital loan from DBS bank China at rate of interest ranging from 4.5% to 5.7%. This borrowing is backed up by a corporate bank guarantee issued by holding company in favour of DBS Bank China through DBS Bank India.

(v) Foreign currency working capital demand loan has been taken in USD and EUR from DBS Bank and is secured by term deposits of 110% of the facilities sanctioned. The loan carries interest rate of 12 months LIBOR + 1.50% p.a. and is repayable after 12 months from the date of renewal.

(vi) Loans from related parties includes following

a) loan taken from Ms. Anushree Goliya which is repayable on demand and carries an interest of 11% p.a.

b) loan from Saran Sp. Z.o.o which is repayable on demand and carries an interest of Euribor + 3%, calculated on quarterly basis.

(Amount in Rupees million except per share data and unless otherwise stated)

27 Trade payables	30 September 2022	31 March 2022	31 March 2021	31-03-20
Total outstanding dues of micro enterprises and small enterprises	35.94	39.09	10.16	19.97
Total outstanding dues of creditors other than micro enterprises and small enterprises*	698.29	639.18	611.30	497.94
Total trade payables	**734.23**	**678.27**	**621.46**	**517.91**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	30 September 2022	31 March 2022	31 March 2021	31-03-20
(a) Amount remaining unpaid to any supplier at the end of each accounting year:				
Principal	35.94	39.09	10.16	19.97
Interest	0.03	0.09	-	0.21
Total				
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.33	0.30	0.21	0.21

* Refer Note 44 for trade payables to related parties.

30 September 2022	Current					
Particulars	Payables Not Due *	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	29.32	6.50	0.12	-	-	35.94
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	367.79	321.92	2.05	0.38	6.15	698.29
(iv)Disputed dues - Others	-	-	-	-	-	-
	397.11	**328.42**	**2.17**	**0.38**	**6.15**	**734.23**

31 March 2022	Current					
Particulars	Payables Not Due *	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	27.03	12.06	-	-	-	39.09
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	484.52	145.32	0.15	5.07	4.12	639.18
(iv)Disputed dues - Others	-	-	-	-	-	-
	511.55	**157.38**	**0.15**	**5.07**	**4.12**	**678.27**

31 March 2021	Current					
Particulars	Payables Not Due *	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.36	0.80	-	-	-	10.16
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	435.62	167.41	3.85	3.89	0.53	611.30
(iv)Disputed dues - Others	-	-	-	-	-	-
	444.98	**168.21**	**3.85**	**3.89**	**0.53**	**621.46**

31-03-20	Current					
Particulars	Payables Not Due *	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	19.96	0.01	-	-	19.97
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	342.03	49.70	102.96	0.64	2.61	497.94
(iv)Disputed dues -Others	-	-	-	-	-	-
	342.03	**69.66**	**102.97**	**0.64**	**2.61**	**517.91**

* Payables not due includes provision for expenses as well.

(Amount in Rupees million except per share data and unless otherwise stated)

28 Other financial liabilities	30 September 2022	31 March 2022	31 March 2021	31-03-20
Interest accrued but not due on loan	0.20	0.24	0.23	0.56
Payable for purchase of fixed assets	3.10	32.88	11.97	16.40
Employee benefits payable	96.42	100.77	92.46	97.45
Payable to contract employees	27.86	8.04	6.91	102.12
Payable for selling shareholder for investment in subsidiary*	-	-	-	7.47
Other financial liabilities	1.88	1.65	1.42	2.91
Total other financial liabilities	**129.46**	**143.58**	**112.99**	**226.91**

*the amount represents money payable to selling shareholders for acquision of China Subsidiary viz. Shanghai VA Instruments Co. Limited

29 Other current liabilities	30 September 2022	31 March 2022	31 March 2021	31-03-20
Statutory due payable	59.30	89.10	43.08	43.44
Advance from customer	64.88	54.46	66.49	55.94
Other payable	0.52	1.32	1.25	1.43
Total other current liabilities	**124.70**	**144.88**	**110.82**	**100.81**

30 Current tax liabilities (net)	30 September 2022	31 March 2022	31 March 2021	31-03-20
Current tax payable [Net of advance tax]	5.25	1.13	19.09	-
Total current tax liabilities	**5.25**	**1.13**	**19.09**	**-**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

31 Revenue from operations

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Revenue from contracts with customers				
-Sale of goods	2,481.09	4,533.30	3,814.20	3,946.42
-Sale of services	117.48	145.15	60.40	32.70
	2,598.57	4,678.45	3,874.60	3,979.12
Other operating revenue	12.86	24.05	24.96	27.81
Total revenue from operations	**2,611.43**	**4,702.50**	**3,899.56**	**4,006.93**

32 Other income

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Interest on fixed deposits designated as amortized cost	12.61	26.80	40.16	49.03
Interest income on security deposits and others	0.04	2.62	1.39	3.70
Interest on tax refunds	-	-	1.92	-
Foreign exchange gains (net)	7.68	16.32	-	-
Rent Income	-	-	-	17.03
Provision for doubtful debts written back	5.62	35.56	2.64	-
Public help received*	3.20	8.46	59.04	7.27
Gain on sale of fixed assets	2.59	-	-	-
Miscellaneous income	5.72	6.89	20.21	9.78
Total other income	**37.46**	**96.65**	**125.36**	**86.81**

*Publlic help received includes help received from government for COVID support

33 Cost of material consumed

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Inventory at the beginning of the year	865.87	543.15	451.87	511.33
Add: Purchases	1,307.51	2,336.83	1,583.66	1,557.86
Less: Inventory at the end of the year	(937.00)	(865.87)	(543.15)	(451.87)
Cost of raw material consumed	1,236.38	2,014.11	1,492.38	1,617.32
Less: Mould development costs capitalized	(8.28)	(3.31)	(3.72)	(6.40)
	1,228.10	2,010.80	1,488.66	1,610.92

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

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Inventories at the beginning of the year				
-Finished goods and stock in Trade	158.23	84.30	108.17	89.05
-Work-in-progress	251.91	158.28	145.36	136.00
	410.14	242.58	253.53	225.05
Less: Inventories at the end of the year				
-Finished goods and stock in Trade	226.17	158.23	84.30	108.17
-Work-in-progress	235.71	251.91	158.28	145.36
	461.88	410.14	242.58	253.53
Net decrease/ (increase)	**(51.74)**	**(167.56)**	**10.95**	**(28.48)**

35 Employee benefits expense

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Salaries, wages, bonus and other allowances	539.47	1,063.04	954.99	962.51
Contribution to Provident Fund, ESI, Social Benefit Fund	73.95	150.79	140.09	152.60
Gratuity and compensated absences expenses (Refer Note 41)	7.17	15.03	18.49	7.36
Employee stock option expense	-	-	0.27	1.26
Staff welfare expenses	12.80	42.73	50.66	26.46
Less: Mould development costs capitalized (Employee)	(9.39)	(14.11)	(15.30)	(20.32)
Total employee benefits expense	**624.00**	**1,257.48**	**1,149.20**	**1,129.87**

36 Finance costs

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Interest on borrowing from banks	12.60	19.46	18.64	18.15
Interest on delay in payment of taxes	1.73	10.30	7.76	7.20
Interest Expense on lease liability	0.84	2.78	4.28	4.87
Interest on unsecured loans	0.53	0.99	0.99	0.99
Exchange difference adjusted to Borrowing Cost		0.78	0.04	8.77
Total finance costs	**15.70**	**34.31**	**31.71**	**39.98**

37 Depreciation and amortization expense

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Depreciation (Refer Note 6)	110.52	183.47	196.23	221.27
Amortization (Refer Note 9)	7.69	16.33	14.64	19.07
Total depreciation and amortization expense	**118.21**	**199.80**	**210.87**	**240.34**

38 Other expenses

	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Consumption of stores and spares	21.73	37.47	23.80	26.88
Cost of contract labour	38.90	66.80	29.11	41.77
Sub-contracting charges	90.82	200.50	192.30	186.36
Testing Charges	4.83	10.22	2.23	8.11
Freight and forwarding charges	38.09	67.90	53.50	48.62
Electricity and water	71.46	149.65	113.08	95.78
Rent - Machinery	6.86	0.67	0.68	0.65
Repairs and maintenance - Others	13.04	20.43	15.52	16.85
Repairs and maintenance - Plant & Machinery	6.73	10.72	7.16	8.77
Repairs and maintenance - Buildings	0.62	1.69	0.89	0.94
Rates and taxes	2.47	7.13	0.71	2.70
Insurance	13.40	26.96	21.79	18.72
Impairment of Goodwill	-	-	23.14	-
Travel and conveyance	16.72	17.03	11.10	39.98
Bank Charges	2.44	4.63	4.26	4.58
Printing & Stationery	0.88	1.25	0.75	1.57
Postage and courier	10.06	20.17	21.13	21.70
Communication, broadband and internet expenses	4.28	6.88	6.84	7.12
Legal and professional charges*	17.10	21.67	7.13	10.15
Advertisement	9.02	8.93	16.26	24.02
Commission	0.20	0.30	0.65	0.73
Loss on sale/disposal of fixed assets	-	0.50	0.02	0.42
Foreign exchange fluctuation (net)	-	-	11.48	5.66
Warranty cost (net of reversals)	5.87	17.86	27.35	19.56
Expenditure towards Corporate Social Responsibility (CSR) activities	3.40	4.97	3.09	2.56
Provision for doubtful debts	-	-	-	18.19
Miscellaneous expenses	12.48	40.79	20.96	38.44
Total other expenses	**391.40**	**745.12**	**614.93**	**650.83**
Less : Mould development costs capitalized (Expenses)	(2.41)	(1.71)	(1.81)	(3.48)
	388.99	**743.41**	**613.12**	**647.35**

***Note : The following is the break-up of Auditors remuneration (exclusive of service tax)**

Auditor's remuneration	30 September 2022	31 March 2022	31 March 2021	31 March 2020
As auditor:				
Statutory audit	4.14	4.12	4.17	3.76
Reimbursement of expenses	0.01	0.01	0.01	0.12
Total	**4.14**	**4.13**	**4.18**	**3.88**

39 **Income Tax and Deferred Tax**

(A) **Deferred tax relates to the following:**

	30 September 2022	31 March 2022	31 March 2021	31 March 2021
Deferred tax assets				
a. On Expenses provided but allowable in Income Tax on payment basis	25.32	27.38	28.08	12.23
b. On Provision for Doubtful Debits	0.92	1.78	1.41	2.17
c. On ESOP Reserve	3.68	3.44	3.44	3.36
d. On Write down of Inventories	5.32	5.93	5.01	3.75
e. On Provisions related to costs	27.31	15.76	13.81	28.60
f. On Foreign exchange fluctuations	12.29	4.91	7.26	3.17
g. On Other Timing Differences	0.64	1.32	5.23	3.80
Total Deferred tax assets	75.48	60.52	64.24	57.08
Deferred tax liabilities				
On Difference between book depreciation and tax depreciation	88.92	103.48	100.10	96.31
On Foreign Exchange gains	2.72	1.48	2.31	4.05
Total Deferred tax liabilities	91.64	104.96	102.41	100.36
Deferred tax (liability) / asset, net	(16.16)	(44.44)	(38.17)	(43.28)

(B) **Reconciliation of deferred tax assets/ (liabilities) (net):**

	'30 September 2022	'31 March 2022	31 March 2021	31 March 2020
Opening balance as of 1 April (Liability)/Asset	(44.44)	(38.17)	(43.28)	(55.19)
Tax (liability)/Asset recognized in Statement of Profit and Loss	28.22	(6.46)	3.53	6.81
On recognition of Leases on transition date - recorded in Equity	-	-	-	(0.66)
On recognition of ESOP Reserve on transition date - recorded in Equity	-	-	-	3.00
On re-measurements gain/(losses) of post-employment benefit obligations recorded in OCI	0.09	(0.23)	0.08	1.25
FCTR	(0.03)	0.42	1.50	1.51
Closing balance as at 30th September	(16.16)	(44.44)	(38.17)	(43.28)

(C) **Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss**

	'30 September 2022	'31 March 2022	31 March 2021	31 March 2020
Deferred tax charge/(Credit) on account of difference between book depreciation and tax depreciation	(14.56)	5.16	(9.54)	1.41
On Employee Benefits Provisions	2.14	(0.10)	11.32	4.28
On ESOP Reserve	-	-	(0.08)	(0.37)
On Foreign Exchange Fluctuations	(6.15)	1.67	0.73	(1.11)
On Provision related to Warranty & Other Costs	(10.94)	(0.67)	(8.81)	(9.93)
On Other Items	1.29	0.40	2.85	(1.09)
	(28.22)	6.46	(3.53)	(6.81)

(D) **Income tax expense**

	'30 September 2022	31 March 2022	31 March 2021	31 March 20220
- Income tax expense	84.10	117.64	102.09	94.52
- Income tax in respect of earlier years	-	(28.21)	-	-
- Deferred tax charge / (credit)	(28.22)	6.46	(3.53)	(6.80)
	55.88	95.89	98.56	87.72

(E) Income tax (expense)/Credit charged to OCI	'30 September 2022	31 March 2022	31 March 2021	31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	0.09	(0.23)	0.08	1.25
Income tax (expense)/credit charged to OCI	0.09	(0.23)	0.08	1.25

Reconciliation of tax charge	**Period ended '30 September 2022**	**Year ended 31 March 2022**	**Year ended 31 March 2021**	**Year ended 31 March 20220**
Profit before tax	224.20	592.41	457.96	403.19
Income tax expense at tax rates applicable	56.43	172.51	133.36	117.42
Effect of differential tax rate of subsidiary	4.53	(42.34)	(26.99)	(18.96)
Impact of change in tax rate on opening deferred tax	(6.03)	-	-	-
Tax on Permanent Difference	(1.34)	(7.65)	(6.28)	(6.29)
Tax/(Refund) relating to earlier year		(28.21)	2.96	-
R&D Deduction - excess deduction claimed in tax	-	-	-	(3.61)
Others	2.29	1.58	(4.49)	(0.84)
Actual Tax	55.88	95.89	98.56	87.72

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

40 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the holding company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders of the holding company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

		30 September 2022	31 March 2022	31 March 2021	31-Mar-20
Profit attributable to equity & preference share holders	A	154.82	470.64	347.29	303.93
Less: preference dividend after-tax	B*	0.00	0.00	0.00	0.00
Profit attributable to equity holders after preference dividend	C = A+B	154.82	470.64	347.29	303.92
Weighted average number of shares for basic EPS*	D	36,462,620	36,462,620	37,254,517	37,865,738
Effect of dilution:					
Share options	E	43,049	43,049	23,878	22,128
Weighted average number of shares adjusted for the effect of dilution	F = D+E	**36,505,669**	**36,505,669**	**37,278,395**	**37,887,866**
Basic earning per share (INR)	G = C/D	4.25	12.91	9.32	8.03
Diluted earning per share (INR)	H = C/F	4.24	12.89	9.32	8.02

Pursuant to the Shareholder's resolution passed at the Extra-ordinary General Meeting held on September 21, 2022 the Company has issued Bonus shares in the ratio of 1:1.
Accordingly, the calculation above reflect the effect of bonus issue of shares retrospectively for all periods presented.

*Amount reported is below the rounding off threshold.

41 Employee benefits

	Employee's gratuity fund			
(A) Defined Contribution Plans	**30 September 2022**	**31 March 2022**	**31 March 2021**	**31-Mar-20**
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -				
Employers' Contribution to Provident Fund, ESI & Social benefit fund(Refer note 35)	73.95	150.79	140.09	152.60
	73.95	150.79	140.09	152.60

(B) Defined benefit plans

a) Gratuity payable to employees

i) **Actuarial assumptions**	**30 September 2022**	**31 March 2022**	**31 March 2021**	**31-Mar-20**
Discount rate (per annum)	7.30 % to 7.6%	5.40 % to 7.2%	1.5% to 6.5%	2% to 6.6%
Rate of increase in Salary	2.50% to 7%	2.60% to 7%	2.5% to 7%	2.5% to 7%
Expected average remaining working lives of employees (years)	7.12 to 25	19.6 to 25	21 to 26	20 to 23.25
Attrition rate	6% to 12 %	6% to 19 %	10% to 19%	10%

ii) **Changes in the present value of defined benefit obligation**

	30 September 2022	**31 March 2022**	**31 March 2021**	**31-Mar-20**
Present value of obligation at the beginning of the year	115.07	114.28	105.63	96.27
Interest cost	3.29	3.60	3.59	7.17
Current service cost	5.49	14.17	17.38	2.90
Benefits paid	(6.69)	(13.87)	(11.42)	(4.28)
Actuarial (gain)/ loss on obligations	(1.64)	(1.40)	(1.66)	2.94
Foreign currency variances(Gain)/loss	(6.61)	(1.70)	0.76	0.63
Present value of obligation at the end of the year	**108.91**	**115.08**	**114.28**	**105.63**

Changes in the Fair value of plan assets:	**30 September 2022**	**31 March 2022**	**31 March 2021**	**31-Mar-20**
Balance at the beginning	45.36	42.12	37.55	35.84
Expected return on plan assets	1.61	2.74	2.48	2.71
Contributions by employer	0.00	3.55	2.28	3.61
Benefits paid	(2.92)	(3.05)	(0.32)	(4.23)
Actuarial Gains / (Losses) on the Plan Assets	0.91	-	0.13	(0.38)
Balance at the end	**44.96**	**45.36**	**42.12**	**37.55**

iii) **Expense recognized in the Statement of Profit and Loss**

	30 September 2022	**31 March 2022**	**31 March 2021**	**31-Mar-20**
Current service cost	5.49	14.17	17.38	2.90
Interest cost	3.29	3.60	3.59	7.17
Expected return on plan assets	(1.61)	(2.74)	(2.48)	(2.71)
Total expenses recognized in the Statement Profit and Loss*	**7.17**	**15.03**	**18.49**	**7.36**

*Included in Employee benefits expense (Refer Note 35). Actuarial (gain)/loss of INR 0.73 million (31 March 2022 : INR (0.88), million 31 March 2021 : INR 1.55 million, 31 March 2020 5.11 million) is included in other comprehensive income.

iv) **Assets and liabilities recognized in the Balance Sheet:**

	30 September 2022	31 March 2022	31 March 2021	31-Mar-20
Present value of funded obligation as at the end of the year	108.91	115.08	114.28	105.63
Fair value of Plan Asset at the year end	44.96	45.36	42.12	37.55
Funded net asset / (liability) recognized in Balance Sheet*	**(63.95)**	**(69.72)**	**(72.16)**	**(68.08)**
*Included in financials notes as follows				
Provision for gratuity & employee benefits (Short term & Long term)(Note No 25)	(67.83)	(73.88)	(75.40)	(69.96)
Plan Asset(Note No 13)	3.88	4.16	3.24	1.88
Net asset / (liability) recognized in Balance Sheet	(63.95)	(69.72)	(72.16)	(68.08)

v) **Expected contribution to the fund in the next year**

	30 September 2022	31 March 2022	31 March 2021	31-Mar-20
Gratuity	-	-	-	1.31

vi) A quantitative sensitivity analysis for significant assumption as at September 30, 2022, 31 March 2022, 31 March 2021 & 31 March 2020 is as shown below:

Impact on defined benefit obligation	30 September 2022	31 March 2022	31 March 2021	31-Mar-20
Discount rate				
1% increase	(36.97)	(37.03)	(36.35)	(33.30)
1% decrease	45.88	46.09	41.74	38.35
Rate of increase in salary				
1% increase	45.87	45.99	41.64	38.25
1% decrease	(36.90)	(37.04)	(36.39)	(33.34)

vii) Maturity profile of defined benefit obligation

Year	30 September 2022	31 March 2022	31 March 2021	31-Mar-20
1 Year	1.68	1.21	4.53	3.86
2 to 5 Years	10.85	12.43	17.09	15.53
6 to 10 Years	16.47	14.95	18.29	17.14
More than 10 Years	81.75	77.82	26.46	25.69

42 Employee Stock Option Scheme (ESOP)

The Board vide its resolution dated July 05, 2016 approved ESOP for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the holding Company monitored and supervised by the Board of Directors. The eligible employees, including directors, for the purpose of ESOP 2016 will be determined from time to time.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

	30 September 2022		31 March 2022		31 March 2021		31-03-20	
Particulars	**Number**	**WAEP (Rs. Million)**	**Number**	**WAEP (Rs. Million)**	**Number**	**WAEP (Rs. Million)**	**Number**	**WAEP (Rs. Million)**
Options outstanding at beginning of year (Vested)	128,031	34.97	128,031	34.97	88,183	24.09	57,131	15.61
Add:								
Options vested during the year	-	-	-	-	39,848	10.88	31,052	8.48
Less:							-	
Options exercised during the year	-	-	-	-	-	-	-	-
Options forfeited during the year*	-	-	-	-	-	-	-	-
Options outstanding at the end of year (Vested)	128,031	34.97	128,031	34.97	128,031	34.97	88,183	24.09
Options outstanding at the end of year (Vested) after bonus issue in the ratio of 1:1	256,062	17.49	256,062	17.49	256,062	17.49	176,366	12.04
Option exercisable at the end of year	128,031	34.97	128,031	34.97	128,031	34.97	88,183	24.09
Option exercisable at the end of year after bonus issue in the ratio of 1:1	256,062	17.49	256,062	17.49	256,062	17.49	176,366	12.04

In accordance with the above mentioned ESOP Scheme, Rs. NIL (31 March 2022 Rs. Nil, 31 March 2021 Rs. 0.27 million, 31 March 2020 Rs. 1.26 million) has been charged to the Statement of Profit and Loss in relation to the options granted. (Refer note 35)

The options outstanding at the period ended September 30, 2022 with exercise price of Rs. 273.16 are 256,062 options (31 March 2022 with exercise price of Rs. 273.16 are 256,062, 31 March 2021: 256,062 options, 31 March 2020 : 176,366) and a weighted average remaining contractual life of all options are 1 to 4 Years.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

	30 September 2022	31 March 2022	31 March 2021	31-Mar-20
Weighted average fair value of the options at the grant dates (Rs.)	273.16	273.16	273.16	273.16
Dividend yield (%)	2.29%	2.29%	2.29%	2.29%
Risk free interest rate (%)	7.47%	7.47%	7.47%	7.47%
Expected life of share options (years)	4	4	4	4
Expected volatility (%)	25.96%	25.96%	25.96%	25.96%
Weighted average share price (Rs.)	273.16	273.16	273.16	273.16

43 Leases

A Leases where group is a lessee

i) Changes in the carrying value of Right-of-use Assets

	Category of ROU Asset			
Particulars	**Office Premise**	**Land & Building**	**Plant & Machinery**	**Total**
Balance as at 1 April 2019	-	-	276.51	276.51
Additions	16.95	81.15	-	98.10
Deletions	-	-	-	-
Depreciation	(5.10)	(55.05)	(38.51)	(98.66)
Foreign currency variances(Gain)/loss		(0.28)	0.33	0.05
Balance as at 31 March 2020	**11.85**	**25.82**	**238.33**	**276.00**
Additions	1.56	-	-	1.56
Deletions	-	-	-	-
Depreciation	(4.91)	(19.53)	(44.52)	(68.96)
Foreign currency variances(Gain)/loss	0.01	0.15	7.26	7.42
Balance as at 31 March 2021	**8.51**	**6.43**	**201.07**	**216.01**
Additions	0.50	-	-	0.50
Deletion	-	-	-	-
Depreciation	(4.45)	(1.87)	(30.46)	(36.78)
Foreign currency variances(Gain)/loss	-	(0.10)	(3.23)	(3.33)
Balance as at 31 March 2022	**4.56**	**4.46**	**167.38**	**176.40**
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	(2.00)	(0.28)	(22.96)	(25.24)
Foreign currency variances(Gain)/loss	-	0.02	0.72	0.74
Balance as at 30 September 2022	**2.56**	**4.20**	**145.14**	**151.90**

ii) Changes in lease liabilities

	Category of Lease Liability			
Particulars	**Office Premise**	**Land & Building**	**Plant & Machinery**	**Total**
Balance as at 1 April 2019	18.08	88.18	219.84	326.10
Additions	1.10	3.44	2.66	7.20
Lease Payments	(5.69)	(61.73)	(49.26)	(116.68)
Foreign currency variances(Gain)/loss	-	0.83	0.47	1.30
Balance as at 31 March 2020	**13.49**	**30.72**	**173.71**	**217.92**
Additions	2.42	0.39	2.05	4.86
Lease Payments	(5.57)	(21.35)	(62.56)	(89.48)
Foreign currency variances(Gain)/loss	-	0.16	6.33	6.49
Balance as at 31 March 2021	**10.34**	**9.92**	**119.53**	**139.79**
Additions	1.07	0.06	1.24	2.37
Lease Payments	(5.75)	(1.92)	(66.93)	(74.60)
Foreign currency variances(Gain)/loss	-	(0.16)	0.11	(0.05)
Balance as at 31 March 2022	**5.66**	**7.90**	**53.95**	**67.51**
Additions	0.16	0.20	0.48	0.83
Lease Payments	(2.66)	(0.60)	(25.20)	(28.45)
Foreign currency variances(Gain)/loss	-	(0.69)	(3.61)	(4.30)
Balance as at 30 September 2022	**3.16**	**6.81**	**25.62**	**35.59**

iii) Break-up of current and non-current lease liabilities

Particulars	**30-09-22**	**31 March 2022**	**31 March 2021**	**31 March 2020**
Current Lease Liabilities	35.18	66.92	71.31	85.77
Non-current Lease Liabilities	0.41	0.59	68.48	132.15
	35.59	**67.51**	**139.79**	**217.92**

iv) Maturity analysis of lease liabilities

Particulars	30-09-22	31 March 2022	31 March 2021	31 March 2020
Less than one year	35.18	66.92	71.31	85.77
One to five years	0.41	0.59	68.48	132.15
More than five years		-	-	-
Total	**35.59**	**67.51**	**139.79**	**217.92**

v) Amounts recognised in statement of Profit and Loss account

Particulars	30-09-22	31 March 2022	31 March 2021	31 March 2020
Interest on Lease Liabilities	0.84	2.78	4.28	4.87
Depreciation on ROU Assets	25.24	36.78	68.96	98.66

(vi) Amounts recognised in statement of Cash Flows

Particulars	30-09-22	31 March 2022	31 March 2021	31 March 2020
Total Cash outflow for leases	28.45	74.60	89.48	116.68

B **Leases where group is a lessor**

i) Amounts recognised for Finance Lease

Particulars	30-09-22	31 March 2022	31 March 2021	31 March 2020
-Finance income on the net investment in the lease	0.12	0.33	0.41	0.45

	30-09-22	31 March 2022	31 March 2021	31 March 2020
ii) Lease Income (for Operating Leases)	-	-	-	0.02

iii) Maturity analysis on lease payments receivable

Particulars	30-09-22	31 March 2022	31 March 2021	31 March 2020
Less than one year	1.41	1.51	1.39	1.23
One to five years	2.53	3.56	5.19	5.69
More than five years	-	-	-	0.74

44 Related Party Disclosures:

Related Party Disclosures: 30 September 2022

(A) Names of related parties and description of relationship as identified and certified by the Company:

Subsidiary Companies:

Name of the Party
EnergySolution Labs Private Limited, India
Dhruv Enterprises Limited, Cyprus
Sifam Tinsley Instrumentation Inc., United States
Shanghai VA Instrument Co. Ltd, China
Lumel Spółka Akcyjna, Poland
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością, Poland
Sifam Tinsley Instrumentation Limited, United Kingdom
Lumel Slask, Poland

Name of related parties where control exists:

Mr. Narendra Goliya

Key Management Personnel (KMP):

Mr. Narendra Goliya (Chairman & Managing Director)
Mr. Vishal Kulkarni (Company Secretary until August 08, 2022)
Mr. Ajinkya Joglekar (Company Secretary with effect from August 08, 2022)
Mr. Anand Laddha (CFO of Subsidary)
Mr. Dinesh Musalekar (CEO of Subsidairy)
Mr. Vishal Kulkarni (CFO with effect from August 09, 2022)

Relatives of key Management Personnel :

Ms. Anushree Goliya (Daughter of Mr. Narendra Goliya)
Mrs. Santosh Goliya (Wife of Mr. Narendra Goliya's brother)
Mrs. Asha Goliya (Wife of Mr. Narendra Goliya)
Mr. Rishabh Goliya (Son of Mr. Narendra Goliya)
Mrs. Mohini Goliya (Wife of Mr. Rishabh Goliya)

Enterprises owned or significantly influenced by key management personnel, directors or their relatives :

Shanti Instruments Private Limited, India
Narendra Rishabh Goliya (HUF), India
Agam Electricals Private Limited, India
Surnadev Electricals Private Limited, India
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o., Poland
SARAN Spółka Z Ograniczoną Odpowiedzialnością, Poland

Other directors :

Mr. Ramakrishnan Kottekode Parappath (Non Executive & Non Independent)
Mr. Siddharth Nandkishore Bafna (Non Executive & Independent)
Mrs. Astha Ashish Kataria (Non Executive & Independent)
Mr. Rathin Kumar Banerjee (Non Executive & Independent)
Mr. Lukasz Meissner (Non Executive & Independent)
Mr. Alipt Sharma (Non Executive, Nominee & Non Independent)
Mr. Krishnan Ganeshan (Non Executive, Nominee & Non Independent)

(B) **Transactions with related parties within the group for the year period ended September 30, 2022 and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 are as follows:**

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
A) Transactions during the year				
Sale of manufactured goods				
Rishabh Instruments Limited	84.78	92.19	91.11	116.91
EnergySolution Labs Private Limited	2.22	6.99	5.72	2.58
Sifam Tinsley Instrumentation Inc.	1.00	1.63	-	-
Shanghai VA Instrument Co. Ltd.	0.55	8.37	-	-
Lumel Spółka Akcyjna	11.24	31.69	26.22	17.87
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	-	0.66	-	1.09
Sifam Tinsley Instrumentation Limited	-	0.00	-	2.04
Sale of traded goods				
Rishabh Instruments Limited	0.59	22.99	0.33	12.14
Lumel Spółka Akcyjna, Poland	1.36	1.44	1.18	-
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	-	5.60	2.27	-
Sifam Tinsley Instrumentation Limited	-	-	2.31	-
Sale of Services				
Rishabh Instruments Limited	6.32	11.42	12.53	-
EnergySolution Labs Private Limited	-	1.96	-	1.45
Lumel Spółka Akcyjna	2.52	5.77	17.10	29.40
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	8.52	17.12	12.39	18.39
Sale of Fixed Assets				
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	-	0.82	-	-
Miscellaneous Income				
Rishabh Instruments Limited	-	0.38	0.36	0.36
Lumel Spółka Akcyjna	1.01	2.48	3.05	-
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	0.72	1.72	1.79	-
EnergySolution Labs Private Limited	0.66	-	-	-
Interest Income				
Dhruv Enterprises Ltd	-	1.35	1.97	1.94
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	1.07	1.86	0.67	0.31
Dividend Income				
Dhruv Enterprises Ltd	35.79	20.63	40.27	95.50
Purchase of raw materials, components and traded goods				
Rishabh Instruments Limited	8.63	28.90	17.33	20.64
EnergySolution Labs Private Limited	1.14	1.19	0.41	0.26
Sifam Tinsley Instrumentation Inc.	29.96	23.79	25.74	25.40
Lumel Spółka Akcyjna	32.34	60.72	40.74	59.74
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	5.05	1.12	1.72	0.23
Sifam Tinsley Instrumentation Limited	34.72	55.86	43.18	46.38
Purchase of Fixed Assets				
Lumel Spółka Akcyjna	-	0.82	-	-
				-

Service Availed				
Rishabh Instruments Limited	0.66	1.96	-	-
Sifam Tinsley Instrumentation Inc.	0.03	0.30	0.22	0.24
Shanghai VA Instrument Co. Ltd	-	0.07	-	-
Lumel Spółka Akcyjna	9.44	18.61	22.34	15.69
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	8.79	15.15	19.26	33.05
Sifam Tinsley Instrumentation Limited	-	-	0.11	0.13
Interest expense				
Sifam Tinsley Instrumentation Inc.	-	1.35	1.97	1.94
Lumel Spółka Akcyjna	1.07	1.86	0.67	0.31
Legal and professional fees				
Rishabh Instruments Limited	-	-	-	0.01
EnergySolution Labs Private Limited	0.03	0.06	0.10	0.06
Shanghai VA Instrument Co. Ltd	-	0.13	-	-
Rent Paid				
EnergySolution Labs Private Limited	0.18	0.38	0.36	0.36
SAP Expenses				
Sifam Tinsley Instrumentation Limited	0.05	0.01	0.00	0.06

Balances with related parties within the group as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 are as follows

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
B) Closing balances as at the end of the year				
Trade Receivables				
Rishabh Instruments Limited	45.36	27.74	22.31	22.38
EnergySolution Labs Private Limited	5.90	8.21	5.17	-
Lumel Spółka Akcyjna	5.90	11.21	6.32	8.31
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	0.78	0.76	1.38	2.34
Trade Payables				
Rishabh Instruments Limited	9.16	11.39	5.94	1.29
EnergySolution Labs Private Limited	1.66	0.20	0.21	0.86
Sifam Tinsley Instrumentation Inc.	21.70	9.96	5.93	-
Shanghai VA Instrument Co. Ltd	0.21	0.47	-	-
Lumel Spółka Akcyjna	15.12	12.71	9.84	16.58
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	5.10	-	3.21	2.56
Sifam Tinsley Instrumentation Limited	6.93	13.19	10.05	11.73
Loans and advances				
Dhruv Enterprises Limited	23.15	25.43	30.67	29.31
Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością	55.28	27.07	17.57	43.12
Borrowings				
Sifam Tinsley Instrumentation Inc.	24.09	22.32	21.55	22.09
Lumel Spółka Akcyjna	55.28	27.07	17.57	43.12
Interest payable				
Sifam Tinsley Instrumentation Inc.	3.35	3.11	9.11	7.22
Other payable				
Sifam Tinsley Instrumentation Limited	0.45	-	-	-

Transactions with related parties outside the group for the period ended September 30, 2022 and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 are as follows

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
A) Transactions during the year				
Sale of manufactured goods to				
Shanti Instruments Pvt. Ltd.	4.39	9.44	5.92	9.37
Sale of traded goods to				
Shanti Instruments Pvt. Ltd.	0.07	-	-	-
SARAN Spółka Z Ograniczoną Odpowiedzialnością	-	-	0.05	-
Sale of Services to				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	0.02	0.34	0.44	-
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.	-	-	0.32	-
Shanti Instruments Pvt. Ltd.	0.02	-	0.46	0.15
Miscellaneous Income from				
Shanti Instruments Pvt. Ltd.	0.93	1.80	1.12	1.59
Interest Income				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	-	-	0.24	-
Purchase of raw materials, components and traded goods from				
Shanti Instruments Pvt. Ltd.	2.33	7.85	7.20	4.90
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.	-	0.28	-	-
Purchase of Fixed Assets from				
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.	0.11	-	0.29	-
Lease Payments to				
Mr. Narendra Goliya	1.49	2.99	2.78	2.58
Shanti Instruments Pvt. Ltd.	-	0.07	-	-
SARAN Spółka Z Ograniczoną Odpowiedzialnością	0.81	1.40	21.39	-
Interest expense to				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	1.10	4.49	0.34	-
Anushree Goliya	0.50	0.99	0.99	0.99
Managerial remuneration to				
Key Management Personnel	22.08	37.07	32.60	35.86
Services Availed from				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	-	-	0.89	-
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.	-	-	0.24	-
Legal and professional fees paid to				
Shanti Instruments Pvt. Ltd.	-	0.02	-	-
Mr. Ramakrishnan Kottekode Parappath	0.15	0.30	0.28	0.90
SARAN Spółka Z Ograniczoną Odpowiedzialnością	-	-	0.69	-
Employee benefit expenses paid to				
Rishabh and Mohini Goliya	1.24	2.53	2.18	1.93
Sitting Fees paid to Directors	1.68	1.40	1.52	2.14

Balances with related parties outside the group as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 are as follows

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
B) Closing balances as at the end of the year				
Trade Receivables from				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	0.03	-	-	-
Shanti Instruments Pvt. Ltd.	7.19	4.60	4.58	6.28
Trade Payables to				
Shanti Instruments Pvt. Ltd.	0.97	2.95	2.29	1.24
SARAN Spółka Z Ograniczoną Odpowiedzialnością	0.03	1.09	-	-
Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.	-	0.03	0.01	-
Borrowings from				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	121.82	163.04	220.06	202.40
Ms Anushree Goliya	9.00	9.00	9.00	9.00
Remuneration payable				
Payable to KMP	2.77	5.62	5.33	4.54
Payable to relative of KMP	0.51	0.44	0.39	0.36
Loans and advances to				
SARAN Spółka Z Ograniczoną Odpowiedzialnością	-	-	-	39.45

45 Segment Reporting

The Group's is engaged in designing, development and manufacturing of test and measuring instruments and industrial control prodcuts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into single operating segment; however based on the geographic distribution of activities, the chief operating decision makeer identified Asia, USA, Europe(other than Poland), Poland & others as reportable geographical segments

Revenue from customer	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Asia	698.98	1,054.47	1,042.24	1,020.11
USA	111.84	248.01	176.20	223.22
Europe(Other than Poland)	1,135.67	1,890.66	1,634.35	1,536.64
Poland	543.25	1,043.00	716.10	856.12
Other	121.69	466.36	330.67	370.84
Total revenue	2,611.43	4,702.50	3,899.56	4,006.93

The revenue information above is based on the locations of the customers

Non current assets *	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Asia	601.23	604.67	577.76	526.60
USA	1.07	0.92	2.18	3.34
Europe(Other than Poland)	3.35	3.40	3.92	4.17
Poland	1,478.06	1,646.44	1,693.42	1,599.16
Total	2,083.71	2,255.43	2,277.28	2,133.27

* As defined in Paragraph 33(b) of Ind AS 108 " Operating Segments " non current assets excludes deferred tax assets, post employment benefits & Financial instruments

46 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Group have certain debt obligations with floating interest rates.

The sensitivity analysis in the following sections relate to the position as at September 30, 2022, March 31, 2022, March 31, 2021 & March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest Rate Sensitivity	Increase/ (decrease) in basis points	Effect on profit before tax
Apr-Sep-22	100	8.04
	(100)	(8.04)
2021-22	100	10.77
	(100)	(10.77)
2020-21	100	12.41
	(100)	(12.41)
2019-20	100	13.07
	(100)	(13.07)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the group operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Company.

		30 September 2022		31 March 2022		31 March 2021		31 March 2020	
Nature of Exposure	**Currency**	**Amount in F.C.**	**Amount in INR**	**Amount in F.C.**	**Amount in INR**	**Amount in F.C.**	**Amount in INR**	**Amount in F.C.**	**Amount in INR**
Trade Receivables	USD	1.43	98.35	1.01	76.22	0.85	61.90	1.07	80.05
	EUR	6.33	488.09	5.34	447.76	4.23	363.19	3.76	309.40
	GBP	0.06	3.30	0.04	4.17	0.08	7.95	0.09	7.99
Trade Payables	USD	1.35	110.96	1.08	82.61	0.73	53.88	0.64	48.25
	EUR	2.19	174.93	2.09	175.28	4.47	384.08	3.71	305.11
	GBP	0.00	0.26	0.00	0.12	0.00	0.37	0.01	0.68
	JPY	0.50	0.29	24.84	15.63	0.09	0.06	-	-
	RMB	-	-	-	-	0.09	1.06	0.09	1.01
	CHF	0.01	0.85	-	-	-	-	0.01	0.81
Borrowings	USD	0.30	24.45	-	-	-	-	1.15	87.63
	EUR	9.94	797.28	8.20	693.24	7.75	668.69	6.15	511.32
				-	-	-	-	-	-
EEFC	USD	0.15	12.22	0.17	12.71	0.06	4.05	0.75	56.10
	EUR	0.00	0.23	0.00	0.25	0.00	0.00	0.01	0.56
	GBP			-	-	-	-	-	-
Leasing payables	USD	-	-	-	-	-	-	-	-
	EUR	0.32	25.54	0.64	53.91	1.39	119.28	2.12	173.89
	GBP	-	-	-	-	-	-	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, EUR, GBP exchange rate (or any other material currency), with all other variables held constant, of the group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The group's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	**Change in USD rate**	**Effect on profit before tax In Million INR**
30-09-22	5%	0.45
		(0.45)
31-03-22	5%	0.32
	-5%	(0.32)
31-03-21	5%	0.61
	-5%	(0.61)
31-03-20	5%	0.44
	-5%	(0.44)

Year	Change in EUR rate	Effect on profit before tax In Million INR
30-09-22	5%	(17.57)
	-5%	17.57
31-03-21	5%	(21.99)
	-5%	21.99
31-03-21	5%	(11.08)
	-5%	11.08
31-03-20	5%	(6.43)
	-5%	6.43

Year	Change in GBP rate	Effect on profit before tax In Million INR
30-09-22	5%	0.15
	-5%	(0.15)
31-03-22	5%	0.20
	-5%	(0.20)
31-03-21	5%	0.38
	-5%	(0.38)
31-03-20	5%	0.37
	-5%	(0.37)

(B) 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and statutory deposits with regulatory agencies.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account their financial position, past experience and other factors. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in note 14. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The group uses expected credit loss model to assess the impairment loss.

Below table shows the movement in provision for credit impairment of trade receivable.

Particulars	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Opening Balance	12.96	48.52	51.16	25.58
Add: Provision made during the year	-	-	-	25.58
Less Reversal of Provision	(5.62)	(35.56)	(2.64)	-
Closing Balance	**7.34**	**12.96**	**48.52**	**51.16**

Term deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's Policy. The investment of surplus funds is made in fixed deposits which are approved by the Director. The group's maximum exposure to credit risk for the components of the balance sheet at September 30, 2022, 31 March 2022, 31 March 2021 & March 31, 2020 is the carrying amount illustrated in Note 12, Note 16 & Note 17.

(C) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.)

The table below summarizes the maturity profile of the group's financial liabilities:

30 September 2022	less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings	707.27	-	-	707.27
Long-term borrowings	-	274.26	-	274.26
Lease payables	35.18	0.41	-	35.59
Trade payables	734.23	-	-	734.23
Interest accrued	0.20	-	-	0.20
Payable for capital purchases	3.10	-	-	3.10
Employee Benefits payable(including payable to contract employees)	124.28	-	-	124.28
Other financial liability	1.88	-	-	1.88
	1,606.14	**274.67**	**-**	**1,880.81**

31 March 2022	less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings	629.51	-	-	629.51
Long-term borrowings	-	336.18	-	336.18
Lease payables	66.92	0.59	-	67.51
Trade payables	678.27	-	-	678.27
Interest accrued	0.24	-	-	0.24
Payable for capital purchases	32.88	-	-	32.88
Employee Benefits payable(including payable to contract employees)	108.81	-	-	108.81
Other financial liability	1.65	-	-	1.65
	1,518.28	**336.77**	**-**	**1,855.05**

31 March 2021	less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings	464.72	-	-	464.72
Long-term borrowings	-	454.80	-	454.80
Lease payables	71.31	68.48	-	139.79
Trade payables	621.46	-	-	621.46
Interest accrued	0.23	-	-	0.23
Payable for capital purchases	11.97	-	-	11.97
Employee Benefits payable(including payable to contract employees)	99.37	-	-	99.37
Other financial liability	1.42	-	-	1.42
	1,270.48	**523.28**	**-**	**1,793.76**

31 March 2020	less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings	499.44	-	-	499.44
Long-term borrowings	-	318.42	-	318.42
Lease payables	85.77	132.15	-	217.92
Trade payables	517.91	-	-	517.91
Interest accrued	0.56	-	-	0.56
Payable for capital purchases	16.40	-	-	16.40
Employee Benefits payable(including payable to contract employees)	199.57	-	-	199.57
Payable for selling shareholder for investment in subsidiary	7.47	-	-	7.47
Other financial liability	2.91	-	-	2.91
	1,330.03	**450.57**	**-**	**1,780.60**

(Amount in Rupees million except per share data and unless otherwise stated)

47 Fair Value Measurement

Particular of financial instruments by category of classification:

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
Financial Asset	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Investment								
- Investment in associates	-	1.80	-	2.08	-	1.88	-	1.69
Security Deposit (Current + Non Current)	-	12.20	-	16.58	-	10.57	-	7.17
Fixed deposit accounts with maturity for more than 12 months	-	-	-	28.37	-	15.00	-	0.00
Trade receivables	-	903.77	-	799.79	-	683.15	-	611.73
Cash and cash equivalents	-	589.05	-	462.41	-	543.25	-	428.44
Bank balances other than cash and cash equivalent	-	467.66	-	588.88	-	635.96	-	745.88
Interest accrued on fixed deposits	-	8.89	-	8.38	-	11.15	-	21.49
Loans	-	-	-	-	-	-	-	39.45
Lease receivable (Current + Non Current)	-	3.94	-	5.07	-	6.58	-	7.66
Other receivable	-	0.87	-	0.33	-	4.77	-	3.17
Total Financial Asset	**-**	**1,988.18**	**-**	**1,911.89**	**-**	**1,912.31**	**-**	**1,866.68**

	30 September 2022		31 March 2022		31 March 2021		31 March 2020	
Financial Liabilities	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Borrowings (including current maturities of long term borrowings and short term borrowings)	-	981.53	-	965.69	-	919.52	-	817.86
Trade Payable	-	734.23	-	678.27	-	621.46	-	517.91
Interest accrued	-	0.20	-	0.24	-	0.23	-	0.56
Payable for purchase of fixed asset	-	3.10	-	32.88	-	11.97	-	16.40
Lease Liabilities	-	35.59	-	67.51	-	139.79	-	217.92
Employee Benefits payable(including payable to contract employees)	-	124.28	-	108.81	-	99.37	-	199.57
Payable for selling shareholder for investment in subsidiary	-	-	-	-	-	-	-	7.47
Other financial liabilities	-	1.88	-	1.65	-	1.42	-	2.91
Total Financial Liabilities	**-**	**1,880.81**	**-**	**1,855.05**	**-**	**1,793.76**	**-**	**1,780.60**

48 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

a **No financial assets/liabilities have been designated at FVTPL.**

b **Fair Value of financial assets and liabilities measured at amortised cost**

The fair value of other current financial assets, cash and cash equivalents(including term deposit) trade receivables, trade payables, lease receivable short-term borrowings, lease liabilities and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposit , term deposits with more than 12 months and Non current lease receivable and in case of non current financial liabilities consisting of long term borrowings , non current lease liability are not significantly different from the carrying amount.

(Amount in Rupees million except per share data and unless otherwise sta

49 Capital management

For the purpose of the group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents, term loan & other loans and current borrowing represent cash credit, loan form related party & working capital loan. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		30 September 2022	31 March 2022	31 March 2021	31 March 2020
Equity		3,429.51	3,404.88	2,992.60	2,839.11
Total equity	(i)	3,429.51	3,404.88	2,992.60	2,839.11
Borrowings and lease liabilities		1,017.12	1,033.20	1,059.31	1,035.78
Less: cash and cash equivalents		(589.05)	(462.41)	(543.25)	(428.44)
Total debt	(ii)	428.07	570.79	516.06	607.34
Overall financing	(iii) = (i) + (ii)	3,857.58	3,975.66	3,508.65	2,839.11
Gearing ratio	(ii)/ (iii)	0.11	0.14	0.15	0.21

No changes were made in the objectives, policies or processes for managing capital during the period ended 30 September 2022 and years ended 31 March 2022, 31 March 2021 and 31 March 2020.

50 Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Current assets				
Inventories	1,068.47	938.98	608.96	588.93
Trade receivables	690.21	621.48	542.58	492.36
Cash and cash equivalents				
(Fixed deposits with DBS Bank India Ltd are secured)	367.29	367.29	367.29	352.29
Total Current assets pledged as security	2,125.97	1,927.75	1,518.83	1,433.58
Non-Current assets				
Land and building	181.45	192.93	196.72	128.05
Property Plant & Equipment	389.16	562.19	640.77	312.19
Total Non-Current assets pledged as security	570.61	755.12	837.49	440.24
Total Assets pledged as security	2,696.58	2,682.87	2,356.32	1,873.82

The holding company has Sanctioned limit with State Bank of India has been secured by hypothecation of first charge on stock-in-trade, present and future, consisting of raw materials, goods in process of manufacturing finished goods, and other merchandise whatsoever being movable properties and all the debts, that is, all the book debts, outstandings, monies receivables, claims, bills, invoice documents, contracts, guarantees, and rights which are now due and owing or which may at any time hereafter during the continuance of this security becomes due and owing to the Company. The loan is also supported by first charge by way of an equitable mortgage of industrial land and building (by deposit of title deeds).

The Holding company has taken foreign currency working capital loan and foreign currency term loan from DBS Bank India Ltd on security of its term deposits.

Lumel SA (Step down subsidiary) has taken EUR corporate investment loan obtained from ING Bank Śląski S.A., Poland on Collateral in the form of a contractual mortgage of up to PLN 25 million on Property & movable fixed assets.

Lumel Alucast (Stepdown Subsidiary) has Sanctioned limit with ING Śląski Bank has been secured by hypothecation of first charge on stock-in-trade, present and future, consisting of raw materials, goods in process of manufacturing finished goods, and other merchandise whatsoever being movable properties and all the debts, that is, all the book debts, outstandings, monies receivables, claims, bills, invoice documents, contracts, guarantees, and rights which are now due and owing or which may at any time hereafter during the continuance of this security becomes due and owing to the Company. The loan is also supported by first charge by way of an equitable mortgage of industrial land (by deposit of title deeds) and subservient charge on entire movable fixed assets and current assets (present and future) of the borrower.

51 Commitments

Particulars	30 September 2022	31 March 2022	31 March 2021	31 March 2020
- The estimated amount of contracts remaining to be executed on capital account and not provided for as at	9.05	1.18	12.45	44.78

52 Contingent liabilities and contingent assets

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Following are the contingent liability as at Balance Sheet Date

	Particulars	30-09-22	31-03-22	31-03-21	31 March 2020
A	Demand notice raised by provident fund authorities in case of holding company for the period 2006-09 for provident fund payable on trainees' stipend	6.08	6.08	6.08	6.08
B	The Company has received legal demand notice from Ambit Energy Private Limited (the "Customer") dated April 18, 2022, through the legal counsel of the Customer claiming Rs. 65.80 million towards failure to resolve technical faults and errors in inverters supplied by the Company to the Customer and towards commercial as well as potential business generation loss and Goodwill.	65.80	65.80	-	-
	The Company replied to the legal counsel of the Customer vide its letter dated May 11, 2022, rejecting all the claims of the Customer stating it to be unjust, illegal and with malicious intention. Further, the Company vide its letter dated August 23, 2022, to District Court Mediation Centre, Rajkot conveyed its intention to close its participation in mediation process.				

Contingent assets are neither recorded nor disclosed in the financial statements.

Rishabh Instruments Limited (Formerly known as Rishabh Instruments Private Limited)

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

53 Capital-Work-in Progress (CWIP) & Intangible Asset Under development

a Capital-work-in progress ageing schedule

30 September 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	73.92	-	-	-	73.92
Projects temporarily suspended	-	-	-	-	-

31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	51.34	-	-	-	51.34
Projects temporarily suspended	-	-	-	-	-

31 March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	20.69	-	-	-	20.69
Projects temporarily suspended	-	-	-	-	-

31 March 2020

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	316.31	-	-	-	316.31
Projects temporarily suspended	-	-	-	-	-

b Intangible Asset Under development ageing schedule

30 September 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	5.05	-	-	-	5.05
Projects temporarily suspended	-	-	-	-	-

54 Disclosure on Benami Property

The group do not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

55 Reconciliation of quarterly returns or statements of current assets filed by the holding company with banks or financial institutions

30 September 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
Jun-22	State Bank of India	Trade Receivables	326.41	326.41	-	The difference is due to the submission to the Banks were made before financial reporting closure process.
		Trade Payables	175.12	177.71	(2.59)	
		Inventories	615.99	577.17	38.82	
Sep-22	State Bank of India	Trade Receivables	313.15	371.88	(58.73)	
		Trade Payables	290.99	221.74	69.25	
		Inventories	736.63	679.03	57.60	

31 March 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
Jun-21	State Bank of India	Trade Receivables	246.17	252.53	(6.36)	The difference is due to the submission to the Banks were made before financial reporting closure process.
		Trade Payables	115.08	109.29	5.79	
		Inventories	427.73	423.35	4.38	
Sep-21	State Bank of India	Trade Receivables	243.16	252.98	(9.82)	
		Trade Payables	103.39	101.26	2.13	
		Inventories	460.10	455.78	4.32	
Dec-21	State Bank of India	Trade Receivables	252.09	255.24	(3.15)	
		Trade Payables	131.44	131.22	0.22	
		Inventories	531.86	527.32	4.54	
Mar-22	State Bank of India	Trade Receivables	204.79	219.93	(15.14)	
		Trade Payables	233.56	203.84	29.72	
		Inventories	608.74	564.72	44.02	

31 March 2021

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
Jun-20	State Bank of India	Trade Receivables	237.32	239.39	(2.07)	The difference is due to the submission to the Banks were made before financial reporting closure process.
		Trade Payables	56.23	54.90	1.33	
		Inventories	377.66	372.64	5.02	
Sep-20	State Bank of India	Trade Receivables	240.81	242.23	(1.42)	
		Trade Payables	64.64	60.72	3.92	
		Inventories	363.19	358.20	4.99	
Dec-20	State Bank of India	Trade Receivables	226.73	229.86	(3.13)	
		Trade Payables	90.30	86.99	3.31	
		Inventories	365.45	360.57	4.88	
Mar-21	State Bank of India	Trade Receivables	243.83	256.89	(13.06)	
		Trade Payables	179.23	155.47	23.76	
		Inventories	394.54	369.83	24.71	

31 March 2020

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
Jun-19	State Bank of India	Trade Receivables	287.92	285.62	2.30	The difference is due to the submission to the Banks were made before financial reporting closure process.
		Trade Payables	142.99	133.37	9.62	
		Inventories	422.41	416.84	5.57	
Sep-19	State Bank of India	Trade Receivables	280.89	279.28	1.61	
		Trade Payables	105.09	104.96	0.13	
		Inventories	421.97	416.27	5.70	
Dec-19	State Bank of India	Trade Receivables	325.46	306.50	18.96	
		Trade Payables	108.33	87.36	20.97	
		Inventories	382.61	376.97	5.64	
Mar-20	State Bank of India	Trade Receivables	237.63	262.63	(25.00)	
		Trade Payables	83.67	73.43	10.24	
		Inventories	374.58	376.11	(1.53)	

56 Wilful Defaulter

The group has not being declared as wilful defaulter by any bank or financials institution or any government authority

57 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
The group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

58 Compliance with number of layers of companies

The group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

59 Utilisation of Borrowed funds and share premium:

(i) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Rishabh Instruments Limited (Formerly known as Rishabh Instruments Private Limited)

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

60 Statutory Group Information

Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of consolidated total comprehensive income	INR
Parent									
	Rishabh Instruments Limited								
	Balance as at 31 March, 2020	75.11%	2,132.37	40.90%	124.30	153.12%	(1.94)	40.43%	122.37
	Balance as at 31 March, 2021	68.95%	2,063.33	38.87%	134.98	7.40%	1.52	37.11%	136.50
	Balance as at 31 March, 2022	63.63%	2,166.53	21.84%	102.77	-1.19%	0.43	23.76%	103.20
	Balance as at 31 September, 2022	65.78%	2,256.03	57.42%	88.90	-0.54%	0.64	240.63%	89.54
Subsidiaries									
Indian									
1	EnergySolution Labs Private Limited								
	Balance as at 31 March, 2020	0.11%	2.99	1.15%	3.50	0.00%	-	1.16%	3.50
	Balance as at 31 March, 2021	0.32%	9.63	1.91%	6.63	0.00%	-	1.80%	6.63
	Balance as at 31 March, 2022	0.57%	19.27	2.05%	9.65	0.00%	-	2.22%	9.65
	Balance as at 30 September, 2022	0.54%	18.63	-0.42%	(0.65)	0.00%	-	-1.74%	(0.65)
Foreign									
1	Dhruv Enterprises Limited, Cyprus								
	Balance as at 31 March, 2020	28.99%	822.92	29.75%	90.40	-746.53%	9.44	32.99%	99.85
	Balance as at 31 March, 2021	29.73%	889.78	8.74%	30.35	222.30%	45.66	20.66%	76.01
	Balance as at 31 March, 2022	26.03%	886.28	3.64%	17.14	-69.33%	25.17	9.74%	42.31
	Balance as at 30 September, 2022	25.55%	876.34	21.82%	33.78	37.06%	(43.58)	-26.34%	(9.80)
2	Sifam Tinsley Instrumentation Inc., USA								
	Balance as at 31 March, 2020	-0.39%	(11.06)	-0.61%	(1.85)	309.36%	(3.91)	-1.90%	(5.76)
	Balance as at 31 March, 2021	-0.47%	(14.17)	-1.04%	(3.61)	-12.95%	(2.66)	-1.70%	(6.27)
	Balance as at 31 March, 2022	-0.33%	(11.16)	0.75%	3.53	11.89%	(4.32)	-0.18%	(0.79)
	Balance as at 30 September, 2022	-0.17%	(5.94)	4.60%	7.12	1.29%	(1.52)	15.05%	5.60
3	Lumel Spółka Akcyjna, Poland								
	Balance as at 31 March, 2020	10.79%	306.38	8.55%	26.00	7.83%	(0.10)	8.56%	25.90
	Balance as at 31 March, 2021	11.57%	346.11	10.74%	37.30	-13.90%	(2.86)	9.36%	34.44
	Balance as at 31 March, 2022	13.44%	457.68	24.46%	115.13	-2.64%	0.96	26.73%	116.08
	Balance as at 30 September, 2022	12.93%	443.39	2.10%	3.25	14.12%	(16.61)	-35.91%	(13.36)
4	Lumel Alucast Spółka Z Ograniczoną Odpowiedzialnością, Poland								
	Balance as at 31 March, 2020	40.32%	1,144.71	56.09%	170.48	387.67%	(4.90)	54.71%	165.58
	Balance as at 31 March, 2021	43.45%	1,300.31	51.49%	178.82	43.48%	8.93	51.04%	187.75
	Balance as at 31 March, 2022	43.25%	1,472.57	46.85%	220.51	46.40%	(16.85)	46.89%	203.66
	Balance as at 30 September, 2022	40.27%	1,380.93	28.54%	44.19	87.75%	(103.21)	-158.61%	(59.02)
5	Sifam Tinsley Instrumentation Limited, UK								
	Balance as at 31 March, 2020	0.53%	14.98	5.07%	15.41	24.93%	(0.32)	4.99%	15.10
	Balance as at 31 March, 2021	0.71%	21.24	3.54%	12.31	21.07%	4.33	4.52%	16.64
	Balance as at 31 March, 2022	1.63%	55.62	10.19%	47.96	-8.98%	3.26	11.79%	51.22
	Balance as at 30 September, 2022	2.06%	70.51	14.92%	23.10	3.40%	(3.99)	51.36%	19.11
6	Shanghai VA Instruments Co. Ltd, China								
	Balance as at 31 March, 2020	0.30%	8.56	-0.91%	(2.77)	104.52%	(1.32)	-1.35%	(4.09)
	Balance as at 31 March, 2021	1.07%	31.91	6.45%	22.38	-5.36%	(1.10)	5.79%	21.28
	Balance as at 31 March, 2022	1.24%	42.29	2.19%	10.33	5.33%	(1.94)	1.93%	8.39
	Balance as at 30 September, 2022	1.02%	34.84	-5.30%	(8.21)	-2.04%	2.40	-15.62%	(5.81)

Less: Share of Non-controlling interests in all subsidiaries									
	Balance as at 31 March, 2020	-0.51%	(14.50)	-3.80%	(11.55)	-22.89%	0.29	-3.72%	(11.26)
	Balance as at 31 March, 2021	-0.96%	(28.66)	-3.49%	(12.11)	-9.98%	(2.05)	-3.85%	(14.16)
	Balance as at 31 March, 2022	-1.65%	(56.12)	-5.50%	(25.88)	4.35%	(1.58)	-6.32%	(27.46)
	Balance as at 30 September, 2022	-2.03%	(69.62)	-8.72%	(13.50)	0.30%	(0.35)	-37.23%	(13.85)
Associates									
Foreign									
1	Przedsiebiorstwo Wdrozeniowe INMEL Sp. z o.o.								
	Balance as at 31 March, 2020	0.06%	1.69	0.05%	0.15	0.00%	0.00	0.05%	0.15
	Balance as at 31 March, 2021	0.06%	1.88	0.10%	0.33	0.00%	0.00	0.09%	0.33
	Balance as at 31 March, 2022	0.06%	2.08	0.04%	0.20	0.00%	0.00	0.05%	0.20
	Balance as at 30 September, 2022	0.05%	1.80	0.03%	0.04	0.00%	0.00	0.11%	0.04
Adjustments arising out of consolidation & intercompany elimination									
	Balance as at 31 March, 2020	-55.30%	(1,569.93)	-36.24%	(110.15)	-118.02%	1.49	-35.90%	(108.66)
	Balance as at 31 March, 2021	-54.43%	(1,628.75)	-17.30%	(60.10)	-152.06%	(31.23)	-24.83%	(91.33)
	Balance as at 31 March, 2022	-47.88%	(1,630.16)	-6.52%	(30.69)	114.16%	(41.45)	-16.61%	(72.13)
	Balance as at 30 September, 2022	-46.09%	(1,580.75)	-14.98%	(23.20)	-38.49%	45.27	59.31%	22.07
Total	**Balance as at 31 March, 2020**	**100.00%**	**2,839.11**	**100.00%**	**303.93**	**100.00%**	**(1.26)**	**100.00%**	**302.66**
	Balance as at 31 March, 2021	**100.00%**	**2,992.60**	**100.00%**	**347.29**	**100.00%**	**20.54**	**100.00%**	**367.83**
	Balance as at 31 March, 2022	**100.00%**	**3,404.88**	**100.00%**	**470.64**	**100.00%**	**(36.30)**	**100.00%**	**434.34**
	Balance as at 30 September, 2022	**99.90%**	**3,429.51**	**100.01%**	**154.82**	**102.85%**	**(117.61)**	**91.01%**	**37.21**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

61 A **Effect of Ind AS adoption on the Balance Sheet**

Reconciliation of Balance Sheet as on 30 September 2022

	Notes	Ind AS	Restatement adjustment	Restated IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,756.36	-	1,756.36
Capital work-in-progress		73.92	-	73.92
Goodwill		205.46	-	205.46
Other intangible assets		34.79	-	34.79
Intangible assets under development		5.05		5.05
Financial assets			-	0.00
Investments		1.80	-	1.80
Other financial assets		6.81	-	6.81
Deferred Tax Asset		24.79	-	24.79
Other non-current assets		12.00	-	12.00
Total non-current assets		**2,120.98**	**-**	**2,120.98**
Current assets				
Inventories		1,406.62	-	1,406.62
Financial assets			-	
Trade receivables		903.77	-	903.77
Cash and cash equivalents		589.05	-	589.05
Bank balances other than cash and cash equivalent		467.66	-	467.66
Loans		0.00	-	0.00
Other financial assets		19.09	-	19.09
Current tax assets (net)		0.00	-	0.00
Other current assets		155.59	-	155.59
Total current assets		**3,541.78**	**-**	**3,541.78**
Total assets		**5,662.76**	**-**	**5,662.76**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		292.50	-	292.50
Instruments entirely equity in nature		108.18	-	108.18
Other equity		3,028.83	-	3,028.83
Equity attributable to equity holders of parent		**3,429.51**	**-**	**3,429.52**
Non-Controlling Interest		69.25	-	69.25
Total equity		**3,498.76**	**-**	**3,498.77**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		274.26	-	274.26
Lease Liabilities		0.41	-	0.41
Deferred tax liabilities (net)		40.95	-	40.95
Provisions		60.10	-	60.10
Total non-current liabilities		**375.71**	**-**	**375.71**
Current liabilities				
Financial liabilities				
Borrowings		707.27	-	707.27
Lease Liabilities		35.18	-	35.18
Trade payables			-	0.00
i)total outstanding dues of micro enterprises and small enterprises		35.94	-	35.94
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		698.29	-	698.29
Other financial liabilities		129.46	-	129.46
Other current liabilities		124.70	-	124.70
Provisions		52.19	-	52.19
Current tax liabilities (net)		5.25	-	5.25
Total current liabilities		**1,788.28**	**-**	**1,788.28**
Total liabilities		**2,164.00**	**-**	**2,164.00**
Total equity and liabilities		**5,662.76**	**-**	**2,167.35**

Reconciliation of Balance Sheet as on 31 March 2022

	Notes	Ind AS	Restatement adjustment	Restated IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,943.54	-	1,943.54
Capital work-in-progress		51.34	-	51.34
Goodwill		210.57	-	210.57
Other intangible assets		42.02	-	42.02
Financial assets		0.00	-	0.00
Investments		2.08	-	2.08
Other financial assets		34.62	-	34.62
Deferred Tax Asset		17.32	-	17.32
Other non-current assets		12.11	-	12.11
Total non-current assets		**2,313.60**	-	**2,313.60**
Current assets				
Inventories		1,284.17	-	1,284.17
Financial assets				
Trade receivables		799.79	-	799.79
Cash and cash equivalents		462.41	-	462.41
Bank balances other than cash and cash equivalent		588.88	-	588.88
Loans		0.00	-	0.00
Other financial assets		24.11	-	24.11
Current tax assets (net)		4.95	-	4.95
Other current assets		161.01	-	161.01
Total current assets		**3,325.32**	-	**3,325.32**
Total assets		**5,638.92**	-	**5,638.92**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		146.25	-	146.25
Instruments entirely equity in nature		108.18	-	108.18
Other equity		3,150.45	-	3,150.45
Equity attributable to equity holders of parent		**3,404.88**	-	**3,404.88**
Non-Controlling Interest		56.10	-	56.10
Total equity		**3,460.98**	-	**3,460.98**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		336.18	-	336.18
Lease Liabilities		0.59	-	0.59
Deferred tax liabilities (net)		61.76	-	61.76
Provisions		70.79	-	70.79
Total non-current liabilities		**469.32**	-	**469.32**
Current liabilities				
Financial liabilities				
Borrowings		629.51	-	629.51
Lease Liabilities		66.92	-	66.92
Trade payables			-	0.00
i)total outstanding dues of micro enterprises and small enterprises		39.09	-	39.09
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		639.18	-	639.18
Other financial liabilities		143.58	-	143.58
Other current liabilities		144.88	-	144.88
Provisions		44.33	-	44.33
Current tax liabilities (net)		1.13	-	1.13
Total current liabilities		**1,708.62**	-	**1,708.62**
Total liabilities		**2,177.94**	-	**2,177.94**
Total equity and liabilities		**5,638.92**	-	**5,638.92**

Reconciliation of Balance Sheet as on 31 March 2021

	Notes	Ind AS	Restatement adjustment	Restated IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,980.76	-	1,980.76
Capital work-in-progress		20.69	-	20.69
Goodwill		211.62	-	211.62
Other intangible assets		51.19	-	51.19
Financial assets		0.00	-	0.00
Investments		1.88	-	1.88
Other financial assets		23.08	-	23.08
Deferred Tax Asset		15.45	-	15.45
Other non-current assets		16.26	-	16.26
Total non-current assets		**2,320.93**	**-**	**2,320.93**
Current assets				
Inventories		794.14	-	794.14
Financial assets				
Trade receivables		683.15	-	683.15
Cash and cash equivalents		543.25	-	543.25
Bank balances other than cash and cash equivalent		635.96	-	635.96
Loans		0.00	-	0.00
Other financial assets		24.99	-	24.99
Current tax assets (net)		1.28	-	1.28
Other current assets		116.00	-	116.00
Total current assets		**2,798.77**	-	**2,798.77**
Total assets		**5,119.70**	-	**5,119.70**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		146.25	-	146.25
Instruments entirely equity in nature		108.18	-	108.18
Other equity		2,738.17	-	2,738.17
Equity attributable to equity holders of parent		**2,992.60**	-	**2,992.60**
Non-Controlling Interest		28.65	-	28.65
Total equity		**3,021.25**	-	**3,021.25**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		454.80	-	454.80
Lease Liabilities		68.48	-	68.48
Deferred tax liabilities (net)		53.62	-	53.62
Provisions		71.75	-	71.75
Total non-current liabilities		**648.65**	-	**648.65**
Current liabilities				
Financial liabilities				
Borrowings		464.72	-	464.72
Lease Liabilities		71.31	-	71.31
Trade payables				0.00
i)total outstanding dues of micro enterprises and small enterprises		10.16	-	10.16
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		611.30	-	611.30
Other financial liabilities		**112.99**	**-**	112.99
Other current liabilities		110.82	-	110.82
Provisions		49.41	-	49.41
Current tax liabilities (net)		19.09	-	19.09
Total current liabilities		**1,449.80**	**-**	**1,449.80**
Total liabilities		**2,098.45**	-	**2,098.45**
Total equity and liabilities		**5,119.70**	-	**5,119.70**

Reconciliation of Balance Sheet as on 31 March 2020

	Notes	Ind AS	Restatement adjustment	Restated IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,534.00	-	1,534.00
Capital work-in-progress		316.31	-	316.31
Goodwill		211.23	-	211.23
Other intangible assets		61.22	-	61.22
Financial assets			-	0.00
Investments		1.69	-	1.69
Other financial assets		9.63	-	9.63
Deferred Tax Asset		8.37	-	8.37
Other non-current assets		12.40	-	12.40
Total non-current assets		**2,154.85**	**-**	**2,154.85**
Current assets				
Inventories		733.67	-	733.67
Financial assets				
Trade receivables		611.73	-	611.73
Cash and cash equivalents		428.44	-	428.44
Bank balances other than cash and cash equivalent		745.88	-	745.88
Loans		39.45	-	39.45
Other financial assets		29.86	-	29.86
Current tax assets (net)		11.55	-	11.55
Other current assets		137.56	-	137.56
Total current assets		**2,738.14**	-	**2,738.14**
Total assets		**4,892.99**	-	**4,892.99**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		146.25	-	146.25
Instruments entirely equity in nature		129.23	-	129.23
Other equity		2,563.63	-	2,563.63
0		**2,839.11**	-	**2,839.11**
Non-Controlling Interest		14.49	-	14.49
Total equity		**2,853.60**	-	**2,853.60**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		318.42	-	318.42
Lease Liabilities		132.15	-	132.15
Deferred tax liabilities (net)		51.65	-	51.65
Provisions		64.21	-	64.21
Total non-current liabilities		**566.43**	-	**566.43**
Current liabilities				
Financial liabilities				
Borrowings		499.44	-	499.44
Lease Liabilities		85.77	-	85.77
Trade payables				0.00
i)total outstanding dues of micro enterprises and small enterprises		19.97	-	19.97
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		497.94	-	497.94
Other financial liabilities		**226.91**	**-**	226.91
Other current liabilities		100.81	-	100.81
Provisions		42.12	-	42.12
Current tax liabilities (net)		-	-	-
Total current liabilities		**1,472.96**	**-**	**1,472.96**
Total liabilities		**2,039.39**	-	**2,039.39**
Total equity and liabilities		**4,892.99**	-	**4,892.99**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

61 B **Effect of Ind AS adoption on the statement of profit and loss**
a) Statement of profit and loss for the period ended September 30, 2022

	Ind AS	Restatement adjustment	Restated Ind AS
Income			
Revenue from operations	2,611.43	-	2,611.43
Other income	37.46	-	37.46
Total income	**2,648.89**	-	**2,648.89**
Expenses			
Cost of material consumed	1,228.10	-	1,228.10
Purchase of Stock-in-trade	101.47	-	101.47
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(51.74)	-	(51.74)
Employee benefits expense	624.00	-	624.00
Finance costs	15.70	-	15.70
Depreciation and amortization expense	118.21	-	118.21
Other expenses	388.99	-	388.99
Total expenses	**2,424.73**	-	**2,424.73**
Profit for the year before share of profit of an associate and tax	**224.17**	-	**224.17**
Share of profit of an associate	**0.04**	-	**0.04**
Profit before tax	**224.21**	-	**224.21**
Tax expense			
Current tax expense	(84.10)	-	(84.10)
Adjustment for earlier years	-	-	0.00
Deferred tax	28.22	-	28.22
Total income tax expense	**(55.88)**	-	**(55.88)**
Profit for the year	**168.33**	-	**168.33**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(117.32)	-	(117.32)
	(117.32)		**(117.32)**
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability	(0.73)	-	(0.73)
Income tax effect on these items	0.09	-	0.09
	(0.64)	-	**(0.64)**
Other comprehensive income/(loss) for the year, net of tax	**(117.97)**		**(117.97)**
Total comprehensive income for the year	**50.36**		**50.36**

b) Statement of profit and loss for year ended 31 March 2022

	Ind AS	Restatement adjustment	Restated Ind AS
Income			
Revenue from operations	4,702.50	-	4,702.50
Other income	96.65	-	96.65
Total income	**4,799.15**	-	**4,799.15**
Expenses			
Cost of material consumed	2,010.80	-	2,010.80
Purchase of Stock-in-trade	128.70	-	128.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(167.56)	-	(167.56)
Employee benefits expense	1,257.48	-	1,257.48
Finance costs	34.31	-	34.31
Depreciation and amortization expense	199.80	-	199.80
Other expenses	743.41	-	743.41
Total expenses	**4,206.94**	-	**4,206.94**
Profit for the year before share of profit of an associate and tax	**592.21**	-	**592.21**
Share of profit of an associate	**0.20**	-	**0.20**
Profit before tax	**592.41**	**-**	**592.41**
Tax expense			
Current tax expense	(117.64)	-	(117.64)
Adjustment for earlier years	28.21	-	28.21
Deferred tax	(6.46)	-	(6.46)
Total income tax expense	**(95.89)**	-	**(95.89)**
Profit for the year	**496.51**	**-**	**496.51**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(35.38)	-	(35.38)
	(35.38)		**(35.38)**
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability	0.88	-	0.88
Income tax effect on these items	(0.23)	-	(0.23)
	0.65	-	**0.65**
Other comprehensive income/(loss) for the year, net of tax	**(34.73)**		**(34.73)**
Total comprehensive income for the year	**461.79**		**461.79**

c) Statement of profit and loss for year ended 31 March 2021

	Ind AS	Restatement adjustment	Restated Ind AS
Income			
Revenue from operations	3,899.56	-	3,899.56
Other income	125.36	-	125.36
Total income	**4,024.92**	-	**4,024.92**
Expenses			
Cost of material consumed	1,488.66	-	1,488.66
Purchase of Stock-in-trade	62.78	-	62.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress	10.95	-	10.95
Employee benefits expense	1,149.20	-	1,149.20
Finance costs	31.71	-	31.71
Depreciation and amortization expense	210.87	-	210.87
Other expenses	613.12	-	613.12
Total expenses	**3,567.29**	-	**3,567.29**
Profit for the year before share of profit of an associate and tax	**457.63**	-	**457.63**
Share of profit of an associate	**0.33**	-	**0.33**
Profit before tax	**457.96**	-	**457.96**
Tax expense			
Current tax expense	(102.09)	-	(102.09)
Adjustment for earlier years	0.00	-	0.00
Deferred tax	3.53	-	3.53
Total income tax expense	**(98.56)**	-	**(98.56)**
Profit for the year	**359.40**	-	**359.40**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	24.06	-	24.06
	24.06		**24.06**
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability	(1.55)	-	(1.55)
Income tax effect on these items	0.08	-	0.08
	(1.47)		**(1.47)**
Other comprehensive income/(loss) for the year, net of tax	**22.59**		**22.59**
Total comprehensive income for the year	**381.99**		**381.99**

d) Statement of profit and loss for year ended 31 March 2020

	Ind AS	Restatement adjustment	Restated IND AS
Income			
Revenue from operations	4,006.93	-	4,006.93
Other income	86.81	-	86.81
Total income	**4,093.74**	-	**4,093.74**
Expenses			
Cost of material consumed	1,610.92	-	1,610.92
Purchase of Stock-in-trade	50.72	-	50.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(28.48)	-	(28.48)
Employee benefits expense	1,129.87	-	1,129.87
Finance costs	39.98	-	39.98
Depreciation and amortization expense	240.34	-	240.34
Other expenses	647.35	-	647.35
Total expenses	**3,690.70**	-	**3,690.70**
Profit for the year before share of profit of an associate and tax	**403.03**	-	**403.03**
Share of profit of an associate	**0.15**	-	0.15
Profit before tax	**403.18**	**-**	**403.18**
Tax expense			
Current tax expense	(94.53)	-	(94.53)
Adjustment for earlier years	-	-	0.00
Deferred tax	6.81	-	6.81
Total income tax expense	**(87.72)**	-	**(87.72)**
Profit for the year	**315.47**	**-**	**315.47**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	2.31	-	2.31
	2.31		**2.31**
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability	(5.11)	-	(5.11)
Income tax effect on these items	1.25	-	1.25
	(3.86)		**(3.86)**
Other comprehensive income/(loss) for the year, net of tax	**(1.55)**		**(1.55)**
Total comprehensive income for the year	**313.92**		**313.92**

Annexure 6: Notes to restated consolidated financial information
(Amount in Rupees million except per share data and unless otherwise stated)

62 **Corporate Social Responsibility**

Particulars	30 September 2022	31 March 2022	31 March 2021	31 March 2020
Amount required to be spent by the group during the year	1.68	3.41	2.46	2.39
Amount of expenditure incurred	3.40	4.97	3.09	2.56
Amount of shortfall for the year	-	-	-	-
Amount of cumulative shortfall at the end of the year	-	-	-	-

63 **Undisclosed income**

The Group do not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

64 **Details of Crypto Currency or Virtual Currency¤**

The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

65 **The Code on Social Security 2020**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

66 **Impact of COVID 19 Pandemic**

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the period ended September 30, 2022 and has concluded that the impact is primarily on the operational aspects of the business. In making the assessment management has considered the recoverability of trade receivables, investment and other assets and also considered the external and internal information available up to the date of approval of these financial results including status of existing and future customer orders, cash flow projections etc and concluded that there is no significant impact which is required to be recognized in the financial results. Accordingly, no adjustments have been made to the financial results.

67 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Rishabh Instruments Limited
CIN: U31100MH1982PLC028406

Nitin Manohar Jumani
Partner
Membership No: 111700

Place: Pune
Date: 19.12.2022

Narendra Goliya
Chairman and Managing Director
DIN: 00315870

Place: Poland
Date: 19.12.2022

P.K.Ramakrishnan
Non-Executive Director
DIN: 00304272

Place: Nashik
Date: 19.12.2022

Ajinkya Joglekar
Company Secretary
Membership No: A57272

Place: Nashik
Date: 19.12.2022

Vishal Kulkarni
Chief Financial Officer

Place: Nashik
Date: 19.12.2022

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company and our material subsidiaries (Indian rupee converted financials), Lumel SA Lumel Alucast, Dhruv Enterprises Limited and Sifam UK, as identified in accordance with the SEBI ICDR Regulations for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, together with all the annexures, schedules and notes thereto (collectively, the "**Standalone Financial Statements**") are available at https://rishabh.co.in/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, its Subsidiaries or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹, except share data)

Particulars	For the six months ended September 30, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Earnings per Equity Share				
- Basic EPS (in ₹)	4.25*	12.91	9.32	8.03
- Diluted EPS (in ₹)	4.24*	12.89	9.32	8.02
RoNW (in %)	4.51*	13.82	11.61	10.70
NAV per Equity Share (in ₹)	94.06	93.38	80.33	74.98
EBITDA (in ₹ million)	358.07	826.32	700.21	683.37

* *Not annualised.*

Notes:

(1) Basic earnings per share = Net profit after tax / Weighted average number of Shares outstanding during the period/year.

(2) Diluted earnings per share = Net profit after tax / Weighted average number of potential Equity Shares outstanding during the period/year.

(3) RoNW = Profit after tax attributable to the equity Shareholders of the Company / Net worth (i.e., total equity excluding non-controlling interest for that year)

(4) Net asset value per equity share is calculated as the Net Worth (excluding non-controlling interest) divided by the weighted average numbers of equity share outstanding during the respective year.

(5) Pursuant to the Shareholder's Resolution passed at the Extra-ordinary General Meeting held on September 21, 2022 the Company has issued bonus shares in the ratio of 1:1. Hence, for the purpose of calculation of Earnings per Equity Share and Net Asset Value per Share, the number of equity shares outstanding at the end of the respective period/year have been considered after factoring in the aforementioned bonus issue.

Reconciliation of Restated Profit / (Loss) for the Year / Period to EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin

Particulars	For the six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Restated Profit / (Loss) for the Year / Period (A)	168.32	496.52	359.40	315.47
Tax Expense (B)	(55.88)	(95.89)	(98.56)	(87.72)
Restated Profit / (Loss) before tax (C=A+B)	224.20	592.41	457.96	403.19
Adjustments (Less share in profit of associate):	0.04	0.20	0.33	0.15
Add: Finance Costs (D)	15.70	34.31	31.71	39.98

Particulars	**For the six months ended September 30, 2022**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Add: Depreciation and Amortization expense (E)	118.21	199.80	210.87	240.34
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (F= C+D+E)	358.07	826.32	700.21	683.37
Less: Other income (G)	37.46	96.65	125.36	86.81
Add: Change in fair valuation of preference shares (H)	Nil	Nil	Nil	Nil
Add: Employee stock option scheme (I)	Nil	Nil	0.27	1.26
Adjusted EBITDA (J=F-G+H+I)	320.61	729.67	575.12	597.82
Revenue from operations (K)	2,611.43	4,702.50	3,899.56	4,006.93
EBITDA Margin (EBITDA as a percentage of revenue from operations) (L = F/K)	13.71	17.57	17.96	17.05
Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of revenue from operations) (M=J/K)	12.28	15.52	14.75	14.92

Related Party Transactions

For details of the related party transactions for the six months ended September 30, 2022 and for Fiscals 2022, 2021 and 2020, see "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2022, derived from our Restated Consolidated Financial Information and as adjusted for the Offer. This table below should be read in conjunction with the sections titled "***Risk Factors***", "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 27, 303 and 400, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at September 30, 2022	As adjusted for the proposed Offer
Borrowings		
Current borrowings (**I**)	707.27	[●]
Non-current borrowings (including current maturity of long term debt) (**II**)	274.26	[●]
Total Borrowings (I) + (II) = (A)	**981.53**	[●]
Equity		
Equity Share Capital	292.50	[●]
Instrument entirely equity in nature	108.18	[●]
Other equity	3,028.83	[●]
Total Equity (B)	**3,429.51**	[●]
Capitalisation (A) + (B)	**4,411.04**	[●]
Non-current borrowings (including current maturity of long term debt) /equity (%)	7.99	[●]
Total borrowings/ equity (%)	28.62	[●]

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail loans in their ordinary course of business for purposes such as working capital, business requirements and other general corporate purposes. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 286.

The details of aggregate indebtedness of our Company and our Subsidiaries as on October 31, 2022 is provided below.

(in ₹ million)

Category of Borrowing	Sanctioned Amount (to the extent applicable)	Total amount outstanding as on October 31, 2022	
		Fund based	Non-fund based
Working Capital facilities			
Secured (Refer note 1 below)			
Fund based	665.17	428.86	-
Non-fund based	47.63	-	47.63
Total (A)	**712.80**	**428.86**	**47.63**
Unsecured (Refer notes 2 and 3 below)			
Fund based	157.25	157.25	-
Non-fund based	-	-	-
Total (B)	**157.25**	**157.25**	**-**
Total Working Capital facilities (A+B)	**870.05**	**586.11**	**47.63**
Term Loan Facilities			
Secured (C1)	749.97	371.70	-
Unsecured (C2)	-	-	-
Total term loan facilities (C=C1+C2)	**749.97**	371.70	-
Total borrowings (A+B+C)	**1,620.02**	**957.81**	**47.63**

[*]As certified by Shah & Mantri, Chartered Accountants, pursuant to their certificate dated December 29, 2022.
Notes:

(1) Certain working capital sanction limits are fungible between fund and non-fund based on utilisation. Accordingly, the sanction amount has been disclosed as non-fund based to the extent of actual utilised limit as on October 31, 2022 and remaining limit has been disclosed as fund based limit.
(2) In the absence of specific sanction limits, outstanding amount of borrowing (including interest payable) has been considered as sanction amount.
(3) Intra-group (i.e., between consolidated entities of the Company) loans and guarantees (including letter of credit) are not considered hereinabove.
(4) Fund based outstanding amount mentioned hereabove, include outstanding interest payable, if any, as on October 31, 2022.
(5) Lease liabilities are not considered for the above mentioned indebtedness information.

For details in relation to financial indebtedness of our Company, see "***Restated Consolidated Financial Information – Non-current borrowing***" on page 351.

In relation to the Offer, our Company has obtained the necessary consents from the lenders, required under the relevant loan documentation, for undertaking activities in relation to the Offer and in connection thereto.

Key terms of borrowings availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company in respect of outstanding borrowings as on October 31, 2022.

1. ***Interest:*** The interest rate of the foreign currency working capital loans availed by the Company ranges from 1.00% to 3.00% per annum. The interest rate of the Company's term loan is 12 months EURIBOR *plus* 1.5% per annum. The interest rate of unsecured loan from a related party availed by the Company is 11.00% per annum. The interest rate of the cash credit loan availed by the Company is 9.55% per annum and is linked to the credit assessment risk of the Company.

2. ***Penal Rate:*** The cash credit loan, working capital loans and term loan availed by us prescribe penalties for overdue/delays/ defaults of any monies payable. Enhanced/penal rate of interest as applicable/decided by the bank from time to time will be charged for the period of delay/default/non-compliance of the prescribed conditions for the cash credit loan. The penal interest rate of our working capital loans is 3% per annum over the base rate or over applicable rate, whichever is higher. The penal rate of the terms loan

availed by us is 3% per annum over marginal cost of fund based lending rate or over the applicable rate, whichever is higher.

3. ***Security:*** The cash credit loan availed by us are secured by way of hypothecation on our assets, including stocks, semi-finished goods, finished goods, book debts, receivables and other present and future current assets. The cash credit loan is also secured by way of equitable mortgage on the immovable property of our Company and personal guarantee given by our Promoter. The working capital loans and term loans availed by us are secured by way of term deposits amounting to 110% of the exposure and a charge over the account, wherever applicable.

4. ***Prepayment:*** The cash credit loan availed by us typically allows for pre-payment of the outstanding loan amount without payment of any prepayment penalty. The pre-payment charges of our working capital loans is 4.00% per annum plus applicable goods and service tax (as may be revised by the lenders from time to time) on the facility limit. There are no pre-payment charges for our term loans.

5. ***Repayment:*** The cash credit loan is repayable on demand. The working capital loans are repayable on the applicable due dates/ or on demand. The term loans are repayable on a quarterly basis with equal instalments.

6. ***Events of Default:*** In terms of the borrowing arrangements entered into by us, the occurrence of any of the following, among others, constitute an event of default:

   a) non-payment or default of principal and/or interest due on the loan obligation;
   b) change in constitution or management of our Company;
   c) change in control of our Company;
   d) breach of any covenant, condition, agreement or any other conditions subject to the terms of the relevant borrowing arrangement:
   e) proceedings relating to winding up, dissolution, bankruptcy and insolvency being initiated against us;
   f) any other indebtedness of our Company or any of our subsidiaries is not paid when due, or is declared to be or is capable of being declared due and payable before it's normal maturity or if we default under any foreign exchange or foreign exchange options transactions (or other similar transactions) or any derivative transaction with any other parties;
   g) any deterioration or impairment of the assets underlying the security or any part of such security which causes the security to become unsatisfactory as to character, including depreciation in the margin, value or market price of the assets;
   h) one or more events, conditions or circumstances (including any change in law) shall occur or exist which in the reasonable opinion of the lender;
   i) illegality of any obligation under the loan documentation;
   j) appointment of a receiver in respect of whole or any part of the property/assets;
   k) utilization of the loan for purposes other than the sanctioned purpose;
   l) breach of any statements, representations, warranties, covenants or confirmations included in the loan documentation;
   m) the occurrence of any cross-default;
   n) creation of any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the secured properties, including perfection of such security, without prior written consent of the lenders; and
   o) any other event or material change which may have a material adverse effect on the lenders.

7. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, among others, are the actions which our lenders are entitled to take in case of an event of default:

   a) termination of the existing facilities at their discretion;
   b) automatic cancellation of the facilities that have not been drawn down/utilised;
   c) enforce the security over the hypothecated assets;
   d) seek immediate repayment of all or part of the outstanding amounts under the respective facilities;
   e) impose penal interest on the amount in default;
   f) initiate legal proceedings for recovery of dues;
   g) appoint a receiver; and
   h) exercise all other remedies as available under applicable laws.

8. ***Restrictive Covenants:*** The facilities availed by our Company contain restrictive covenants which require prior written consent of the lender for certain specified events or corporate actions, including:

    a) change in the controlling interest, ownership or a reduction in the shareholding of the Promoter of the Company below 51% of the paid-up equity share capital of the Company;
    b) alteration or modification in the constitutional documents of our Company;
    c) change in the remuneration (in terms of sitting fee, commission or otherwise) of the directors or key managerial personnel of the Company;
    d) opening of bank accounts in relation to the Offer;
    e) effecting changes in the board of directors and management set up of the Company;
    f) change or alter the capital structure and shareholding pattern of our Company; and
    g) change the existing accounting policies/standards unless otherwise mandated by applicable laws.

Key terms of borrowings availed by our Subsidiaries

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Subsidiaries in respect of outstanding borrowings as on October 31, 2022. For certain details of intercorporate loans and unsecured loans availed by our Subsidiaries, please see "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

1. ***Interest rate:*** The interest rate for the working capital loans of Lumel Alucast is 1.25% plus WIBOR/EURIBOR 1M per annum and the interest rate of the working capital loans of Shanghai VA typically ranges from 4.70% to 5.70% per annum. The interest rate for the term loan of Lumel SA has a variable interest rate which is determined by the lender and is based on the EURIBOR 1M rate plus the lenders margin of 1.38 percentage on an annual basis. The interest rate for the term loan of Lumel Alucast is WIBOR/EURIBOR 1M rate plus lender's margin of 1.5% on annual basis. The interest rate for the unsecured loan from a related party availed by Lumel SA is 2.5% plus 3M EURIBOR/WIBOR/LIBOR, as applicable. The interest rate for the unsecured loan from a related party availed by Dhruv Enterprises is 3% plus 3M EURIBOR to be calculated on a quarterly basis.

2. ***Pre-payment penalty:*** There is no prepayment penalty on the loans/facilities availed by our Material Subsidiaries. In case of full loan prepayment, certain of our Subsidiaries shall pay the lender at the prepayment date, all the interest due under the loan calculated until the day preceding the day of prepayment. For the working capital loan availed by Shanghai VA, the lender is entitled for prepayment indemnity to the extent of the Break Funding Cost. Break Funding Cost means (a) the amount (if any) by which the lender should have received for the period from the date of receipt of prepaid amount to the maturity date; exceeds (b) the amount which that the lender would be able to obtain by placing an amount equal to the prepaid amount received by it on deposit with a leading bank for a period starting on the business day following receipt and ending on maturity date.

3. ***Security*:** The loans availed by our Material Subsidiary, Lumel SA are secured by way of contractual mortgage on the immoveable property of Lumel SA, assignment of rights under insurance policies of the collateral, registered pledge on the machines and production equipment being the subject to investment and blank promissory note together with a promissory note agreement which guaranteed by Lumel Alucast. The working capital loan availed by our Material Subsidiary, Lumel Alucast are secured by way of contractual mortgage on the immoveable property, assignment of rights under an insurance policy and blank promissory note together with a promissory note agreement which is guaranteed by Lumel SA. The term loan availed by Lumel Alucast are secured by way of a blank promissory note together with a promissory note agreement, blank promissory note issued by Lumel SA with a promissory note agreement, power of attorney to dispose of the funds accumulated on all current and future bank accounts maintained by the lender, contractual mortgage on the immoveable property, registered pledge on the machines and production equipment purchased from the availed loan, assignment of rights under certain insurance policies and registered pledge on the technological line for surface assembly owned by Lumel SA. The lease financing facility availed by Lumel Alucast are secured by way of a blank promissory note issued and guaranteed by Lumel SA and a notarized declaration of the beneficiary on voluntary submission to enforcement proceedings, securing the return, release of the leased asset and payment of the lease receivables. The working capital loan availed by Shanghai V.A. has been secured by a stand by letter of credit issued by our Company.

4. ***Repayment:*** The term loans availed by our Material Subsidiary, Lumel SA are repayable in 84 monthly instalments and unsecured loan from a related party is repayable in a single bullet payment. The term loan availed by Lumel Alucast is repayable in 80 monthly instalments. The working capital loan availed by Lumel Alucast is repayable as per the limit utilised. The working capital loan availed by Shanghai V.A. are repayable in 180 days from the date of drawdown. The unsecured loan from a related party availed by Dhruv Enterprises is repayable in four quarterly instalments.

5. ***Key Covenants:*** The terms of the borrowing arrangements entered into by our Subsidiaries provide for covenants restricting certain corporate actions, and our Subsidiaries are required to take the prior approval of the relevant lender before undertaking the following such corporate actions:

   a) Not contract any obligations in the forms of sureties, guarantees or the obligations to pay funds in excess of PLN 1.00 million or otherwise for a third party subject to any other legal basis;
   b) Not grant any loans to third parties in excess of PLN 1.00 million annually (with exception of loans granted between Lumel Alucast and Lumel SA);
   c) The average monthly inflows to the account, calculated as the average of the previous three months, receipts will not be less than € 0.05 for Lumel SA;
   d) Throughout the tenure of the loan, the average monthly inflows to all bank accounts maintained for the customer by the lender (with the exception of the social fund account) are not lower than 100%;
   e) Providing the lender throughout the tenure, the valuation of real estate determining the market value of the lender's security and at least once for every three years;
   f) Not to incur any financial obligations towards other financial institutions in excess of PLN 4.00 million or otherwise;
   g) At the request of the lender throughout the loan period, the valuation of real estate determining the market value of the bank's collateral, at least once for every three years;
   h) inform the lender of the book value of the object of pledge as at the last day of each calendar quarter by the 20th day of the month following the end of each quarter in case of Lumel Alucast;
   i) Not concluding any derivative transactions with other banks;
   j) Provide the lender with an annual audited report of the Company within 30 days of the audited financial statements being approved;
   k) Maintain the Debt Service Coverage Ratio (DSCR) at a level not lower than 1.2 which will be verified quarterly;
   l) The ratio of equity to total assets (excluding receivables from Dhruv Enterprises Limited) to be kept at a minimum level of 35% which will be verified quarterly;
   m) Apart from investments financed by the lender, not to make any replacement investments for more than PLN 9.00 million annually;
   n) Reach the ratio of debt bearing debt to EBITDA calculated quarterly on the basis of consolidated results of our Material Subsidiary, Lumel S.A. prepared for the lender in accordance with the principles agreed in the loan agreement at a maximum level of 3 and not less than zero; and
   o) Provide the lender with consolidated quarterly financial data and annual consolidated financial statements of our Material Subsidiaries.

6. ***Events of default:*** In terms of the borrowing arrangements entered into by our Subsidiaries, the occurrence of any of the following, among others, constitute an event of default:

   a) Failure to perform or incorrect performance by Lumel Alucast or Lumel S.A., of their respective obligations under any agreement concluded with the lender or another financial institution;
   b) The threat of timely loan or interest repayment related to a significant deterioration of the economic and financial situation in the opinion of the lender;
   c) The property constituting the security under the loan agreement is sold or encumbered without prior written consent of the lender;
   d) Without the prior written consent of the lender, there is a change in the organizational form of the client, to its shareholding structure or its business objects in relation to the status as at the conclusion of the loan agreement;
   e) Without the prior consent of the lender, distribution of dividend from net profit in aggregated amount exceeding 50% of net profit from previous operating year, the dividend cannot be paid out when debt service coverage ratio is lower than 1.2 and the debt ratio with the EBITDA is higher than 3.0;
   f) Any transfer of funds to Dhruv Enterprises Limited or the Company except in cases where the bank agrees above; and

g) Delay in payment, improper performance of obligations specified in the agreement, including those resulting from lenders agreement, false statements, contradiction of obligations under the contract with the law, disclosure in the national debt register, bankruptcy, recovery or restructuring proceedings, restructuring or refinancing of debt due to financial difficulties, expiry / reduction of the value of collateral, undermining of the lender's rights, initiation of criminal, fiscal, enforcement or security proceedings or other actions as a result of creditors' actions, encumbrance of assets, significant negative changes in the client's financial situation in the opinion of the lender, cessation of operations and liquidation.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements***" on page 57.

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

*You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Consolidated Financial Information as of and for the six months ended September 30, 2022 and for Fiscals 2022, 2021 and 2020, including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, the financial information as of and for the six months ended September 30, 2022 and for Fiscals 2022, 2021 and 2020, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been prepared in accordance with Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see "**Financial Information**" on page 303. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India" dated December 14, 2022 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited and commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which has been commissioned and paid for by us exclusively for the purposes of the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**" on page 56. Also see, "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**" on page 15.*

In this section, unless the context otherwise indicates, references to "we", "us", "our" and similar terms are to our Company together with its Subsidiaries.

OVERVIEW

We are a global energy efficiency solution company focused on electrical automation, metering and measurement, precision engineered products, et al. with diverse applications across industries including power, automotive and industrial sectors. We supply a wide range of electrical measurement and process optimization equipment, and are engaged in designing, developing and manufacturing, and sale of devices significantly under our own brand across several sectors. We provide comprehensive solutions to our customers looking for cost-effective ways to measure, control, record, analyse and optimise energy and processes through our array of products. We also provide complete aluminium high pressure die casting solutions for customers requiring close tolerance fabrication (such as automotive compressor manufacturers and automation high precision flow meters manufacturers), machining and finishing of precision components. Our Company is a global leader in manufacturing and supply of analog panel meters, and we are among the leading global companies in terms of manufacturing and supply of low voltage current transformers (*Source: F&S Report*). Lumel is the most popular brand in Poland for meters, controllers, and recorders and Lumel Alucast is one of the leading non-ferrous pressure casting players in Europe (*Source: F&S Report*).

We are a vertically integrated player involved in designing, developing, manufacturing and supplying (a) electrical automation devices; (b) metering, control and protection devices; (c) portable test and measuring instruments; and (d) solar string inverters. In addition, we manufacture and supply aluminium high pressure die casting through our Subsidiary, Lumel Alucast. For six years (Fiscals 2005, 2006, 2008, 2009, 2011 and 2012), the Engineering Export Promotion Council, India, recognised us as a 'Star Performer' in the product group of miscellaneous instruments and appliances (large enterprise). We also provide certain manufacturing services which include mould design and manufacturing, EMI/EMC testing services, Electronic Manufacturing Services, and software solutions (e.g., MARC).

Electrical automation products include energy management software, transducers and isolators, paperless recorders (chartless) and dataloggers, temperature and humidity recorders, I/O converters and temperature controllers among others. Our metering, control and protection devices consist of analog panel meters, rotary cam switches, current transformers, shunts, digital panel meters, multifunction meters, multi-load monitoring meters, power quality meters, power quality analyzers, power factor controllers, LV and MV relays, genset controllers, synchronizing units, power supply and battery chargers among others. Under our portable test and measuring instruments portfolio, we manufacture various categories of digital multimeters, digital clamp meters, digital insulation testers, digital earth testers and environmental products such as ultrasonic level/thickness meter, digital luxmeter, non-contact tachometers, DB meter, submarine cable fault locator among others. We also manufacture solar string inverters in India designed for use in photovoltaic installations connected to the grid. In terms of our aluminium high pressure die castings, we serve global automation, automotive and other industries with our in-house designed tools (which include die casting moulds and CNC fixtures) and various post casting processes such as high precision machining, surface treatment and heat treatment. Our product portfolio consists of over 145 product lines and 0.13 million stock keeping units as of October 31, 2022. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we manufactured an aggregate of 6.65 million units, 14.02 million units, 13.35 million and 15.71 million units of products, respectively, across our product lines. Over the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020, we have served customers in over 100 countries. We are diversified in terms of end users of our products, serving industrial (FMCG, pharmaceutical, cement, steel, railways), power (generation, transmission and distribution, renewable energy, oil and gas), OEM industries (transformer, motor, cable and special machine manufacturers) and new applications (data centre, laboratories, semiconductors, consumer electronics, and building automation). We believe that our consistent focus on innovation which is supported by our robust R&D centres provides us with long-term growth opportunity, helps us align ourselves with the projected demand of our product segments and market, and better position ourselves to meet the evolving requirements of our customers.

We are a technology and R&D focussed enterprise concentrating on innovation of our products, processes and applications to add value to our customers as well as the industry. Our R&D centres in India are accredited nationally and internationally. Our R&D centres in India, Poland and China are staffed with a team of 93 engineers as of October 31, 2022. As a result of our consistent focus on R&D, we have been granted two patents for clamp meters with rotary jaw mechanism and clamp meter safe trigger mechanism in India and *inter alia* the United States (since 2011 and 2012 respectively), Poland and United Kingdom and three design registrations in relation to multimeter, current and voltage transducer and power transducer in India. Further, from time to time, we have in the past also entered into technical collaborations and technology purchases with international players through which we believe we have gained technical proficiency and assimilated the technology in order to further develop and improve not only products but processes as well. For instance, following a technology purchase related to the manufacturing of solar string inverters, we further improved the solar string inverter to make it portable and added numerous additional features such as GSM connectivity to remotely monitor and control energy generation data. Our Manufacturing Facilities house equipment procured from various countries across the world and hold multiple accreditations.

We manufacture all our products in-house from our five manufacturing facilities – two in India, two in Poland and one in China. Products manufactured at all our Manufacturing Facilities (other than Poland Manufacturing Facility II) are tested and certified by testing laboratories for certifications such as CE, ROHS, UKCA etc. In India, both the manufacturing facilities are situated in Nashik. Nashik Manufacturing Facility I is a vertically integrated facility with end-to-end product development capabilities from concept design to testing. Nashik Manufacturing Facility II is also a vertically integrated facility with a tool design facility. Both the Nashik Manufacturing Facilities hold ISO 9001:2015 certification of quality management system. In Poland as well, we have two manufacturing facilities both situated at Zielona Góra – Poland Manufacturing Facility I and Poland Manufacturing Facility II. Poland Manufacturing Facility I is a dedicated facility for production of electrical and electronics products. Poland Manufacturing Facility II has an aluminium die casting facility comprising a foundry, CNC machining, post processing facility (shot blasting, powder coating, painting, washing lines), tool shop and a laboratory. Both the Poland Manufacturing Facilities hold various accreditations including ISO 9001:2015, ISO 14001:2015 and IATF 16949:2016. Our China Manufacturing Facility located in Shanghai houses a production facility and an R&D unit and holds ISO 9001:2015 certification of quality management system. Products manufactured at our China Manufacturing Facility are tested and certified by testing laboratories for certifications including CE, ROHS, UKCA. Our subsidiary, ESL, focuses on developing software solutions such as MARC, and their capabilities allow us to integrate software capabilities in our products.

Our Company was founded in 1982 by Narendra Joharimal Goliya who is our Promoter, as well as our Chairman and Managing Director. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Bombay and a master's degree in science from the Leland Stanford Junior University. He has over four decades of experience in the manufacturing and electrical industry. Anchored by our 40-year presence in India, we strategically expanded our operations to overseas markets and have acquired and/or established seven foreign Subsidiaries – three in Poland, one in the United Kingdom, one in the United States of America, one in China and one in Cyprus. Further, in September 2013, South Asia Clean Energy Fund, an India-focused clean energy private equity fund, through its subsidiary, SACEF, acquired a stake in our Company and currently holds 19.90% of the pre-Offer capital of our Company on a fully diluted basis. For further details, see "***Capital Structure***" and "***History and Certain Corporate Matters***" on pages 84 and 272, respectively.

We primarily follow a business-to-business model which is purchase order based for all our segments except portable test and measuring instruments which is also sold on a merchant basis. We have an extensive network of 167 authorized distributors/stockists across 81 districts in India with direct sales conducted through eight sales and marketing offices which collectively house 53 engineers and 23 sales personnel. The eight locations of our sales and marketing offices across India are New Delhi, Kolkata, Mumbai, Ahmedabad, Pune, Chennai, Bangalore and Hyderabad. Apart from sales and marketing offices, we also have resident sales engineers in 10 cities across India. Globally we have served customers in over 100 countries in the six months ended September 30, 2022 and the last three financial years, i.e. Fiscals 2022, 2021 and 2020 through five sales and marketing offices and a strong global network of 343 authorized distributors/stockists as of October 31, 2022. Globally (outside India) our Company has over 164 authorized distributors/stockists catering to international customers across 70 countries including Germany, the United States, the United Kingdom, Australia, the Middle East, etc. Lumel has 15 authorized distributors/stockists in Poland and over 20 authorized distributors/stockists outside Poland. Lumel also has resident sales engineers situated at the UAE, Hungary, Taiwan, Spain, Germany and Cyprus. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our Indian operations accounted for 30.41%, 32.14%, 32.25% and 33.88%, respectively, of our total revenue from operations. In the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, the revenue generated from our overseas operations accounted for 69.59%, 67.86%, 67.75% and 66.12% of our total revenue from operations, respectively.

Our growth in revenue and profitability can be credited to our operational efficiency, which we achieve by streamlining our operational activities and ensuring that we maintain economies of scale. Set forth below are certain key financial information from our business.

(*in ₹ million, except percentage and ratio*)

Particulars	**Six months ended September 30, 2022**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
EBITDA(1)	358.07	826.32	700.21	683.37
EBITDA margin(2)	13.71%	17.57%	17.96%	17.05%
Profit/(loss) after tax	168.32	496.52	359.40	315.47
PAT margin(3)	6.35%	10.35%	8.93%	7.71%
Capital expenditure	92.38	223.55	317.99	527.40
Net cash generated from operations	94.96	132.82	529.34	716.50
ROCE(4)	5.87%*	15.20%	12.16%	11.42%
ROE(5)	4.91%*	14.58%	12.01%	11.11%
Net debt/equity ratio(6)	0.29	0.28	0.35	0.36
Asset turnover ratio(7)*	2.14	1.17	1.27	1.20

(1) EBITDA is earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses.
(2) EBITDA margin is the percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses.
(3) PAT margin is the percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes.
(4) ROCE is calculated using two components, i.e. earnings before interest and tax and capital employed and is calculated by earnings before interest and tax divided by total assets less current liabilities.
(5) ROE is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity).
(6) Net debt/equity ratio is calculated by dividing Equity attributable to equity holders of the parent by Total Debt.
(7) Asset turnover ratio – Considered Total Assets and Total Income.
** Not annualised.*

For a detailed discussion on our financial performance, see "***Financial Information***" on page 303.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition are affected by several important factors including:

Effects of the COVID-19 pandemic on our results of operations

An outbreak of COVID-19 was recognized as a global pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak the governments of many countries, including India, had taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit time spent outside of their homes. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our factories, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. A new COVID-19 variant named Omicron was detected in November 2021 and which also caused significant supply chain disruptions.

We undertook strict implementation of social distancing norms and isolation protocols which were monitored by our COVID-19 response team in accordance with our internal policy for management of COVID-19. The lockdowns in India and in other countries, specifically China (due to its zero-COVID policy), caused major supply chain disruptions in Fiscal 2021 and 2022 and in the six months ended September 30, 2022 particularly in China, including shortages of semiconductors, microcontrollers, cold-rolled grain-oriented steel, polycarbonate and other material and components. The nationwide lockdown in India during March and April 2020 resulted in the full closure of our Nashik Manufacturing Facilities for the first three weeks of Fiscal 2021, resulting in no production for that period. Subsequent social distancing requirements also meant that significantly fewer workers were able to come into our Nashik Manufacturing Facilities, which materially reduced our production capacity. Overall, our manufacturing facilities were shut down for a period of 42 days in India, for a period of 12 days in Poland and for a period of 79 days in China (since the date Shanghai VA was acquired by us) due to the COVID-19 pandemic. These factors resulted in our total revenue from operations decreasing by 2.68% to ₹ 3,899.56 million in Fiscal 2021 from ₹ 4,006.93 million in Fiscal 2020. Please also see – "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" on page 32.

Availability and price of essential utilities and raw materials

Our business operations are heavily dependent on continuous and supply of electricity, water and gas which are critical to our manufacturing operations. For our Nashik Manufacturing Facilities our power requirements are met through Maharashtra State Electricity Distribution Company Limited. Further, water is procured from the Nashik Municipal Corporation for our Nashik Manufacturing Facilities and gas requirements at our Poland Manufacturing Facilities are met from PGNIG Obrot Delaliczny sp. Z o.o. Our Poland Manufacturing Facility II requires natural gas for the aluminium high-pressure die casting business. As a result of the recent conflict between Russia and Ukraine and sanctions imposed on Russia by the Government of Poland, Russia may shut down the supply of natural gas to Poland. In view of the possibility of low or no availability of natural gas, the Government of Poland may introduce certain restrictions on the consumption of natural gas wherein our Poland Manufacturing Facility II will be required to reduce consumption of natural gas. However, our Poland Manufacturing Facility II is situated in a region which has supply of local natural gas through local distribution. Although our Poland Manufacturing Facility II may not face the threat of total cut off, the consumption of natural gas may become extremely expensive. Such shutdowns could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

Efficient component and material purchasing is critical to our manufacturing processes and contractual arrangements. We source components and other inputs, including printed circuit boards, cold-rolled grain-oriented steel, polycarbonate, microprocessors/ microcontroller semiconductor chips, aluminium, copper, polycarbonate used in our manufacturing operations, from suppliers identified by certain of our OEM customers or, in some cases, directly from our OEM customers. We source these materials directly and they may be subject to significant price volatility due to changes in global demand, supply disruptions and other factors. We procure polycarbonate, Nylon 6, copper and steel on a spot purchase basis. We also require other components, such as controllers, printed circuit boards and thyristor modules which are sourced from the international suppliers based on our requirements on an on-going basis.

We source these materials directly and they may be subject to significant price volatility due to changes in global demand, supply disruptions and other factors. While certain of our customer contracts permit quarterly or other periodic prospective adjustments to pricing based on changes in component prices and other factors, we typically bear the risk of component price increases that occur between any such re-pricings. Some of the products we manufacture require components that are only available from one manufacturer. In these cases, supply shortages will substantially curtail production using a particular component such as semiconductors, microcontrollers, cold-rolled grain-oriented steel, copper and polycarbonate. A supply shortage may increase our costs if we are forced to pay higher prices for components or raw materials or both, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations if we are not able to pass the increases onto our customers or otherwise offset them.

We are highly dependent on our imports of semiconductors from various geographies and in the past, we have faced a significant shortage of semiconductors. There has been a significant amount of stockpiling of semiconductors by OEMs in various sectors. The lockdowns and restrictions in response to the COVID-19 pandemic had affected deliveries of semiconductors from our suppliers to us. Additionally, our Nashik Manufacturing Facility I, due to dependence on a single manufacturer of microcontrollers have also undertaken spot purchasing of microcontrollers at high prices to maintain production of its products Further, prices of copper and polycarbonate have undergone significant change which has increased cost of our manufactured products. We may not be able to purchase the components and materials needed at favourable prices. Significant shortages or delay in the supply or increase in costs of our major production inputs may adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence, and reduce our competitiveness. See, "***Risk Factors – Failure to manage component and material purchasing and shortages in the supply of our major production inputs could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and may have a material adverse effect on our results of operations and financial condition***" *and* "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" on pages 30 and 32, respectively.

The availability and price of raw materials is subject to a number of factors beyond our control including changes in global economic conditions, industry cycles, demand-supply dynamics and attempts by particular producers to capture market share. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our production facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability.

Certain of our customer contracts permit quarterly or other periodic prospective adjustments to pricing based on changes in component prices and other factors, we typically bear the risk of component price increases that occur between any such re-pricings. Some of the products we manufacture require components that are only available from one manufacturer. In these cases, supply shortages will substantially curtail production using a particular component such as semiconductors, microcontrollers, cold-rolled grain-oriented steel, copper and polycarbonate. A supply shortage may increase our costs if we have to pay higher prices for components or raw materials or both, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations if we are not able to pass the increases onto our customers or otherwise offset them. For instance, prices of copper and polycarbonate have undergone significant change which has increased cost of our manufactured products. We may not be able to purchase the components and materials needed at favourable prices. Significant shortages or delay in the supply or increase in costs of our major production inputs may adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence, and reduce our competitiveness. The components and inputs required for our business may not always be readily available, and we may not obtain them in a timely manner to meet our production schedules. In Fiscals 2021 and 2022, we have faced a significant shortage of key components and inputs, on account of the factors discussed under "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" on page 32. These shortages have had a material and adverse effect on our manufacturing operations, quantities produced, and revenues in Fiscals 2021 and 2022, as well as the six months ended September 30, 2022.

Geographical expansion, undertaking the Expansion Project and expanding existing customer base

We have strategically pursued expansion into new geographies by making strategic acquisitions in Europe (Poland), China, the United Kingdom and the United States. We propose to capitalize on our presence in India and expand our network of stockists/distributors supported by opening up of branch offices in Tier II cities. In addition, we propose to upgrade existing branches to include regional technical training and service centres which will make our product offerings more accessible and allow us to provide product and application training along with calibration and repair services as well.

In order to achieve the economies of scale in our operations to enable us to increase production of analog panel meters, digital panel meters, multimeters, current transformers, electrical transducers and solar string inverters as well as other products in response to the needs and timelines of our customers, we intend to continue to expand our existing production capabilities. We propose to utilise a substantial portion of the Net Proceeds from the Offer towards our Expansion Project as described in detail in "***Objects of the Offer***" on page 108. Our expansion plans and business growth require significant capital expenditure and the dedicated attention of our management.

Internationally, we propose to expand our sales office and distribution network to other geographies, such as Brazil, South Africa, Peru, France, Spain, the Kingdom of Saudi Arabia etc. We also propose to sell products from our different manufacturing locations to bring more synergy and establish product customization centres for local customers.

Our strategies to target new customers and expand existing customer accounts, deepen our geographical footprint and extend to markets with high entry barriers, which could be regulatory or financial, will continue to place significant demands on our management, operational and financial resources. We may encounter difficulties as we expand our operations, technology, sales and marketing and general and administrative functions.

Pace of R&D and technological advancements driven by industry and regulatory standards

The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in customer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced parts and materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products. There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D or through strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized.

Inorganic growth and integration of acquired businesses or entities across geographies

We have historically pursued a strategy of inorganic growth, and accordingly the integration of acquired businesses and entities is a key factor for our business. We have steadily extended our global reach by way of strategic acquisitions in Europe, the United Kingdom and China, and with every acquisition we worked towards integrating our acquisitions and achieving synergies. Starting with the acquisition of Lubuskie Zakłady Aparatów Elektrycznych "Lumel" Spółka akcyjna in Poland during Fiscal 2012, which (together with Lumel) has a 69-year operating history, we gained a platform for further penetration particularly in Central and Eastern European markets. Since then, we have acquired businesses in China during Fiscal 2020, through which we gained an additional environmental TMI products portfolio, and subsequently in Poland during Fiscal 2021 we acquired a division of Relpol S.A gaining a medium voltage relay offering. We propose to continue to pursue inorganic growth opportunities in relatively larger markets and/or developed economies such as the United States, Brazil and Turkey.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

The following is a brief description of the significant accounting policies adopted by us:

Basis of Preparation

The Restated Consolidated Financial Information comprise the Restated Consolidated Statement of Asset and Liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for the six months ended September 30, 2022 and the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (together the "**Restated Consolidated Financial Information**").

The Restated Consolidated Financial Information has been specifically prepared for inclusion in this Draft Red Herring Prospectus and has been prepared by us to comply in all material respects with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "**Guidance Note**").

The Restated Consolidated Financial Information has been compiled from (i) the audited special purpose interim consolidated IND AS financial statements of the Company, its Subsidiaries and its Associate (the "**Group**") as at and for the six months ended September 30, 2022 prepared in accordance with IND AS 34 ―Interim Financial Reporting‖ as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India; (ii) audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2022 and March 31, 2021 prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India; (iii) audited special purpose IND AS consolidated financial statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("**Indian GAAP**") after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) as initially adopted on the transition date i.e. April 1, 2020.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated financial statements for the six months ended September 30, 2022. The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial information of the Group for the six months ended September 30, 2022and the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Consolidated Financial Information have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

Use of Estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the making of estimates and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Company's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, Plant and Equipment	Useful Life
Leasehold improvement*	Lease period
Buildings	28 years
Plant & Machinery	10 to 20 years
Moulds	6 years
Motor Vehicle	10 years
Furniture and Fixtures	15 years
Office Equipment	6 to 20 years

* *Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.*

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on annual basis.

Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life
Technical knowhow	10 years

Intangible assets	Useful Life
Software (Others)	3 years
Software (SAP)	10 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Foreign Currency Transactions

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial information are presented in Indian rupee, which is also the Company's functional and presentation currency.

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement such as derivative instrument. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Leases

The Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under Ind AS 116, the Group recognizes right-of-use assets and lease liabilities for most leases. All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

Impairment of non-financial assets

The Group assesses at each year end 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 Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized and reflected in an allowance account. When the Group 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.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in-flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**").

Provisions and Contingent Liabilities

Provisions are made when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. For purposes of subsequent measurement, financial assets are classified in following categories: (a) at amortized cost; or (b) at fair value through other comprehensive income; or (c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: (a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and (b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, trade receivables and other financial assets.

Impairment of Financial Assets

In accordance with Ind AS 109, financial instruments, the Company applies expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and fair value through other comprehensive income.

For recognition of impairment loss on 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, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, 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 recognizing impairment loss allowance based on 12-month ECL. Life-time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 effective interest rate. When estimating the cash flows, an entity is required to consider 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. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In the balance sheet, ECL for financial assets measured at amortized cost 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.

Derecognition of Financial Assets

A financial asset is derecognized only when (a) the rights to receive cash flows from the financial asset is transferred; or (b) contractual rights to receive the cash flows of the financial asset are retained, but a contractual obligation to pay the cash flows to one or more recipients is assumed.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade and other payables, loans and borrowings, lease liabilities etc.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss as finance costs.

Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees’ services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations include (a) defined contribution plans such as contribution towards provident fund and towards employees' state insurance scheme to the relevant regulatory authorities; and (b) defined benefit plans such as gratuity, compensated absences and accumulated compensated absences.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income is divided into revenue from operations and other income. The following table shows our total revenue from operations and other income:

(₹ in million)

Particulars	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from contracts with customers	2,598.57	4,678.45	3,874.60	3,979.12
- Sale of goods	2,481.09	4,533.30	3,814.20	3,946.42
- Sale of services	117.48	145.15	60.40	32.70
Other operating revenue	12.86	24.05	24.96	27.81
Revenue from operations	2,611.43	4,702.50	3,899.56	4,006.93
Other income	37.46	96.65	125.36	86.81
Total income	2,648.89	4,799.15	4,024.92	4,093.74

Revenue from Operations

Our total revenue from operations consists of revenue from contracts with customers (generated from sale of goods and sale of services) and other operating income.

Revenue from sale of goods

Our revenue from sale of goods accounted for 95.01%, 96.40%, 97.81% and 98.49% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our revenue from sale of goods consists of sale of products manufactured at our Manufacturing Facilities, as well as products assembled at our Modification Centres. Our Modification Centres are supplied with 'virtually finished goods' from our manufacturing facilities and are equipped to complete the full products/ reprogram to suit the customer requirements for onwards sale.

Revenue from sale of services

Our revenue from sale of services accounted for 4.50%, 3.09%, 1.55% and 0.82% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our services primarily consist of mould design and manufacturing, EMI/ EMC testing, Electronic Manufacturing Services as well as providing software solutions such as MARC developed at Energy Solution Labs.

Other Income

Other income consists of (i) interest on fixed deposits designated as amortized cost; (ii) interest income on security deposits and others; (iii) interest on tax refunds; (iv) net foreign exchange gains; (v) rent income; (vi) provision for doubtful debts written back; (vii) relief package of ₹ 41.97 million received by Lumel Alucast from the Polish government during the COVID-19 pandemic; and (viii) miscellaneous income.

Expenses

Our expenses consist of (i) cost of raw material consumed; (ii) purchase of stock-in-trade; (iii) changes in inventories of finished goods, stock-in-trade and work-in-progress; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

The following table sets forth our expenditure as a percentage of our total revenue from operations for the periods indicated:

(₹ in million, except percentages)

Particulars	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Cost of material consumed	1,228.10	2,010.80	1,488.66	1,610.92
Percentage of revenue from operations	47.03	42.76	38.18	40.20

Particulars	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Purchase of stock-in-trade	101.47	128.70	62.78	50.72
Percentage of revenue from operations	3.89	2.74	1.61	1.27
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(51.74)	(167.56)	10.95	(28.48)
Percentage of revenue from operations	-1.98	*-3.56*	*0.28*	*-0.71*
Employee benefits expense	624.00	1,257.48	1,149.20	1,129.87
Percentage of revenue from operations	23.89	26.74	29.47	28.20
Finance cost	15.70	34.31	31.71	39.98
Percentage of revenue from operations	0.60	0.73	0.81	1.00
Depreciation and amortization expense	118.21	199.80	210.87	240.34
Percentage of revenue from operations	4.53	4.25	5.41	6.00
Other expenses	388.99	743.41	613.12	647.35
Percentage of revenue from operations	14.90	15.81	15.72	16.16
Total expenses	2,424.73	4,206.94	3,567.29	3,690.70

Cost of raw materials consumed

Cost of raw materials consumed consists of raw material costs incurred in the manufacturing of our products, and accounted for 47.03%, 42.76%, 38.18% and 40.20% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Purchase of stock-in-trade

Purchase of stock-in-trade, which includes purchase of items such as data loggers, programmer digital meters and power network meters not manufactured in-house, accounted for 3.89%, 2.74%, 1.61% and 1.27% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

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

Changes in inventories of finished goods, stock-in-trade and work-in-progress consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period, stock in trade, spares and finished goods. Changes in inventories of finished goods, stock-in-trade and work-in-progress accounted for (1.98)%, (3.56)%, 0.28% and (0.71)% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Employee benefit expense

Employee benefit expense includes (i) salaries, wages, bonus and other allowances; (ii) contribution to Provident Fund, ESI, Social Benefit Fund; (iii) gratuity and compensated absences expenses; (iv) employee stock option expense; and staff welfare expenses. Employee benefit expense accounted for 23.89%, 26.74%, 29.47% and 28.20% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Finance cost

Finance cost include (i) interest on borrowings; (ii) interest on delay in payment of taxes; (iii) interest expense on lease liability; (iii) interest on unsecured loans; and (iv) exchange difference adjusted to borrowing cost. Finance cost accounted for 0.60%, 0.73%, 0.81% and 1.00% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Depreciation and amortisation expenses

Depreciation represents depreciation on property, plant and equipment, depreciation on right of use of assets. Amortisation represents amortisation of intangible assets. Depreciation is calculated using the straight-line method determined based on the technical experts assessment of useful life, as per which certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013, in order to reflect fair approximation of the period over which the assets are likely to be used.

Depreciation and amortisation expense accounted for 4.53%, 4.25%, 5.41% and 6.00% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Other expenses

Other expenses include consumption of stores and spares, cost of contract labour, sub-contracting charges, testing charges, freight and forwarding charges, electricity and water, rent (machinery), repairs and maintenance (others, plant and machinery and buildings), rates and taxes, insurance, impairment of goodwill, travel and conveyance, bank charges, printing and stationery, postage and courier, communication, broadband and internet expenses, legal and professional charges, advertisement, commission, loss on sale/disposal of fixed assets, foreign exchange fluctuation, warranty cost (net of reversals), expenditure towards corporate social responsibility (CSR) activities, provision for doubtful debts and miscellaneous expenses. Other expenses accounted for 14.90%, 15.81%, 15.72% and 16.16% of our total revenue from operations for the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

RESULTS OF OPERATIONS

Six months ended September 30, 2022

Total income

Our total income was ₹ 2,648.89 million in the six months ended September 30, 2022.

Revenue from operations

Our total revenue from operations was ₹ 2,611.43 million in the six months ended September 30, 2022.

Revenue from sale of goods

Our revenue from sale of goods was ₹ 2,481.09 million in the six months ended September 30, 2022.

Revenue from sale of services

Our revenue from sale of services was ₹ 117.48 million in the six months ended September 30, 2022.

Other operating revenue

Our other operating revenue was ₹ 12.86 million in the six months ended September 30, 2022.

Expenditure

Total expenses was ₹ 2,424.73 million in the six months ended September 30, 2022.

Cost of material consumed

Cost of material consumed was ₹ 1,228.10 million in the six months ended September 30, 2022.

Purchase of stock-in-trade

Purchase of stock-in-trade was ₹ 101.47 million in the six months ended September 30, 2022.

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

Changes in inventories of finished goods, stock-in-trade and work-in-progress was ₹ (51.74) million in the six months ended September 30, 2022.

Employee benefits expense

Employee benefit expense was ₹ 624.00 million in the six months ended September 30, 2022.

Finance cost

Finance cost was ₹ 15.70 million in the six months ended September 30, 2022.

Depreciation and amortisation expenses

Our depreciation and amortisation expense was ₹ 118.21 million in the six months ended September 30, 2022.

Other expenses

Other expenses were ₹ 388.99 million in the six months ended September 30, 2022.

Profit before tax

In light of the above discussions, our profit before tax was ₹ 224.20 million in the six months ended September 30, 2022.

Tax expense

Our tax expenses were ₹ 55.88 million in the six months ended September 30, 2022.

Profit for the year

For the various reasons discussed above, we recorded a profit of ₹ 168.32 million in the six months ended September 30, 2022.

Fiscal 2022 compared with Fiscal 2021

Total income

Our total income increased by ₹ 774.23 million or by 19.24% from ₹ 4,024.92 million in Fiscal 2021, to ₹ 4,799.15 million in Fiscal 2022. This was primarily due to increase in our total revenue from operations.

Revenue from operations

Our total revenue from operations increased by ₹ 802.94 million or by 20.59% from ₹ 3,899.56 million in Fiscal 2021, to ₹ 4,702.50 million in Fiscal 2022. This increase was primarily driven by ₹ 719.10 million increase in revenue from sale of goods and ₹ 84.74 million increase in revenue from sale of services.

Revenue from sale of goods

Our revenue from sale of goods increased by ₹ 719.10 million or by 18.85% from ₹ 3,814.20 million in Fiscal 2021, to ₹ 4,533.30 million in Fiscal 2022. Our total revenue from operations was affected by the COVID-19 pandemic in Fiscal 2021 and this increase in Fiscal 2022 reflects the recovery in our sales thereafter.

Revenue from sale of services

Our revenue from sale of services increased substantially by ₹ 84.75 million or by 140.30% from ₹ 60.40 million in Fiscal 2021, to ₹ 145.15 million in Fiscal 2022. This increase was primarily due to the recovery in sales following the COVID-19 pandemic in Fiscal 2021.

Other operating revenue

Our other operating revenue decreased by ₹ 0.91 million or by 3.65% from ₹ 24.96 million in Fiscal 2021, to ₹ 24.05 million in Fiscal 2022.

Expenditure

Total expenses increased by ₹ 639.65 million or by 17.93% from ₹ 3,567.29 million in Fiscal 2021, to ₹ 4,206.94 million in Fiscal 2022.

Cost of material consumed

Cost of material consumed increased by ₹ 522.14 million or by 35.07% from ₹ 1,488.66 million in Fiscal 2021, to ₹ 2,010.80 million in Fiscal 2022 on account of a change in our product mix with an increase in sales of digital products which resulted in an increase in material cost for such products as well as an increase in commodity prices, particularly those of copper, aluminium, nickel and zinc. As a percentage of our total revenue from operations, our cost of raw materials consumed accounted for 42.76% in Fiscal 2022 compared to 38.18% in Fiscal 2021.

Purchase of stock-in-trade

Purchase of stock-in-trade increased by ₹ 65.93 million or by 105.02% from ₹ 62.78 million in Fiscal 2021, to ₹ 128.70 million in Fiscal 2022 following an increase in trading purchases to match the increase in production.

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

Changes in inventories of finished goods, stock-in-trade and work-in-progress decreased by ₹ 178.51 million during Fiscal 2022. We increased inventory levels of finished goods as well as work-in-progress goods by ₹ 73.92 million and ₹ 93.63 million during Fiscal 2022. While we built up our inventory primarily to cover the semiconductor shortage and keep the production cycles intact, some of the inventory build also occurred organically reflecting the ongoing recovery from the effects of the COVID-19 pandemic and the gradual normalization of payment cycles.

Employee benefits expense

Employee benefit expense increased by ₹ 108.27 million or by 9.42% from ₹ 1,149.20 million in Fiscal 2021, to ₹ 1,257.48 million in Fiscal 2022. This was primarily due to salary increments given to employees.

Finance cost

Finance cost increased by ₹ 2.59 million or by 8.18% from ₹ 31.71 million in Fiscal 2021, to ₹ 34.31 million in Fiscal 2022. This increase in finance cost is primarily attributable to an increase of ₹ 164.80 million in short-term borrowings availed by our Company including current maturities of long-term borrowing.

Depreciation and amortisation expenses

Our depreciation and amortisation expense decreased by ₹ 11.07 million or by 5.25%, from ₹ 210.87 million in Fiscal 2021, to ₹ 199.80 million in Fiscal 2022. The decrease reflects the depreciated value of assets for the period.

Other expenses

Other expenses increased by ₹ 130.29 million or by 21.25% from ₹ 613.12 million in Fiscal 2021, to ₹ 743.41 million in Fiscal 2022. This was primarily driven by ₹ 36.56 million increase in electricity and water expenses, increase in cost of labour by ₹ 37.69 million, increase in testing charges by ₹ 7.99 million, increase in freight and forwarding charges by ₹ 14.39 million, increase in legal and professional charges by ₹ 14.54 million and increase in sub-contracting cost by ₹ 8.20 million.

Profit before tax

In light of the above discussions, our profit before tax increased by ₹ 134.44 million or by 29.36% from ₹ 457.96 million in Fiscal 2021, to ₹ 592.41 million in Fiscal 2022.

Tax expense

Our tax expenses were in credit and increased by ₹ 2.66 million or by 2.70% from a credit balance of ₹ 98.56 million in Fiscal 2021, to a credit balance of ₹ 95.89 million in Fiscal 2022.

Profit for the year

For the various reasons discussed above, and following adjustments for tax credit, we recorded an increase in our profit by ₹ 137.12 million or by 38.15% from ₹ 359.40 million in Fiscal 2021, to ₹ 496.52 million in Fiscal 2022.

Fiscal 2021 compared with Fiscal 2020

Total income

Our total income decreased by ₹ 68.82 million or by 1.68% from ₹ 4,093.74 million in Fiscal 2020, to ₹ 4,024.92 million in Fiscal 2021 reflecting the impact of the COVID-19 pandemic on our income.

Revenue from operations

Our total revenue from operations was affected by the COVID-19 pandemic in Fiscal 2021 and decreased by ₹ 107.37 million or by 2.68% from ₹ 4,006.93 million in Fiscal 2020, to ₹ 3,899.56 million in Fiscal 2021. While our revenue from sale of goods decreased, our revenue from sale of services increased during the year.

Revenue from sale of goods

Our revenue from sale of goods decreased by ₹ 132.22 million or by 3.35% from ₹ 3,946.42 million in Fiscal 2020, to ₹ 3,814.20 million in Fiscal 2021. This decrease was primarily on account of the COVID-19 pandemic due to our Manufacturing Facilities were under lockdown for varied periods during the year and the heavy lead times in procurement of raw materials all of which impacted our sales.

Revenue from sale of services

Our revenue from sale of services increased substantially by ₹ 27.70 million or by 84.73% from ₹ 32.70 million in Fiscal 2020, to ₹ 60.40 million in Fiscal 2021. These reflect services such as EMI / EMC testing and mould development which we increased focussed on providing during the COVID-19 pandemic.

Other operating revenue

Our other operating revenue decreased by ₹ 2.85 million or by 10.25% from ₹ 27.81 million in Fiscal 2020, to ₹ 24.96 million in Fiscal 2021.

Expenditure

Total expenses decreased by ₹ 123.41 million or by 3.34% from ₹ 3,690.70 million in Fiscal 2020, to ₹ 3,567.29 million in Fiscal 2021. This was primarily driven by ₹ 122.25 million decrease in cost of raw materials, ₹ 29.47 million decrease in depreciation and amortization expense, and ₹ 34.20 million decrease in other expenses.

Cost of raw material consumed

Cost of raw material consumed decreased by ₹ 122.26 million or by 7.59% from ₹ 1,610.92 million in Fiscal 2020, to ₹ 1,488.66 million in Fiscal 2021 reflecting lower production levels on account of the COVID-19 pandemic.

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

Changes in inventories of finished goods, stock-in-trade and work-in-progress decreased by 61.56% from an increase of ₹ 39.43 million in Fiscal 2020 to a decrease of ₹ 10.95 million in Fiscal 2021. This was primarily attributable to an increase in raw material inventory by ₹ 91.28 million, and work-in-progress inventory of ₹ 12.92 million, which was partially offset by a decrease of ₹ 23.87 million in finished and traded goods stock inventory.

Employee benefit expense

Employee benefit expense increased by ₹ 19.33 million or by 1.71% from ₹ 1,129.87 million in Fiscal 2020, to ₹ 1,149.20 million in Fiscal 2021.

Finance cost

Finance cost decreased by ₹ 8.27 million or by 20.68% from ₹ 39.98 million in Fiscal 2020, to ₹ 31.71 million in Fiscal 2021. This decrease in finance cost is primarily attributable to the repayment of short term borrowing of ₹ 62.90 million.

Depreciation and amortisation expenses

Our depreciation and amortisation expense decreased by ₹ 29.47 million or by 12.26%, from ₹ 240.34 million in Fiscal 2020, to ₹ 210.87 million in Fiscal 2021. The decrease reflects the depreciated value of assets for the period.

Other expenses

Other expenses decreased by ₹ 34.23 million or by 5.29% from ₹ 647.35 million in Fiscal 2020, to ₹ 613.12 million in Fiscal 2021. This was primarily due to a decrease in travelling costs of ₹ 28.87 million and reduction in the cost of contract labour which reduced by ₹ 12.66 million.

Profit before tax

In light of above discussions, our profit before tax decreased by ₹ 54.77 million or by 13.54% from ₹ 403.21 million in Fiscal 2020, to ₹ 457.96 million in Fiscal 2021.

Tax expense

Our tax expenses were in credit and decreased by ₹ 10.84 million or by 12.36% from a credit balance of ₹ 87.72 million in Fiscal 2020, to a credit balance of ₹ 98.56 million in Fiscal 2021.

Profit for the year

For the various reasons discussed above, and following adjustments for tax, we recorded an increase in our profit by ₹ 43.93 million or by 13.92% from ₹ 315.47 million in Fiscal 2020, to ₹ 359.40 million in Fiscal 2021.

CASH FLOWS

The following table sets forth certain information relating to our cash flows under Ind AS in the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020:

(₹ in million, except percentages)

Particulars	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash flow generated from operating activities	94.96	132.82	529.34	716.50
Net cash flow used in investing activities	182.88	(107.60)	(208.39)	(634.79)
Net cash flow used in financing activities	(33.88)	(70.68)	(230.20)	209.68
Net increase/ (decrease) in cash and cash equivalents (before foreign exchange difference)	243.96	(45.46)	90.75	291.39
Opening cash and cash equivalents	462.41	543.25	428.44	134.74
Closing cash and cash equivalents	589.05	462.41	543.25	428.44

Net cash generated from operating activities

Net cash generated from operating activities before tax was ₹ 169.98 million in the six months ended September 30, 2022 and our operating profit before working capital changes was ₹ 338.01 million. Restated profit before tax was ₹ 224.20 million in the six months ended September 30, 2022. The difference was primarily attributable to ₹ 122.45 million increase in inventories due to higher production due to increase in trade receivables by ₹ 93.97 million, ₹ 30.60 million decrease in other current liabilities and increase in trade payables by ₹ 129.83million.

Net cash generated from operating activities before tax in Fiscal 2022 was ₹ 243.89 million and our operating profit before working capital changes was ₹ 759.23 million. The difference was primarily attributable to ₹ 490.03 million increase in inventories due to higher production, ₹ 81.08 million decrease in trade receivables, increase in trade payable, ₹ 59.41 million, increase in other current liabilities, ₹ 34.07 million, decrease in provision and ₹ 6.04 million, increase in other financial liabilities ₹ 9.67 million. We paid income tax of ₹ 111.07 million.

Net cash generated from operating activities in Fiscal 2021 was ₹ 600.15 million and our operating profit before working capital changes was ₹ 654.39 million. The difference was primarily attributable to ₹ 60.46 million increase in inventories due to higher production, ₹ 14.81 million increase in provisions, ₹ 10.00 million increase in other current liabilities and ₹ 103.55 million increase in trade payables. We paid income tax of ₹ 70.81 million.

Net cash generated from operating activities in Fiscal 2020 was ₹ 811.82 million and our operating profit before working capital changes was ₹ 650.50 million. The difference was primarily attributable to ₹ 68.43 million decrease in trade payables, ₹ 83.16 million increase in provisions, and ₹ 35.85 million decrease in inventories. We paid income tax of ₹ 95.32 million.

Net cash used in investing activities

Net cash used in investing activities in the six months ended September 30, 2022 was ₹ 182.88 million. This reflected payment of ₹ 122.35 million towards purchase of property, plant and equipment and intangible assets due to expansion. This was partially offset by (i) ₹ 149.59 million from net proceeds from investment in fixed deposit and (ii) ₹ 12.10 million from interest received.

Net cash used in investing activities in Fiscal 2022 was ₹ 107.60 million. This reflected (i) payment of ₹ 158.46 million towards purchase of property, plant and equipment and intangible assets due to expansion, (ii) payment of ₹ 14.08 million towards acquisition of non-controlling interest / controlling interest in Shanghai VA. This was partially offset by (i) ₹ 33.72 million from net proceeds from fixed assets and (ii) ₹ 29.57 million from interest received.

Net cash used in investing activities in Fiscal 2021 was ₹ 208.39 million. This reflected (i) payment of ₹ 354.03 million towards purchase of property, plant and equipment and intangible assets due to expansion. This was partially offset by (i) ₹ 94.91 million from net proceeds from fixed assets and (ii) ₹ 50.50 million from interest received.

Net cash used in investing activities in Fiscal 2020 was ₹ 634.79 million. This reflected (i) payment of ₹ 466.64 million towards purchase of property, plant and equipment and intangible assets due to expansion, (ii) payment of ₹ 155.44 million towards acquisition of non-controlling interest/controlling interest in Shanghai VA. This was partially offset by (i) ₹ 63.65 million from interest received.

Net cash used in financing activities

Net cash used in financing activities in the six months ended September 30, 2022 was ₹ 33.88 million. This reflected (i) payment of ₹ 2.06 million towards dividend, (ii) payment of ₹ 15.21 million towards interest paid and (iii) payment of ₹ 32.45 million towards lease liability. This was partially offset by ₹ 15.84 million from borrowings.

Net cash used in financing activities in Fiscal 2022 was ₹ 70.68 million. This reflected (i) payment of ₹ 10.73 million towards dividend, (ii) payment of ₹ 31.52 million towards interest and (iii) payment of ₹ 74.61 million towards lease liability. This was partially offset by ₹ 46.18 million from borrowings.

Net cash used in financing activities in Fiscal 2021 was ₹ 230.20 million. This reflected (i) payment of ₹ 205.81 million towards buyback of CCPS, (ii) payment of ₹ 89.49 million towards lease liability, and (iii) payment of ₹ 27.77 million towards interest. This was partially offset by ₹ 101.66 million from borrowing.

Net cash used in financing activities in Fiscal 2020 was ₹ 209.68 million. This reflected (i) payment of ₹ 116.68 million towards lease liabilities, (ii) payment of ₹ 39.46 million towards interest, and (iii) payment of ₹ 7.97 million towards dividend. This was partially offset by ₹ 373.79 million from borrowing.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flows from operating activities. Our main uses of funds from operating activities have been to pay for our working capital requirements and capital expenditure. We evaluate our funding requirements regularly in light of cash flows 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 or equity financing activities, subject to market conditions.

Our Company had closing cash and cash equivalents of ₹ 589.05 million, ₹ 462.41 million, ₹ 543.25 million and ₹ 428.44 million as of September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had ₹ 274.26 million, ₹ 336.18 million, ₹ 454.80 million and ₹ 318.42 million non-current borrowings as of September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had ₹ 707.27 million, ₹ 629.51 million, ₹ 464.72 million and ₹ 499.44 million current borrowings as of September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, respectively. Our Company had ₹ 0.41 million, ₹ 0.59 million, ₹ 68.48 million and ₹ 132.15 million non-current lease liabilities as of September 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had ₹ 35.18 million, ₹ 66.92 million, ₹ 71.31 million and ₹ 85.77 million current lease liabilities as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

For further information, see "***Financial Information***" on page 303.

CONTINGENT LIABILITIES AND COMMITMENTS

As on September 30, 2022, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for were as follows:

(in ₹ million)

S. No.	Particulars	As on September 30, 2022
1.	Demand notice raised by provident fund authorities in case of holding company for the period 2006-09 for provident fund payable on trainees' stipend.	6.08
2.	The Company has received legal demand notice from Ambit Energy Private Limited dated April 18, 2022, through their legal counsel towards failure to resolve technical faults and errors in inverters supplied by our Company and towards commercial as well as potential business generation loss and goodwill. The Company replied to the legal counsel of the Customer vide its letter dated May 11, 2022, rejecting all the claims of the Customer stating it to be unjust, illegal and with malicious intention. Further, the Company vide its letter dated August 23, 2022, to District Court Mediation Centre, Rajkot conveyed its intention to close its participation in mediation process.	65.80
	Total	**71.88**

As on September 30, 2022, we do not have any commitments.

For further information on our contingent liabilities and commitments, see "***Restated Consolidated Financial Information – Contingent liabilities and contingent assets***" on page 377.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various related parties in the ordinary course of business including rent expenses, managerial remuneration and promotional expenses. For further information relating to our related party transactions, see "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 366.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. In the normal course of business, we are exposed to certain market risks including interest rate risk, foreign exchange rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company's main interest rate risk arises from long-term borrowings with variable rates, which expose us to cash flow interest rate risk. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Foreign exchange rate risk

Our Company's risk to foreign exchange fluctuations arises mainly from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our Company's functional currency. We import components such as electronic components and mechanical components , the price of which are denominated in USD or EUR. Changes in currency exchange rates influence results of operations. We are naturally hedged to an extent as we import raw materials, components and finished goods as well as export components and finished goods. In addition, our revenues are split between domestic sales in India and overseas sales. However, there can be no assurance that fluctuations in the value of the Indian Rupee against USD or EUR will not have an effect on our results of operations.

Liquidity risk

Liquidity risk is defined as the risk that we will not be able to settle or meet its obligations on time or at reasonable price. Our Company's objective is to maintain optimum levels of liquidity to meet its cash and liquidity requirements. We closely monitor our liquidity position and maintains adequate source of financing, if required, through the use of short-term bank deposits. The processes and policies related to such risks are overseen by our senior management.

Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows from debt investments carried at amortised cost and at fair value through profit or loss, as well as credit exposures to customers including outstanding receivables. Our Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by the management. In case of sale of equipment, our Company generally obtains advance against sales order for substantial portion of the order value. The risk of credit loss mainly arises from delay in payment beyond the credit period and occasional dispute around the product performance.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

While we do not significantly depend on a single customer or a single supplier, some of the products we manufacture require components that are only available from one manufacturer. In these cases, supply shortages will substantially curtail production using a particular component such as semiconductors, microcontrollers, cold-rolled grain-oriented steel, copper and polycarbonate. A supply shortage may increase our costs if we are forced to pay higher prices for components or raw materials or both, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations if we are not able to pass the increases onto our customers or otherwise offset them.

We are highly dependent on our imports of semiconductors from various geographies and in the past, we have faced a significant shortage of semiconductors. There has been a significant amount of stockpiling of semiconductors by OEMs in various sectors. The lockdowns and restrictions in response to the COVID-19 pandemic had affected deliveries of semiconductors from our suppliers to us. Additionally, our Nashik Manufacturing Facility I, due to dependence on a single manufacturer of microcontrollers have also undertaken spot purchasing of microcontrollers at high prices to maintain production of its products Further, prices of copper and polycarbonate have undergone significant change which has increased cost of our manufactured products. We may not be able to purchase the components and materials needed at favourable prices. Significant shortages or delay in the supply or increase in costs of our major production inputs may adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence, and reduce our competitiveness. See, "***Risk Factors – Failure to manage component and material purchasing and shortages in the supply of our major production inputs could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and may have a material adverse effect on our results of operations and financial condition***" *and* "***Risk Factors – The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance***" on pages 30 and 32, respectively.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT

We are engaged in designing, development and manufacturing of test and measuring instruments and industrial control products. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, we have structured our operations into a single operating segment; however based on the geographic distribution of activities, we have identified Asia, USA, Europe (other than Poland), Poland and others as reportable geographical segments. For further details, see "***Restated Consolidated Financial Information – Segment Reporting***" on page 370.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM OPERATIONS

Other than as described in this section and in "***Our Business***', "***Risk Factors***", and "***Industry Overview***" on pages 227, 27 and 158, respectively, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Other than as described in this section and the section titled "***Our Business***" on page 227, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our revenues or income.

FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in this section and the sections of this Draft Red Herring Prospectus titled "***Our Business***", and "***Risk Factors***" on pages 227 and 27, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

MATERIAL INCREASES IN NET INCOME AND SALES

Material increases in our Company's net income and sales are primarily due to the reasons described in the section titled "***– Results of Operations***" above on page 415.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this chapter and in "***Our Business***" on page 227, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. For further details, see "***Our Business – Competition***", "***Industry Overview***" and "***Risk Factors***" on pages 267, 158 and 27, respectively.

SEASONALITY OF BUSINESS

There is no seasonality in our business.

MATERIAL DEVELOPMENTS SUBSEQUENT TO SEPTEMBER 30, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities including notices issued by such authorities; (iii) claims related to direct and indirect taxes in a consolidated manner; or (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy, in accordance with the SEBI ICDR Regulations, in each case involving our Company, our Promoter, our Directors and our Subsidiaries ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Financial Years, including any outstanding action.*

For the purpose of point (iv) above, our Board in its meeting held on December 19, 2022 has considered and adopted the Materiality Policy for identification of material outstanding litigation (including arbitration proceedings) involving the Relevant Parties. In terms of the Materiality Policy, any pending litigation, including arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving the Relevant Parties, has been considered 'material' for the purposes of disclosures in this Draft Red Herring Prospectus, where:

a) the claim / dispute amount, to the extent quantifiable, is equivalent to or exceeds, 1% of the consolidated restated profit after tax of our Company for the most recently completed financial year i.e. ₹ 4.97 million, as per the restated consolidated financial statements of our Company included in this Draft Red Herring Prospectus;

b) where the monetary impact is not determinable or quantifiable or the amount involved may not exceed the materiality threshold set out under (a) above, but an outcome in any such litigation (including any litigation under the Insolvency and Bankruptcy Code, 2016) would materially and adversely affect the Company's business, operations, cash flows, prospects, financial position, or reputation of the Company on a standalone and consolidated basis; and

c) where the decision in one case is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (a) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (a) above.

Pre-litigation notices received by the Relevant Parties or Group Companies from third parties (excluding governmental/ statutory/ regulatory/ judicial/ quasi-judicial/tax authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties or Group Companies (to the extent such litigation has a material impact on the Company) are impleaded as defendants in proceedings initiated before any court, arbitrator, tribunal, judicial forum or governmental authority or is notified by any governmental, statutory or regulatory authority of any such proceedings that may be commenced against the Relevant Parties or Group Companies (to the extent such proceeding has a material impact on the Company).

There are no outstanding litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

*For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus as per the Materiality Policy, if amounts due to such creditor is equal to or exceeds 5% of the consolidated trade payables of the Company for the latest financial period for which restated consolidated financial information is disclosed in this Draft Red Herring Prospectus. Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹ 36.71 million ("**Material Creditor**").*

I. Litigation involving our Company

A. Litigation filed against our Company

i. Criminal proceedings

Nil

ii. Actions by regulatory and statutory authorities

1. The Regional PF Commissioner (II), Nashik passed an order dated September 8, 2010 ("**2010 Order**") requiring our Company to pay an amount of ₹ 6.08 million as provident fund contribution due for the period from March 2006 to March 2009 to the trainees employed by our Company during the aforesaid period, since the trainees were not considered as employees of the Company. Our Company filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi ("**Appellate Tribunal**") challenging the 2010 Order ("**2010 Appeal**").

   While the appeal was pending before the Appellate Tribunal, our Company also filed an application before the Appellate Tribunal seeking a waiver of the requirement under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to deposit 75% of the dues imposed under the 2010 Order prior to an appeal. The Appellate Tribunal by its order dated October 4, 2010 reduced the deposit to 40% of the dues under the 2010 Order and subject to deposit of such amount, admitted the application and stayed the 2010 Order ("**2010 Appellate Tribunal Order**"). Against the 2010 Appellate Tribunal Order, our Company filed a writ petition before the High Court of Bombay, which was dismissed by an order of the High Court of Bombay dated November 30, 2010 ("**2010 Bombay HC Order**").

   Thereafter, the Appellate Tribunal by its order dated November 1, 2012 (the "**2012 Appellate Tribunal Order**") dismissed the 2010 Appeal. Subsequently, our Company filed a writ petition before the High Court of Bombay challenging the 2012 Appellate Tribunal Order. The High Court of Bombay by its order dated June 12, 2013 granted a stay on the 2012 Appellate Tribunal Order. Our Company had deposited an amount of ₹ 2.43 million on December 3, 2010 with the Regional Provident Fund Commissioner, Nashik and in compliance with the order dated September 2, 2014, our Company deposited a further amount of ₹ 1.20 million with the Regional Provident Fund Commissioner, Nashik. The matter is currently pending before the High Court of Bombay.

2. Our Company received a show cause notice dated November 18, 2022 from the Office of the Commissioner of Customs NS-V, Mumbai Zone – II, Group-VA ("**Custom Notice**") under Section 124 read with Section 28(4) and Section 5(2) of the Customs Act alleging that our Company indulged in the evasion of payment of customs duty by claiming benefits applicable for "Lamination/ El Silicon Steel Strips" and not for "Transformer Core" on certain products imported by our Company in 2020. The Custom Notice states that our Company is required to show cause, *inter alia*, why: (i) certain good imported by the Company should not be confiscated; and (ii) differential custom duty amount of ₹ 1.51 million and ₹ 0.03 million should not be demanded and recovered from our Company. Our Company and certain of our Directors, namely, Narendra Joharimal Goliya, Rathin Kumar Banerjee, Ramakrishnan Kottekode Parappath, Krishnan Ganesan and Alipt Sharma, were also required to show cause as to why penalty should not be imposed on our Company or each such Director under Sections 112(a)/114A and 114AA of the Customs Act. Our Company replied to the Custom Notice on December 15, 2022 requesting for certain documents mentioned in the Customs Notice. We have not received any further communication from the Office of Commissioner of Customs and therefore the matter is currently pending.

iii. Other pending litigations

Our Company received a legal demand notice dated April 18, 2022 ("**Legal Notice**") from Ambit Energy Private Limited alleging failure to adhere to quality standards and technical hurdles in relation to the radius solar on-grid string inverters purchased by it from our Company and claiming an amount of ₹ 65.80 million and additional cost of ₹ 0.05 million. Our Company replied to the Legal Notice on May 11, 2022 rejecting the allegations and claims mentioned thereunder. Pursuant to the Legal Notice, our Company received notices from the District Court Mediation Center, Rajkot dated June 23, 2022 and August 4, 2022 ("**Mediation Notices**") for pre-institution of mediation in relation to the commercial dispute filed by Ambit Energy Private Limited. Our Company *vide* letter dated August 23, 2022 authorized its representative to appear before the District Court Mediation Center and decline to participate in the mediation process on our behalf. The matter is currently pending.

B. Litigation filed by our Company

i. Criminal proceedings

Nil

ii. *Other pending litigations*

Nil

C. Tax proceedings against our Company

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	Nil	Nil
2.	Indirect Tax	Nil	Nil
	Total	Nil	Nil

II. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

i. *Criminal proceedings*

Nil

ii. *Actions by regulatory and statutory authorities*

A former employee of Lumel SA had lodged a complaint with Office for Personal Data Protection in Warsaw on February 7, 2022 under Regulation (EU) 2016/679 of the European parliament and the Council of April 17, 2016 on the protection of natural persons with regard to processing of personal data and on the free movement of such data and repealing directive 95/46/EC (General Data Protection Regulation) alleging violation of his right to privacy by having his name and surname appearing on the website of Lumel SA, despite prior requests for their removal. Lumel SA submitted responses and explanations in the direction of diminishing responsibility. The matter is currently pending before the Personal Data Protection Office.

iii. *Other pending litigations*

Lumel Alucast entered into an electricity supply contract with Orange Polska S.A. on June 1, 2018 for the supply of energy for the entire year of 2019 with a price guarantee. Orange Polska S.A. delivered energy for the first two months of 2019 and then abruptly terminated the contract after which it raised invoices for the first two months for a total amount of PLN 0.34 million. Lumel Alucast as a consequence of the abrupt termination was forced to purchase energy from alternate suppliers at higher prices and had to cover losses arising out of the difference in price of the energy between the contract and what was ultimately paid. Not accepting such conduct, Lumel Alucast deducted damages due to the non-supply of energy by Orange Polska S.A. The amount of deductions made were PLN 0.28 million and the total damages incurred by Lumel Alucast were PLN 0.31 million. Orange Polska S.A. did not accept such deductions and filed a claim with the District Court for the amount of PLN 0.03 million which corresponds with the amount of value added tax in one of the invoices and also denied the deductions made by Lumel Alucast. Subsequently, the parties entered into settlement negotiations and at the end of August 2022 submitted a signed copy with court for its approval. The same was confirmed by the court on December 06, 2022 on appointment of a settlement meeting covering the claims of both parties for January 1, 2023.

Basis the terms of the settlement, Orange Polska S.A. will recognize and cover Lumel Alucast for the entirety of damages caused due to unlawful termination of the contract of PLN 0.31 million and Lumel Alucast will pay PLN 0.03 million. Further, since the amount of PLN 0.03 million was defined by the parties as part of the value added tax, in one of the energy invoices, Lumel Alucast will make this payment as part of its value added tax payments and deduct this amount in settlements with the tax office. The matter is currently pending.

B. Litigation filed by our Subsidiaries

i. *Criminal proceedings*

Nil

ii. *Other pending litigations*

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	Nil	Nil
2.	Indirect Tax	Nil	Nil
	Total	Nil	Nil

III. Litigation involving our Directors

A. Litigation filed against our Directors

i. *Criminal proceedings*

Nil

ii. *Actions by regulatory and statutory authorities*

Except as disclosed in paragraph 2 of "– ***Litigation involving our Company - Actions taken by regulatory and statutory authorities***" above on page 426, there is no litigation involving our Directors.

iii. *Other pending litigations*

Gwalior Alcobrew Private Limited ("**Petitioner**") had filed a suit against Concord Enviro Systems Limited ("**Concord**"), Rochem Separation Systems (India) Private Limited, the promoters of Concord, Alipt Sharma (one of our Directors) and Rochem Water Treatment GmbH, (collectively, "**Defendants**") claiming damages of approximately ₹ 114.06 million, with respect to breach of the terms of the purchase order dated October 14, 2016 ("**PO**") entered into by the Petitioner with Concord, pertaining to the manner of installation, commissioning etc. of the effluent treatment system and reverse osmosis system ("**ETP**") in terms of the PO executed with Concord, before the Court of the VII Additional District and Sessions Judge, District Court, Gwalior ("**Court**"). The matter was listed for hearing on July 19, 2022. Concord was required to file a reply to the notice issued by the Petitioner, by September 9, 2022. Thereafter, the Defendants have in their written statement dated October 17, 2022 submitted that the Defendants, in their meeting dated April 5, 2019 with the Petitioner agreed to optimise the ETP free of cost and with no further demand for payments until the ETP was optimised. Accordingly, the mutual minutes of the meeting dated April 5, 2019 constituted a new agreement between the Defendants and the Petitioner which superseded the PO. Accordingly, the defendants have prayed for dismissal of the suit filed by the Petitioner and an award for costs in favour of the Defendants. The matter is currently pending final disposal.

B. Litigation filed by our Directors

i. *Criminal proceedings*

Nil

ii. *Other pending litigations*

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	4	0.68
2.	Indirect Tax	Nil	Nil
	Total	4	0.68

IV. Litigation involving our Promoter

A. Litigation filed against our Promoter

i. Criminal proceedings

Nil

ii. Actions by regulatory and statutory authorities

Except as disclosed in paragraph 2 of "– ***Litigation involving our Company - Actions taken by regulatory and statutory authorities***" above on page 426, there is no litigation involving our Promoter.

iii. Other pending litigations

Nil

iv. Disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoter in the last five Financial Years

Nil

B. Litigation filed by our Promoter

i. Criminal proceedings

Nil

ii. Other pending litigations

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	4	0.68
2.	Indirect Tax	Nil	Nil
	Total	4	0.68

V. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

VI. Outstanding dues to creditors

As of September 30, 2022, outstanding dues to material creditors, MSME creditors and other creditors were as follows:

Type of Creditors*	Number of Creditors	Amount involved (in ₹ million)
Dues to Micro, Small and Medium Enterprises	47	35.93

Type of Creditors*	Number of Creditors	Amount involved (in ₹ million)
Dues to a material creditor	1	48.05
Dues to Other creditors#	943	`650.26
Total outstanding dues	991	734.24

**Based on the certificate dated December 29, 2022 from Shah & Mantri, Chartered Accountants.*
#Trade Payables of the Company include certain adjustments on account of reinstatements and certain provision for expenses having aggregate value of ₹ 171.88 million which may or may not be directly attributable to a specific creditor. All such reinstatements and provisions are considered as one creditor only. However, we have not considered the said creditor to compute its eligibility to become a material creditor.

The details pertaining to outstanding dues to the material creditors, along with names and amounts involved for each such material creditor are available on the website of our Company at https://rishabh.co.in/uploads/Investor_Relations/Material%20Creditors.pdf. It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, https://rishabh.co.in/ would be doing so at their own risk.

VII. Material Developments since the last balance sheet date

Except as disclosed in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 400, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect, or are likely to affect, our operations or our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental, statutory and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by (a) our Company and (b) our Material Subsidiaries, which are considered material and necessary for the purposes of undertaking their respective business activities and operations.

*Except as mentioned below, no further material consents, licenses, registrations, permissions, and approvals are required to undertake the Offer or to carry on the business and operations of our Company and Material Subsidiaries. Additionally, unless otherwise stated herein and in "**Risk Factors – Any failure to obtain or renew any of the approvals, licenses, permits or certificates required for our business could materially and adversely affect our operations**" on page 42, these approvals, consents, licenses, registrations and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Key Industry Regulations and Policies in India**" on page* 268.

We have also set out below, (i) material approvals or renewals applied for but not received; (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required but not obtained or applied for, in respect of our Company and Material Subsidiaries, as on the date of this Draft Red Herring Prospectus.

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 436.

II. Incorporation details of our Company and Material Subsidiaries

For details of the incorporation details of our Company and Material Subsidiaries, see "***History and Certain Corporate Matters***" on page 272.

III. Material approvals obtained in relation to our Company

Our Company requires various approvals issued by central and state authorities under various rules and regulations to carry on its business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with the applicable procedures and requirements. Our Company has received the following material approvals pertaining to its business and operations:

A. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AAACR2228Q.

(ii) The tax deduction account number of our Company is PNER08096E.

(iii) GST registrations for payments under various central and state goods and services tax legislations.

(iv) Professional tax registrations under the applicable state specific laws.

B. Labour related approvals obtained by our Company

(i) Certificate of registration issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(ii) Certificate of registration issued under the Employees' State Insurance Act, 1948.

C. Material approvals obtained in relation to the business and operations of our Company

In order to carry on our operations and manufacturing activities in India, our Nashik Manufacturing Facility I and Nashik Manufacturing Facility II require various approvals, licenses and registrations under several central or state-level acts, rules and regulations. While some of the approvals and licenses are granted in the name of our Company, certain approvals and licenses obtained are specific to each facility, on the basis of location as well as the nature of operations carried out at such facilities. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire in the ordinary course of business and applications for renewal of such approvals are submitted by us in accordance with applicable procedures and requirements.

An indicative list of the material approvals in relation to our Nashik Manufacturing Facility I and Nashik Manufacturing Facility II ("**Material Approvals**") are provided below:

1. ***Factory licenses:*** Under the Factories Act, 1948 and the rules made thereunder, we are required to obtain registrations for our manufacturing facilities. Such licenses are subject to periodic renewal.

2. ***Importer exporter code:*** We are mandatorily required to obtain importer-exporter code ("**IE Code**") from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, GoI to import or export to and from India. The IE Code allotted to our Company is valid for all our manufacturing facilities. The IE Code for our Company is 0388053399. It does not have an expiry and there is no requirement for renewal.

3. ***No objection certificates from fire department:*** We are required to obtain no objection certificate from the Maharashtra Industrial Development Corporation under the Maharashtra Fire Prevention and Life Safety Act, 2006 in relation to adequacy of firefighting arrangements at our Company's manufacturing facilities situated at Nashik.

4. ***Labour law related approvals:*** Under the scheme of labour laws, we are required to obtain certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 and rules of the relevant states, as applicable in establishments where we have employed contract labour. Such registration may be subject to renewals.

5. ***Shops and establishment registration:*** In states where our offices are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations.

6. ***Environment related approvals:*** We are required to obtain environment related clearances, consents, and authorizations including consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended, Air (Prevention and Control of Pollution) Act, 1981, as amended and authorization/ renewal of authorisation for operating a facility for generation, storage and disposal of hazardous wastes under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 from the state pollution control board. Such licenses, consents and authorisations are subject to periodic renewal.

7. ***Electricity related approvals:*** We are required to obtain load sanction approvals under the Indian Electricity Act, 2003 for supply of electricity to our manufacturing facilities from the Maharashtra State Electricity Distribution Company Limited. In addition, we are also required to register our diesel generator sets under the Bombay Electricity Duty Rules, 1962.

In addition to the Material Approvals mentioned above, we have also obtained authorisations from the Ministry of Electronics and Information Technology of GoI, for incentives in relation to manufacturing and sales of certain of our products under the Modified Special Incentive Package Scheme (M-SIPS). Additionally, our Nashik Manufacturing Facility I is ISO 9001:2015 certified in manufacturing, despatch, service and repair of electrical and electronic measuring instruments and their accessories, solar inverters and manufacturing and despatch of plastic injection moulded components and sheet metal pressed components and our Nashik Manufacturing Facility II is ISO 9001:2015 certified in design of electrical and electronic measuring instruments and their accessories, design, manufacturing and despatch of moulds, press tools, jigs, fixtures and their accessories and design of solar inverters.

Further, the in-house research and development units of our manufacturing facilities situated in India are registered as research institutions with the Department of Scientific and Industrial Research, Ministry of Science and Technology, GoI for the purposes of availing custom duty exemption. This registration is subject to periodic renewal.

IV. Material Approvals obtained in relation to Lumel SA and Lumel Alucast

A. Tax related approvals obtained by Lumel SA and Lumel Alucast

(i) Tax identification number for doing business and also necessary to create invoices for Lumel SA and Lumel Alucast are NIP-9731024988 and NIP-5272651470, respectively.

(ii) Tax identification number for doing export business and also necessary to create invoices for Lumel SA and Lumel Alucast are NIP- PL 973104988 and NIP- PL 5272651470, respectively.

(iii) Chamber of tax administration (EU custom code requirement) for Lumel SA and Lumel Alucast are EORI – PL 973102498800000 and EORI - PL 527265147000000 respectively.

B. Material approvals obtained in relation to the business and operations of our Material Subsidiaries

In order to carry on their operations Lumel SA and Lumel Alucast require approvals, licenses and registrations under various state laws, rules, and regulations. An indicative list of the material approvals required by Lumel SA and Lumel Alucast is provided below:

(i) Registry number compulsory for establishing capital company and operating for Lumel SA and Lumel Alucast are KRS – 0000592422 and KRS – 0000381491, respectively.

(ii) Statistical registration number compulsory for establishing capital company and operating for Lumel SA and Lumel Alucast are REGON – 363245157 and REGON – 142872224, respectively.

(iii) Permission granted to enable the use of the buildings for Lumel SA and Lumel Alucast are PINB.7353.B.B.160.2020.1270.TS and PINB-7353/B/335/08-1808, respectively.

(iv) Permit to carry out activities consisting of storage of material in a radioactive sources warehouse for Lumel SA is D – 220072.

(v) Permit to carry out activities consisting in use and transport of the radioactive sources in the field for Lumel SA is D – 220073.

(vi) Permit to carry out activities consisting of launch of a Z-class laboratory and use of sealed radioactive sources in the launched laboratory for Lumel SA is D – 220065.

(vii) Permit to release gases and dust into the air for Lumel SA is DROS.6225.7.2016.JG.

(viii) Permission to generate waste for Lumel SA is DROS.6221.11.2014.AS.

(ix) Integrated permit for the production and management of waste, emission of gases and dust into the air and water and sewage management for Lumel Alucast is DŚ.II.7222.109.2019.

(x) Water law permit for the discharge of pre-treated industrial wastewater containing substances particularly harmful to the aquatic environment for Lumel Alucast is WR.ZUZ.7.4210.290.2021.MŚ.

V. Material Approvals pending in respect of our Company and Material Subsidiaries

A. Material approvals or renewals for which applications are currently pending before relevant authorities

i. Company

Nil

ii. Material Subsidiaries

Nil

B. Material approvals expired and renewal yet to be applied for

i. Company

Nil

ii. Material Subsidiaries

Nil

C. Material approvals required but not obtained or applied for

i. Company

S. No.	Description	Authority
1.	No-objection certificate under the Environment (Protection) Act, 1986 for extraction of ground water for Nashik Manufacturing Facilities	Central Ground Water Authority
2.	Registration Certificate under the Gujarat Shops and Establishment Act, 2019 for the sales office in Ahmedabad	Labour Inspector, Ahmedabad

ii. Material Subsidiaries

Nil

Further, pursuant to the conversion of our Company to a public limited company and the consequent change in the name of our Company, as mentioned in "***History and Certain Corporate Matters***" on page 272, we have/are in the process of filing certain applications / intimations for issuance of fresh approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable. For risks associated with material approvals or renewals for which applications have not been made or are currently pending before relevant authorities, see "***Risk Factors - Any failure to obtain or renew any of the approvals, licenses, permits or certificates required for our business could materially and adversely affect our operations***" on page 42.

VI. Intellectual property approvals in relation to our Company, Lumel SA and Lumel Alucast

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has 19 registered trademarks in India.

Further, as on the date of this Draft Red Herring Prospectus, Lumel SA has two registered trademarks and Lumel Alucast has applied for registration of its logo with the European Union Intellectual Property Office.

Patents

As on the date of this Draft Red Herring Prospectus, our Company has two registered patents in India and *inter alia*, the United States of America, the United Kingdom and Poland.

As on the date of this Draft Red Herring Prospectus, Lumel SA has two pending applications for patents in Poland.

Designs

As on the date of this Draft Red Herring Prospectus, our Company has three design registrations in India. For risks associated with intellectual property, please see, "***Risk Factors* – *Our efforts in obtaining and protecting our patents, trademarks and other intellectual property may be costly and unsuccessful and we***

may not be able to protect our rights under our future patents, trademarks and other intellectual property" and "***Risk Factors – Our manufacturing, production and design processes and services may result in exposure to intellectual property infringement and other claims including with respect to any third party intellectual property we use***" on pages 37 and 38, respectively.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer by way of its resolution dated December 19, 2022 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on December 22, 2022. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on December 19, 2022.

- Our Board pursuant to their resolutions dated December 29, 2022 have approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the inclusion of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholder	Date of consent letter	Date of board resolution/ corporate authorization	Maximum number of Offered Shares
1.	Asha Narendra Goliya(1)	December 19, 2022	NA	Up to 2,500,000
2.	Rishabh Narendra Goliya(1)	December 19, 2022	NA	Up to 400,000
3.	Narendra Rishabh Goliya (HUF)(2)	December 19, 2022	NA	Up to 517,500
4.	SACEF	December 19, 2022	December 16, 2022	Up to 6,000,000(3)
	Total			**Up to 9,417,500**

(1) *Jointly held with Narendra Joharimal Goliya, where Narendra Joharimal Goliya is the second holder.*
(2) *Through its karta, Narendra Joharimal Goliya.*
(3) *Includes Equity Shares which will be issued upon conversion of the CCPS held by SACEF. As on the date of this Draft Red Herring Prospectus, SACEF holds 3,606,110 CCPS which shall be converted into a maximum of 7,332,220 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoter (the person in control of our Company), members of our Promoter Group and Directors are not prohibited from accessing or operating in the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Each of the Selling Shareholders severally and not jointly confirm, with respect to themselves, that none of them are prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, members of our Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions initiated by SEBI against any of our Directors, in the five years preceding the date of this Draft Red Herring Prospectus

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- our Company has an average operating profit of at least ₹ 150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- our Company has a net worth of at least ₹ 10.00 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and

- there has been no change of name of our Company at any time during the one year immediately preceding the date of filing of this Draft Red Herring Prospectus, other than the deletion of the word "Private" from the name of our Company pursuant to conversion to a public limited company. Our Company has not undertaken any new activity pursuant to such change in name.

Set forth below are our Company's net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets, operating profit and net worth, derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

(*₹ in million, unless otherwise stated*)

	Financial year ended as on		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Restated net tangible assets	3,208.39	2,758.44	2,581.15
Restated monetary assets	1,079.66	1,194.21	1,174.32
% of monetary assets to net tangible assets	33.65	43.29	45.50
Restated operating profit	626.72	489.67	443.17
Average restated operating profit*		519.85	
Net worth	3,402.54	2,953.30	2,821.82

Our Company had operating profits in each of the Fiscals 2020, 2021 and 2022 in terms of our Restated Consolidated Financial Information and an average restated operating profit for Fiscal 2020, 2021 and 2022.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 5 of the SEBI ICDR Regulations:

- our Company, the Selling Shareholders, our Promoter, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

- neither our Promoter nor any of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;

- none of our Company, our Promoter or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;

- neither our Promoter nor any of our Directors are Fugitive Economic Offenders; and
- as on the date of this Draft Red Herring Prospectus, except for the CCPS and any options outstanding under ESOP 2016, ESOP 2022 Scheme A and ESOP 2022 Scheme B, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING DAM CAPITAL, MIRAE ASSET AND MOTILAL OSWAL, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, EACH OF THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING DAM CAPITAL, MIRAE ASSET AND MOTILAL OSWAL HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.rishabh.co.in, or any website of any Subsidiaries or affiliates of our Company, or of any of the Group Companies or of any of the Selling Shareholders, would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor any of its respective directors, partners, trustees, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided by any person other than those specifically made or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (solely to the extent relating to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of any of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law 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 state securities laws. Accordingly, 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 jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investor must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.
- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in "offshore transactions" as defined in, and in reliance on, Regulation S.
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer,

it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable co-operation to the Company, as may be required in relation to their respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. Each of the Selling Shareholders shall reimburse, severally and not jointly, and only to the extent of the respective portion of their Offered Shares, and as mutually agreed and in accordance with applicable law, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to itself or its respective portion of the Offered Shares.

Consents

Consents in writing of: (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsels, the bankers and lenders to our Company, industry sources, the BRLMs, Statutory Auditors, independent chartered engineer and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank, Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert

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

Our Company has received written consent dated December 29, 2022 from M/s M S K A & Associates, our Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 and in respect of (i) their examination report dated December 19, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 29, 2022 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated December 28, 2022, from the chartered engineer, namely Manish M Kothari in relation to the certificate dated December 28, 2022 for procurement of plant and machinery (including software) and related items proposed to be purchased by the Company as part of the Expansion Project and to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the chartered engineer.

Our Company has received written consent dated December 23, 2022, from the architect, namely Sanjay Madhavrao Patil in relation to the report titled "*Cost Assessment Report for Civil work and Utilities for a Proposed Building to be constructed at Rishabh Instruments Limited*", to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

There have been no public issues or any rights issues undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed group company, Subsidiaries and associates

Except as disclosed in "***Capital Structure – Notes to Capital Structure***" on page 84, our Company has not made any capital issuances during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries or Group Companies or Associates.

Performance *vis-à-vis* Objects – Public/ rights issue of our Company

Our Company has not undertaken any public issues, including any rights issues to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* Objects –public/ rights issue of subsidiaries/ listed promoter

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries or listed Promoter.

Price Information of past issues handled by the BRLMs

DAM Capital Advisors Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital*

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Uniparts India Limited(2)	8,356.08	577.00	December 12, 2022	575.00	Not applicable	Not applicable	Not applicable
2	Inox Green Energy Services Limited(2)	7,400.00	65.00	November 23, 2022	60.50	-30.77% [-1.11%]	Not applicable	Not applicable
3	Kaynes Technology India Limited(1)	8,578.20	587.00	November 22, 2022	778.00	+19.79% [-0.25%]	Not applicable	Not applicable
4	Syrma SGS Technology Limited(2)	8,401.26	220.00	August 26, 2022	262.00	+31.11%, [-1.25%]	+29.20%, [+4.55%]	Not applicable
5	CMS Info Systems Limited(2)	11,000.00	216.00	December 31, 2021	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]
6	Metro Brands Limited(2)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
7	C.E. Info Systems Limited(2)	10,396.06	1033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	+21.40%, [-8.80%]
8	Star Health and Allied Insurance Company Limited(1)	60,186.84	900.00@	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
9	Go Fashion (India) Limited(1)	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%, [+1.36%]	+32.91%, [-1.91%]	+48.90%, [-3.71%]
10	Krsnaa Diagnostics Limited(1)	12,133.35	954.00*	August 16, 2021	1,005.55	-9.42%, [+4.93%]	-27.73%, [+9.30%]	-32.63%, [+4.90%]

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

**A discount of INR 93 per equity share was provided to eligible employees bidding in the employee reservation portion.*

@ A discount of INR 80 per equity share was provided to eligible employees bidding in the employee reservation portion.

(1) NSE was the designated stock exchange for the said issue.

(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) *Issue size derived from prospectus / basis of allotment advertisement, as applicable*
(b) *Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable*
(c) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
(d) *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*

(e) *The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable*
(f) *Not applicable – Period not completed*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	4	32,735.54	-	1	-	-	1	1	-	-	-	-	-	-
2021-22	8	136,678.74	-	-	4	2	-	2	-	2	2	-	1	3
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-

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

Notes:

a. *The information is as on the date of this offer document*
b. *The information for each of the financial years is based on issues listed during such financial year.*
c. *Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.*

Mirae Asset Capital Markets (India) Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Mirae Asset.*

Nil

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Mirae Asset.*

Nil

Motilal Oswal Investment Advisors Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal.*

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Tamilnad Mercantile Bank Limited^	8,078.40	510.00	September 15, 2022	510.00	-8.43%[-3.36%]	+2.14% [+4.34%]	N.A.
2.	Dreamfolks Services Limited^	5,621.01	326.00	September 6, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	N.A.
3.	Metro Brands Limited^	13,675.05	500	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93% [-9.78%]
4.	Aditya Birla Sun Life AMC Limited#	27,682.56	712	October, 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	-25.65%, [-0.90%]
5.	Devyani International Limited#	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	+97.17%, [+4.90%]
6.	GR Infraprojects Limited^@	9,623.34	837	July 19, 2021	1,700.00	+90.61%, [+6.16%]	+138.67%, [+16.65%]	+132.16%, [+16.50%]

Source: Information has been taken from (nseindia.com, bseindia.com) as per respective Designated Stock Exchange of the above Issuer Companies, as applicable
^BSE as Designated Stock Exchange

#NSE as Designated Stock Exchange
@Discount of ₹42.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

Notes:

1. *The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange*
2. *Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.*
3. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
4. *N.A. (Not Applicable) – Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23*	2	13,699.41	-	-	1	-	-	1	-	-	-	-	-	-
2021-22	4	69,360.95	-	-	1	1	1	1	-	1	-	2	-	1
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** The information is as on the date of the Offer document.*
 # The information for each of the financial years is based on issues listed during such financial year.
Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Mirae Asset Capital Markets (India) Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Mirae Asset.*

   Nil

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Mirae Asset.*

   Nil

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLMs	Website
1.	DAM Capital Advisors Limited	www.damcapital.in
2.	Mirae Asset Capital Markets (India) Private Limited	https://cm.miraeasset.co.in/
3.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

Stock Market Data of the Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	**Compensation amount**	**Compensation period**
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID (for UPI Bidders who make the payment of Bid Amount through the

UPI Mechanism), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bd Amount was blocked, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

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

For helpline details of the Book Running Lead Managers pursuant to March 2021 Circular, see "***General Information – Book Running Lead Managers***" on page 76.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the SEBI SCORES platform and shall comply with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For details, see "***Our Management – Board Committees – Stakeholders' Relationship Committee***" on page 290.

Our Company has appointed Ajinkya Joglekar, as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. Their contact details are as follows:

Ajinkya Joglekar
F-31, MIDC, Satpur
Nashik 422 007
Maharashtra, India
Tel: +91 253 220 2183
E-mail: cs@rishabh.co.in

Each of the Selling Shareholders has severally and not jointly authorised the Company to take all actions in respect of the Offer for Sale in accordance with Section 28 of the Companies Act, 2013.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

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

Our Company has filed an exemption application dated October 12, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations seeking an exemption from considering and disclosing: (i) Surendra Goliya (brother of the

Promoter) and (ii) Mangala Rajendra Mehta (sister of the spouse of the Promoter), (iii) any body corporate in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be member, or (iv) any body corporate in which any body corporate mentioned under (iii) above holds 20% or more of the equity share capital or (v) any Hindu Undivided family or firm in which the aggregate share of Surendra Goliya and/or Mangala Rajendra Mehta is equal to or more than 20% of the total capital as members of the Promoter Group of the Company, in accordance with the SEBI ICDR Regulations. SEBI, pursuant to its letter dated December 29, 2022 has directed our Company to include Surendra Goliya and Mangala Rajendra Mehta, as part of the Promoter Group of the Company based on information available in the public domain.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or any other regulatory authorities while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. For more information, see "***Main Provisions of the Articles of Association***" on page 477.

Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 302 and 477, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and Selling Shareholders in consultation with the BRLMs, and shall be published by our Company in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "***Objects of the Offer – Offer related expenses***" on page 128.

Rights of the equity shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act, 2013;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013 the terms of the SEBI Listing Regulations, our Memorandum of Association, Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 477.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated August 26, 2022 among NSDL, our Company and the Registrar to the Offer; and
- tripartite agreement dated August 17, 2022 among CDSL, our Company and Registrar to the Offer.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" on page 458.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Joint holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, to the exclusion of all other persons, unless the nomination is verified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity

Shares by reason of the death of the original holder(s), shall, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the holder of such Equity Share(s). A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or Corporate Office or at the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013 will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

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

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

** *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. UPI mandate end time and date shall be 5.00PM on Bid/ Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

BID/OFFER CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022,*

which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or any of the Selling Shareholders or the members of the Syndicate.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. Our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation to the Company, as may be required in relation to their respective Offered Shares, in accordance with applicable law, to facilitate the completion of listing the Equity Shares on the Stock Exchanges.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIIs after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period and revisions shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

Minimum subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriters, aforesaid minimum subscription is not received or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received.

In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under applicable law.

In the event of under-subscription, Subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment of Equity Shares shall be made towards subscription of the Fresh Issue followed by transfer of/ sale of the Offered Shares in the Offer for Sale.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. It is clarified that, subject to applicable laws, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of such Selling Shareholders.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer Equity Share capital of our Company, lock-in of our Promoter's contribution and Anchor Investor lock-in, as detailed in "***Capital Structure***" on page 84 and as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" on page 477, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation or splitting.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Offer after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed simultaneously.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer at any stage including after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. The notice of withdrawal of the Offer after the Bid/Offer Closing Date will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 750.00 million by our Company and an Offer for Sale of up to 9,417,500 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a further issue of specified securities of our Company, including convertible securities which will be convertible into equity shares ("**Specified Securities**"), through a rights issue to existing Shareholders, private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 150.00 million, at their discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into equity shares prior to filing of the Red Herring Prospectus with the RoC. Upon allotment of specified securities issued pursuant to the Pre-IPO Placement and after compliance with the requirements prescribed under Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the objects of the offer.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation*(2)	Not more than [●] Equity Shares aggregating up to ₹ [●] million	Not less than [●] Equity Shares aggregating up to ₹ [●] million.	Not less than [●] Equity Shares aggregating up to ₹ [●] million.
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIIs will be available for allocation subject to the following: (i) One-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) two-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the aforementioned subcategories may be allocated to applicants in the other subcategory of Non-Institutional Bidders .	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; and Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors , of which one-third	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹ 200,000 and up to ₹ 1,000,000; and (b) Two-thirds of the Non-Institutional Portion shall	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "***Offer Procedure***" beginning on page 458.

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
	shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	be available for allocation to Bidders with an application size of more than ₹ 1,000,000. Provided that the unsubscribed portion in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	
Mode of Bid	Through ASBA Process only (except in case of Anchor Investors, which shall include the UPI Mechanism for UPI Bidders). In case of UPI Bidders through the UPI Mechanism.		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply [3][5][6]	Public financial institutions of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs[(1)]	Non-Institutional Investors	Retail Individual Investors
	managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Offer.*

(1) *Our Company and the Selling Shareholders, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholders in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.*

(5) *Bids by FPIs with certain structures as described under "**Offer Procedure – Bids by FPIs**" on page 464 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.*

(6) *Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "***Terms of the Offer***" on page 449.

OFFER PROCEDURE

*All Bidders should read the General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard from time to time ("**UPI Circulars**") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. For details on the phased implementation of UPI as a payment mechanism, see "– **Phased Implementation of UPI**" below on page 459. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Selling Shareholders, the BRLMs and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus and the Red Herring Prospects. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares offered in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI

Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circulars, the same will be advertised in shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Investors using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public issues where the application amount is up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, our Registered Office and our Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors, i.e. RII, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders, including UPI Bidders, are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors^^	[●]

Excluding the electronic Bid cum Application Form.

^*Electronic Bid cum Application Form will be made available for download on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com).*

^^*Bid cum Application Forms for Anchor Investors were made available at the offices of the BRLMs.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. The Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions", as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by the Promoter and Members of the Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to the Promoter/Promoter Group/BRLMs and the Syndicate Member

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

The Promoter and the members of the Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer. Further, persons related to our Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 476.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, in the individual name of the karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the automatic route).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, amongst others, prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations, amongst others, prescribe the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company and the Selling Shareholders may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and Selling Shareholders, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

    (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

    (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

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

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs and BRLMs) shall apply in the Offer under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

6. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/ Offer Closing Date;

9. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

10. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

11. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under

the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

15. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

16. Investors must ensure that their PAN is linked with Aadhaar and is in compliance with the Central Board of Direct Taxes notification dated February 13, 2020 bearing notification number 11/2020 and press release dated June 25, 2021.

17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws; Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

20. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders) and PAN available in the Depository database;

21. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

25. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

26. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorisation of the mandate using their UPI PIN, a UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank(s) issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

27. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

28. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

29. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders), do not submit more than one Bid cum Application Form per ASBA Account;

17. If you are a UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not submit the GIR number instead of the PAN;

23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

25. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder, do not submit the ASBA Form directly with SCSBs;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;

31. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information – Book Running Lead Managers***" on page 76.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information – Company Secretary and Compliance Officer***" on page 76.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIIs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each RII shall not be less than the minimum Bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

Payment into Anchor Investor Escrow Account

Our Company and the Selling Shareholders, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located). In the pre-Offer advertisement, our Company shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located).

Signing of the Underwriting Agreement and filing with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within such period as may be prescribed under applicable law;

- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc. and

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

(i) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;

(ii) its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;

(iii) it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer; and

(iv) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

Utilisation of Offer Proceeds

Our Board certifies that:

(i) all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act 2013;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Circular**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The RBI and the concerned ministry/ department are responsible for granting the approval for foreign investment under the FDI Circular and FEMA.

FDI in companies in the manufacturing sector is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible NRIs***" and "***Offer Procedure – Bids by FPIs***" on pages 463 and 464.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and, in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company consist of two parts, Part A and Part B. The provisions of Part A shall apply to all the matters to which they pertain, to the extent, and only in so far, as they are not inconsistent with the provisions of Part B.

Until the listing and commencement of trading of equity shares of the Company on a recognized stock exchange pursuant to the Offer, the provisions of Part B shall be applicable. However, on and from the date of listing and commencement of trading of the equity shares of the Company pursuant to the Offer, Part B shall automatically stand terminated, not have any force and be deemed to be removed from the Articles of Association and the provisions of Part A shall come into effect and be in force, without any further corporate or other action by the Company or its Shareholders, unless specified otherwise in the Articles of Association. As long as Part B remains a part of the Articles of Association, in the event of any conflict or inconsistency, the provisions of Part B shall prevail over the provisions of Part A to the maximum extent permitted under the Companies Act, 2013.

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

I. SHARE CAPITAL AND VARIATION OF RIGHTS

1. The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and the Articles.

2. Subject to the provisions of the Act and the Articles, the Share Capital for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Sections 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

3. Subject to the Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

4. Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:

(i) increase, reduce or otherwise alter its authorised share capital in such manner as it thinks expedient;
(ii) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
(iii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
(iv) sub-divide its existing Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or
(v) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.

5. Subject to the provisions of the Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any securities in any manner whatsoever as the board may determine including by way of preferential allotment or private placement subject to and in accordance with the Act with pricing method prescribed to listed entities under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, if applicable

6. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.

7. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.

8. Subject to the provisions of the Articles, the Act, other applicable Law, where at any time, it is proposed to increase its subscribed Share Capital by the issuance/ allotment of further Shares either out of the unissued Share Capital or increased Share Capital then, such further Shares may be offered to:

(i) Persons who, at the date of offer or such other date specified under applicable Law, are holders of equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer or such other period as may be specified under applicable Law, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, *provided that* the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (i)(b) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. The notice referred to in sub-Article (i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the offer.

(ii) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(iii) any Persons, if authorized by a special resolution, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, subject to the compliance with applicable Laws.

9. Nothing in 8 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.

10. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

11. Any Debentures, debenture stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

12. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.

13. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied accordingly. To every such separate General Meeting of the holders of the Shares of that class, the provisions of the Articles relating to General Meetings shall *mutatis mutandis* apply.

14. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

15. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

16. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.

17. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

18. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, in accordance with the provisions of the Act and any other applicable Laws.

19. Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(i) the Share Capital;

(ii) any capital redemption reserve account; or

(iii) any securities premium account.

The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the rules notified thereunder and the applicable provisions of the Act or any other applicable law for the time being force.

II. NOMINATION BY SECURITIES HOLDERS

20. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

21. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

22. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

23. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the period of minority.

24. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

III. BUY-BACK OF SHARES

25. Notwithstanding anything contained in the Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

IV. CAPITALISATION OF PROFITS

26. The Company in General Meeting may, upon the recommendation of the Board, resolve –

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Article 29 of the AoA amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

27. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 30 of the AoA of the Company, either in or towards:

(i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or

(ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in Article 22(i) of the AoA and partly in that specified in Article 22(ii) of the AoA;

(iv) a securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.

(v) the Board shall give effect to the resolution passed by the Company in pursuance of this Article.

28. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

(ii) generally, do all acts and things required to give effect thereto.

29. The Board shall have power to:

(i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and

(ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

30. Any agreement made under such authority shall be effective and binding on such Members.

V. LIEN

31. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company’s lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company’s lien

shall be restricted to the monies called or payable at a fixed time in respect of such Shares. Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.

32. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made –

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

33. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

34. (i) To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

35. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

VI. CALLS ON SHARES

36. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

37. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

38. A call may be revoked or postponed at the discretion of the Board.

39. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

40. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

41. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

42. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of the Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such

sum becomes payable. In case of non-payment of such sum, all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

43. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls on any Share may carry interest but shall not confer a right to dividend or to participate in profits. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of the Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

VII. DEMATERIALIZATION OF SHARES

44. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof.

Provided however that provisions of the Act or the Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

45. Notwithstanding anything contained herein, but subject to the provisions of the Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium. The Company or a shareholder may exercise an option to issue, deal in, hold the Securities with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.

46. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the Beneficial Owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of Shares.

47. If a Person opts to hold his Shares with a depository in a dematerialised form, notwithstanding anything contrary contained in the Articles, the Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

48. All Shares held by a Depository shall be dematerialized and shall be in a fungible form.

(i) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

49. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.

50. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

51. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

VIII. TRANSFER OF SECURITIES

52. The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

53. Where Shares are converted into stock:

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; *Provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(iii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

54. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of the Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

55. Subject to the provisions of the Act, the Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under the Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the

refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.

56. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.

57. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

58. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

(i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
(ii) any transfer of Shares on which the company has a lien.

59. The Board may decline to recognize any instrument of transfer unless—

(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;

(ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of Shares

60. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

61. The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

IX. TRANSMISSION OF SHARES

62. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

63. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(i) to be registered as holder of the Share; or
(ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

64. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

65. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

66. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of the Articles relating to transfer of Shares.

67. All the limitations, restrictions and provisions contained in the Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

68. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, *provided that* the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

X. FORFEITURE OF SHARES

69. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

70. The notice issued under Article 75 of the Articles of Association of the Company shall:

(i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

71. If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

72. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

73. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

74. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.

75. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

76. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration,

shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share.

77. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.

78. The transferee shall there upon be registered as the holder of the Share.

79. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

80. The provision of the Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XI. SHARES AND SHARE CERTIFICATES

81. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or Debenture holders resident in that country.

82. A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares. Where a Person opts to hold any Share with the Depository, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.

83. Unless the Shares have been issued in dematerialized form, every Member whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

(i) one certificate for all his Shares without payment of any charges; or
(ii) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

84. Every certificate of Shares shall be under the Seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. Further, out of the two Directors there shall be at least one director other than managing or whole-time director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

85. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to the Articles.

86. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.

87. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of Rs. 20 for each certificate. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

88. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act.

89. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in sub-section (*27*) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed under the Act.

90. Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such member in the event of death of the said member/s subject to the provisions of the Act and other applicable Laws.

XII. SHAREHOLDERS' MEETINGS

91. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next unless otherwise permitted by Law. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government) and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situated, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.

92. All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which

concerns him as the auditor.

93. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.

94. The business of an Annual General Meeting shall be the consideration of annual audited financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.

95. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.

96. (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

(iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.

(iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and Section 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

(v) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance with the provisions of Section 101 of the Act. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.

(vi) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

(vii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in the Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

XIII. PROCEEDINGS AT SHAREHOLDERS' MEETINGS

97. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.

98. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

99. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.

100. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

101. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

102. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

103. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.

104. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

105. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

106. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

107. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/ her own motion and shall be ordered to be taken by him/ her on a demand made in accordance with Section 109 of the Act.

108. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

109. Notwithstanding anything contained elsewhere in the Articles, the Company:

(i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

110. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

111. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

112. The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

113. If there is no such Chairperson or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.

114. If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands, shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

XIV. VOTES OF MEMBERS

115. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(i) on a show of hands, every Member present in Person shall have 1 (one) vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.

116. The Chairperson shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company.

117. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 500,000 or such higher amount as may be prescribed has been paid up.

118. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

119. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

120. In case of joint holders, the vote of the senior who tenders a vote, whether in Person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

121. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

122. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/ her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

123. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.

124. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

125. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.

126. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

127. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.

128. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/ her in accordance with Section 109 of the Act.

129. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.

130. Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.

131. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.

132. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

133. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

134. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

135. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

136. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

XV. DIRECTORS

137. The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by the Articles.

138. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

139. The Directors need not hold any qualification Shares in the Company.

140. So long the Promoter, together with the members of the Promoter Group, holds at least 20% of the issued and subscribed share capital of the Company on a fully diluted basis ("***Promoter Director Threshold***"), the Promoter shall be entitled to nominate two (2) Directors on the Board. Further, so long as SACEF Holdings II ("***SACEF***" or "***Investor***"), holds at least 10% of the issued and subscribed share capital of

the Company on a fully diluted basis ("***Investor Director Threshold***"), SACEF shall be entitled to nominate one (1) Director on the Board (the "***Investor Director***"). After the listing of the Equity Shares on the BSE Limited and/ or the National Stock Exchange of India Limited, subject to Applicable Laws and the approval of the Shareholders by way of a special resolution in a general meeting convened after the listing of the Equity Shares on the BSE Limited and/ or the National Stock Exchange of India Limited, so long as the Promoter Director Threshold has been met, the Promoter shall be entitled to nominate the Promoter Directors and so long as the Investor Director Threshold has been met, the Investor shall be entitled to nominate the Investor Director

141. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.

142. The Directors may also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act.

143. Subject to the applicable provisions of the Act, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.

144. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.

145. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to the Articles, the Board may appoint another Director (an "**Alternate Director**"), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.

146. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

147. Subject to Section 152 of the Act and Companies (Appointment and Qualification of Directors) Rules 2014, two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Provided that Directors appointed as Independent Director(s) under the Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the "total number of Directors under this Article.

148. At the Annual General Meeting of the Company to be held in every year, one third of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office in the manner prescribed under the Act and the Rules, and they will be eligible for re-election.

149. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said

purpose has been left at the office of the Company in accordance with the provisions of the Act.

150. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

151. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

152. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in the Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.

153. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in the Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.

154. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.

155. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

156. The Company may, subject to the provisions of the Act and the Law, take and maintain any insurance as the Board may think fit on behalf of its present and/ or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XVI. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

157. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

The Directors may elect one of themselves to the office of the Chairman of the Board and the same person may also be appointed / continue as Managing Director of the Company and in such situations, such person may be designated as the Chairman of the Company.

158. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.

159. Subject to the provisions of the Act and any other applicable Law, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine, subject to the approval of the Shareholders.

160. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

XVII. MEETINGS OF THE BOARD

161. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of the Act and other applicable Law.

162. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board, subject to the provisions of the Act.

163. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.

164. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

165. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

166. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

167. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

168. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

169. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.

170. In case of equality of votes, the Chairperson and the vice-Chairperson of the Board shall decide unanimously at Board meetings of the Company.

171. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

172. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and applicable Laws. The quorum for any meeting of the committee shall be two members, unless otherwise required by the Act or applicable SEBI Regulations or by the Board.

173. A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

174. A committee may meet and adjourn as it thinks fit.

175. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.

176. Subject to the Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution. Such circular resolution shall be placed for noting at the immediately succeeding meeting of the Board/committee, as the case may be.

177. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in the Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

178. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

PART B

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the SHA. For more details on the SHA, see "***History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements – Shareholders' Agreement***" on page 275.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and subsisting contracts (not being contracts entered into in the ordinary course of business carried on by our Company and includes *inter alia* contracts entered into until the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or are to be entered into by our Company. These documents and contracts, copies of which will be attached to the copy of the Red Herring Prospectus to be filed with the RoC, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 am to 4.00 pm on Working Days and on the website of the Company at https://rishabh.co.in/uploads/Investor_Relations/MATERIAL%20CONTRACTS%20AND%20DOCUMENTS.pdf from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such contracts and documents that will be executed subsequent to the completion of the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer Agreement dated December 29, 2022 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated December 23, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of incorporation dated October 6, 1982 issued by the RoC and fresh certificate of incorporation dated September 22, 2022 issued by the RoC pursuant to conversion from a private to a public company.
3. Resolution of the Board of Directors dated December 19, 2022 approving the Offer and other related matters.
4. Shareholders' resolution dated December 22, 2022 in relation to the Fresh Issue and other related matters;
5. Resolution of the Board of Directors dated December 29, 2022 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
6. Copies of annual reports for the last three Fiscals, i.e., Fiscal 2022, 2021 and 2020.
7. Resolution dated December 19, 2022 passed by the Audit Committee approving the KPIs;
8. Shareholders' agreement dated September 16, 2013 executed between our Company, our Promoter, Asha Narendra Goliya, Rishabh Narendra Goliya, Narendra Rishabh Goliya (HUF), Anushree Goliya and SACEF along with the amendment and waiver agreement dated September 8, 2022.
9. The examination report of the Statutory Auditor dated December 19, 2022 on the Restated Consolidated Financial Information.
10. Written consent dated December 29, 2022 from M/s M S K A & Associates to include its name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 and in respect of (i) their examination report dated December 19, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 29, 2022 on the Statement of Possible Special

Tax Benefits in this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

11. Written consent dated December 28, 2022, from the chartered engineer, namely Manish M Kothari in relation to the certificate dated December 28, 2022 for procurement of plant and machinery (including software) and related items proposed to be purchased by the Company as part of the Expansion Project.

12. Written consent dated December 23, 2022, from the architect, namely Sanjay Madhavrao Patil in relation to the report titled "*Cost Assessment Report for Civil work and Utilities for a Proposed Building to be constructed at Rishabh Instruments Limited*".

13. Consents of the Selling Shareholders, our Directors, Bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Syndicate Members, legal counsels, lenders to the Company, Company Secretary and Compliance Officer of our Company, to act in their respective capacities.

14. Cost assessment report from Sanjay Madhavrao Patil (with the date of estimation: November 30, 2022);

15. Certificate on Key Performance Indicators, issued by Shah & Mantri, Chartered Accountants dated December 29, 2022.

16. Industry report titled "*Market Assessment of Electrical Automation; Metering, Control and Protection Devices; Portable Test & Measurement Instruments; Solar String Inverters; and Aluminium High-Pressure Die-casting: Global and India*" dated December 14, 2022 prepared by Frost & Sullivan, commissioned and paid for by our Company exclusively in connection with the Offer, and consent letter dated December 22, 2022 issued by F&S.

17. Exemption application dated October 12, 2022 filed by our Company with SEBI, and letter from SEBI with reference number SEBI/HO/CFD/DIL-2/P/OW/2022/56484/1 dated December 29, 2022, received in this regard.

18. Letters dated September 17, 2022, September 23, 2022, September 28, 2022, and October 29, 2022 sent by our Company to Surendra Goliya, requesting to provide information and confirmations in relation to classification as a member of the Promoter Group of our Company as well as letter dated December 29, 2022 sent by our Company intimating Surendra Goliya for inclusion as a member of the Promoter Group of our Company.

19. Letters dated August 23, 2022, September 23, 2022 and September 28, 2022 sent by our Company to Mangala Rajendra Mehta, requesting to provide information and confirmations in relation to classification as a member of the Promoter Group of our Company as well as letter dated December 29, 2022 sent by our Company intimating Mangala Rajendra Mehta for inclusion as a member of the Promoter Group of our Company.

20. Letter dated September 27, 2022 addressed to SEBI (with a copy marked to our Company) and affidavit dated September 1, 2022 from Mangala Rajendra Mehta stating her unwillingness to be identified, categorised and/or disclosed as a member of the Promoter Group of our Company.

21. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

22. Tripartite Agreement dated August 26, 2022, among our Company, NSDL and the Registrar to the Offer.

23. Tripartite Agreement dated August 17, 2022, among our Company, CDSL and the Registrar to the Offer.

24. Due diligence certificate to SEBI from the BRLMs, dated December 29, 2022.

25. SEBI final observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other applicable law.

DECLARATION

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Narendra Joharimal Goliya
(Chairman and Managing Director)

Date: December 29, 2022

Place: Nashik

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Parappath Kottekode Ramakrishnan
(Non-Executive Director)

Date: December 29, 2022

Place: Nashik

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Alipt Sharma
(Non – Executive Nominee Director)

Date: December 29, 2022

Place: Mumbai

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Krishnan Ganesan
(Non-Executive Nominee Director)

Date: December 29, 2022

Place: Mumbai

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rathin Kumar Banerjee
(Independent Director)

Date: December 29, 2022

Place: Mumbai

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Siddharth Nandkishore Bafna
(Independent Director)

Date: December 29, 2022

Place: Mumbai

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Astha Ashish Kataria
(Independent Director)

Date: December 29, 2022

Place: Nashik

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Lukasz Jan Meissner
(Independent Director)

Date: December 29, 2022

Place: Poland

DECLARATION BY THE COMPANY

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

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Vishal Prabhakar Kulkarni
(Chief Financial Officer)

Date: December 29, 2022

Place: Nashik

DECLARATION BY THE SELLING SHAREHOLDER

We, **SACEF HOLDINGS II**, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of SACEF HOLDINGS II

Name: Danielle Tin Kin Wang

Designation: Director

Date: December 29, 2022

Place: Mauritius

DECLARATION BY SELLING SHAREHOLDER

I, **Asha Narendra Goliya**, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Asha Narendra Goliya

Date: December 29, 2022

Place: Nashik

DECLARATION BY SELLING SHAREHOLDER

I, **Rishabh Narendra Goliya**, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Rishabh Narendra Goliya

Date: December 29, 2022

Place: Nashik

DECLARATION BY THE SELLING SHAREHOLDER

We, **NARENDRA RISHABH GOLIYA (HUF)**, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of NARENDRA RISHABH GOLIYA (HUF)

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Name: Narendra Goliya

Designation: Karta

Date: December 29, 2022

Place: Nashik