DRAFT RED HERRING PROSPECTUS
Dated September 27, 2021
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Offer

LAVA INTERNATIONAL LIMITED

Our Company was incorporated in New Delhi as 'Lava International Limited', a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on March 27, 2009. For details of changes in the registered office address of our Company, see "*History and Certain Corporate Matters*" on page 196.

Registered Office: B-14, House 2 Basement, Shivlok Commercial Complex, Karampura, Delhi 110 015, India
Corporate Office: A-56, Sector-64, Noida - 201 301, Uttar Pradesh, India
Contact Person: Bharat Mishra, Company Secretary and Compliance Officer for the Offer; **Tel. No.**: +91 120 463 7100
E-mail: compliance1@lavainternational.in; **Website**: www.lavamobiles.com; **Corporate Identity Number:** U32201DL2009PLC188920

PROMOTERS OF OUR COMPANY: HARI OM RAI, SHAILENDRA NATH RAI, SUNIL BHALLA AND VISHAL SEHGAL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF LAVA INTERNATIONAL LIMITED ("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 (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 5,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 43,727,603 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING OF UP TO 12,540,649 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR PROMOTER, HARI OM RAI, UP TO 3,135,162 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR PROMOTER, SHAILENDRA NATH RAI, UP TO 7,837,906 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR PROMOTER, SUNIL BHALLA, UP TO 7,837,906 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR PROMOTER, VISHAL SEHGAL ("PROMOTER SELLING SHAREHOLDERS"), UP TO 76,768 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AMIT RAI, UP TO 49,664 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VIKRAM SINGH PARMAR, UP TO 11,274,812 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY UNIC MEMORY TECHNOLOGY (HONG KONG) LIMITED AND UP TO 974,736 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY TAPPERWARE KITCHENWARE PRIVATE LIMITED ("OTHER SELLING SHAREHOLDERS" AND TOGETHER WITH PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES THE "OFFERED SHARES") ("THE OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT OF UP TO ₹ [●] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A PRIVATE PLACEMENT OF SUCH NUMBER OF EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 1,000 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 COMPLIANCE WITH THE MINIMUM NET OFFER SIZE REQUIREMENTS PRESCRIBED UNDER REGULATION 19(2)(B) OF THE SCRR.

** A discount of up to [●]% on the Offer Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹ [●] per Equity Share.*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR 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 ("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 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, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts and UPI ID (in case of RIBs using UPI mechanism), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 377.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5. The Offer Price, Floor Price and the Cap Price, as determined and justified by our Company in consultation with the BRLMs in accordance with the SEBI ICDR Regulations and as stated in "*Basis for Offer Price*" beginning on page 122 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 RISKS

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 this Offer, including the risks involved. The Equity Shares in the Offer have neither 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*" beginning on page 28.

COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm that statements specifically made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares and assume responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders assume no responsibility for any other statements 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.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) and Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 406.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025, Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** lava.ipo@axiscap.in **Investor Grievance e-mail:** complaint@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Sagar Jatakiya **SEBI Registration Number:** INM000012029	**BOB Capital Markets Limited** 1704, B Wing, 17th Floor Parinee Crescenzo Plot No. C – 38/29 G Block Bandra Kurla Complex Bandra East Mumbai 400 051, Maharashtra, India **Tel.**: +91 22 6138 9300 **E-mail**: lava.ipo@bobcaps.in **Investor Grievance e-mail**: investorgrievance@bobcaps.in **Contact person**: Ninad Jape/Nivedika Chavan **Website**: www.bobcaps.in **SEBI Registration Number**: INM000009926	**DAM Capital Advisors Limited** (***Formerly IDFC Securities 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:** lava.ipo@damcapital.in **Investor grievance e-mail:** complaint@damcapital.in **Website:** www.damcapital.in **Contact Person:** Gunjan Jain **SEBI Registration Number:** MB/INM000011336	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005, Maharashtra, India **Tel.**: +91 22 2217 8300 **E-mail**: lava.ipo@sbicaps.com **Investor Grievance e-mail**: investor.relations@sbicaps.com **Contact person**: Janardhan Wagle **Website**: www.sbicaps.com **SEBI Registration Number**: INM000003531	**Link Intime India Private Limited** C-101, 1st floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083, Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: lava.ipo@linkintime.co.in **Investor grievance e-mail**: lava.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI Registration Number.**: INR000004058

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

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

[This page has been intentionally left blank]

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms in the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Statement of Possible Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provision of the Articles of Association" on pages 132, 125, 239, 122, 343, 377 and 396 respectively, shall have the meaning ascribed to such terms in the relevant sections.

General Terms

Term	Description
"the Company", "our Company", or "the Issuer"	Lava International Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at B-14, House 2 Basement, Shivlok Commercial Complex, Karampura, Delhi 110 015, India.
"We", "our" or "us"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries, and Joint Venture, as applicable, as at and during the relevant period / Fiscal/ Financial Year.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in "*Our Management*" on page 212.
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, namely, ASA & Associates LLP, Chartered Accountants.
BCCL Investment Agreement	Investment agreement dated August 1, 2017 read with amendment agreements dated December 4, 2017 and September 8, 2021 entered into amongst Bennett Coleman, our Company and our Promoters.
Bennett Coleman	Bennett Coleman Company Limited
"Board" or "Board of Directors"	The board of directors of our Company (including any duly constituted committee thereof).
Chairman and Managing Director	Chairman and managing director of our Company, as described in "*Our Management*" on page 212.
Chief Financial Officer	Chief financial officer of our Company, as described in "*Our Management*" on page 212.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, as described in "*Our Management*" on page 212.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "Our Management" on page 212.
Corporate Office	The corporate office of our Company is located at A-56, Sector-64, Noida - 201 301, Uttar Pradesh, India.
Director(s)	The director(s) on our Board.
Equity Shares	The equity shares of our Company of face value of ₹ 5 each.
ESOP 2010	ESOP 2010 - Lava Employee Stock Option Plan 2010

Term	Description
ESOP Plans	Employee stock option schemes of the Company, namely, ESOP 2015, ESOP 2020-I, ESOP 2020-II/
Executive Director(s)	Executive director(s) on our Board.
F&S	Frost and Sullivan (India) Private Limited.
F&S Report	Industry report prepared by F&S titled "*Mobile Phones Industry Report in India*" dated September 2021.
Group Companies	The companies as described in "*Our Group Companies*" on page 235.
Independent Director(s)	Independent director(s) on our Board.
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 212.
Joint Venture	Yamuna Electronics Manufacturing Cluster Private Limited
Key Management/ Managerial Personnel	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in "*Our Management – Key Managerial Personnel*" on page 228.
Materiality Policy	Policy for identification of Group Companies, material outstanding civil litigations proceedings of our Company, our Subsidiaries, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated September 21, 2021.
Material Subsidiaries	XOLO International (HK) Limited, Hong Kong, Lava International (H.K.) Limited, Hong Kong and Lava Technologies DMCC (Dubai).
"Memorandum" or Memorandum of Association or "MoA"	The memorandum of association of our Company, as amended from time to time.
Nomination, Remuneration and Compensation Committee	The Nomination, Remuneration and Compensation Committee of our Board, as described in "*Our Management*" on page 212.
Non-executive Director(s)	Non-executive director(s) of our Company, as described in "*Our Management*" on page 212.
Promoter(s)	The promoters of our Company, namely, Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoter and Promoter Group*" on page 231.
Promoter Selling Shareholders	Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal, Promoters of our Company.
Registered Office	The registered office of our Company is located at B-14, House 2 Basement, Shivlok Commercial Complex, Karampura, Delhi 110 015, India.
"Registrar of Companies" or "RoC"	The Registrar of Companies, National Capital Territory of Delhi and Haryana, India.
Restated Financial Information	The restated consolidated financial information of our Company, along with our Subsidiaries, comprising of the restated consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, and the restated consolidated summary statements of profits and losses (including other comprehensive income), and cash flow statement and changes in equity for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with its notes, annexures and schedules are derived from our audited consolidated financial statements as at and for the financial years ended March 31, 2021, and Company's previous auditors audited consolidated financial statements as at and for the financial years ended March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Selling Shareholders	Promoter Selling Shareholders together with Amit Rai, Vikram Singh Parmar, UNIC Memory Technology (Hong Kong) Limited and Tapperware Kitchenware Private Limited.
Series A Preference Shares	Compulsorily convertible preference shares of our Company of face value of ₹ 10 each.
Series B Preference Shares	Compulsorily convertible preference shares of our Company of face value of ₹100 each.
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" on page 212.
Subsidiaries	The subsidiaries of our Company, namely:

Term	Description
	a) Lava Enterprises Limited b) Sojo Distribution Private Limited c) Sojo Manufacturing Services (AP) Private Limited d) Sojo Manufacturing Services Private Limited e) Lava Technologies LLC, USA f) XOLO International (HK) Limited, Hong Kong g) Lava International (H.K.) Limited, Hong Kong h) Lava Technologies DMCC (Dubai) i) Lava Mobility (Private) Limited, Sri Lanka j) Lava International (Nepal) Private Limited, Nepal k) Lava International DMCC, UAE l) Lava Mobile Mexico, S. DE R.L.DE C.V, Mexico m) Lava International (Myanmar) Company Limited, Myanmar n) PT. Lava Mobile Indonesia, Indonesia o) Lava International (Bangladesh) Limited, Bangladesh p) China Bird Centro America, S.A.
UNIC Memory	UNIC Memory Technology (Hong Kong) Limited
UNIC SSHA	Subscription and shareholders' agreement dated November 29, 2017 executed amongst UNIC Memory, our Company, our Promoters and other certain shareholders of our Company namely, Shibani Sehgal, Sadanand Rai, Suneeti Bhalla, Manju Rai and Jamuna Rai, as amended by an amendment agreement dated August 7, 2021
Whole-time Director(s)	Whole-time director(s) of our Company, as described in "*Our Management*" on page 212.

Offer Related Terms

Term	Description
Abridged Prospectus	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' or 'Allotment' or 'Allotted'	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Note, advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.

Term	Description
	One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two days after the Bid/ Offer Closing Date.
‘ASBA’ or ‘Application Supported by Blocked Amount’	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include amounts blocked by the SCSB upon acceptance of the UPI RIIs using the UPI mechanism
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism to the extent of the Bid Amount of the Bidder/Applicant, as mentioned in the ASBA Form.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor) in the Offer who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in “*Offer Procedure*” on page 377.
Bid(s)	An indication by a 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, and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIIs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid Cum Application Form and payable by the Bidder or blocked in the ASBA Account of an ASBA Bidder, as the case may be, upon submission of the Bid in the Offer. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid Amount shall be Cap Price, net of Employee Discount, if any, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
‘Bidder’ or ‘Applicant’	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.

Term	Description
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 the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi wherein our Company's Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi wherein our Company's Registered Office is located), each with wide circulation.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
BOB Capital	BOB Capital Markets Limited
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' or 'BRLMs'	The book running lead managers to the Offer, being Axis Capital Limited, BOB Capital Markets Limited, DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*), and SBI Capital Markets Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
'CAN' or 'Confirmation of Allocation Note'	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account.
'CDP' or 'Collecting Depository Participant'	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from the relevant bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time.
Compliance Officer for the Offer	Compliance officer for the Offer in terms of the SEBI ICDR Regulations, being Bharat Mishra.
Cut-Off Price	The Offer Price, which shall be any price within the Price Band, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
DAM Capital	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details, PAN and UPI ID, wherever applicable
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms.

Term	Description
	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 Escrow Collection Bank(s) transfers funds from the Escrow Account, to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction through the Sponsor Bank) for the amounts blocked by the SCSBs in the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Red Herring Prospectus following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, 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 September 27, 2021 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.
Eligible Employees	All or any of the following: (1) a permanent employee of our Company or of our Subsidiaries, working in India or outside India (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company or any of our Subsidiaries until the submission of the Bid cum Application Form; or (2) a Director, whether a whole time Director or otherwise, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus and who continues to be a Director of our Company, as of the date of submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through anybody corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares.
Eligible NRI(s)	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.
Employee Discount	A discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) as may be offered by our Company in consultation with the Book Running Lead Managers, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

Term	Description
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis.
Escrow Account(s)	Non lien and non-interest bearing account(s) to be opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Cash Escrow and Sponsor Bank Agreement	The agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank, and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●].
First Bidder 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.
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹5,000 million by our Company for subscription pursuant to the terms of the Red Herring Prospectus. Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of Equity Shares for cash consideration aggregating up to ₹1,000 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement, if any, will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 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, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement dated [●] entered into between our Company and the Monitoring Agency.
Mutual Fund Portion	The portion of this Offer being not more than 5% of the Net QIB Portion, being [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further information about the Offer related expenses, see "*Objects of the Offer*" on page 108.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000.
Non-Institutional Portion	The portion of this Offer being not more than 15% of the Net Offer, being [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
'Non-Resident' or 'NR'	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Offer	The initial public offering of Equity Shares comprising of the Fresh Issue and the Offer for Sale. The Offer comprises of the Net Offer and the Employee Reservation Portion.

Term	Description
	Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 19(2)(b) of the SCRR.
Offer Agreement	The agreement dated September 27, 2021 among our Company, the Selling Shareholders, the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 43,727,603 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, in terms of the Red Herring Prospectus.
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders as determined by our Company in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus. A discount of up to [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company in consultation with the BRLMs.
Offered Shares	Equity Shares being offered for sale by the Selling Shareholders in the Offer.
Offer Proceeds	The gross proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price including the proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 108.
Pre-IPO Placement	The private placement of such number of Equity Shares for cash consideration aggregating up to ₹1,000 million by our Company in consultation with the BRLMs, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 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 thereof. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLMs will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi, where our Registered Office is situated), at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The prospectus to be filed with the RoC 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 'no-lien' and 'non-interest bearing' bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened, in this case being [●].
'QIBs' or 'Qualified Institutional Buyers'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion , in which allocation shall be on a discretionary basis, as determined by the Company in consultation with the BRLMs) being not more than 50% of the Net Offer comprising [●] Equity Shares, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate

Term	Description
	basis, subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
QIB Bid/ Offer Closing Date	In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
'Red Herring Prospectus' or 'RHP'	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.
Refund Account	The 'no-lien' and 'non-interest bearing' account to be 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 which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated September 27, 2021, 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.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
'Registrar to the Offer' or 'Registrar'	Link Intime India Private Limited
'RTAs' or 'Registrar and Share Transfer Agents'	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
'Retail Individual Bidder(s)' or 'Retail Individual Investor(s)' or 'RII(s)' or 'RIB(s)'	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
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 Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
SBICAP	SBI Capital Markets Limited
'Self-Certified Syndicate Bank(s)' or 'SCSB(s)'	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.

Term	Description
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by 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 available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
Sponsor Bank	Bank registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism in terms of the UPI Circulars, the Sponsor Bank in this case being [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●] and [●].
'Syndicate' or 'Members of the Syndicate'	Together, the BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] between the Underwriters, our Company and the Selling Shareholders, 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 Circular	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/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by NPCI.
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank 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 may be used by an RII to make a Bid in the Offer in accordance with SEBI UPI Circular.
UPI PIN	A password to authenticate UPI transaction.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI, including the UPI Circulars.

Technical/ Industry Related Terms/ Abbreviations

Term	Description
AFR	Average failure rate
B2B	Business-to-business
Feature Phone Equivalent	In calculating our manufacturing capacity, we have used a standard ratio between the feature phone and smart phone productions to convert the production numbers for smartphones to the equivalent production numbers for feature phones
IMEI	International Mobile Equipment Identity
OEM	Original Equipment Manufacturer
RAM	Random access memory
ROM	Random only memory
SMT	Surface-mount technology

Conventional and General Terms or Abbreviations

Term	Description
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
BSE	BSE Limited.
Category III FPI	FPIs registered as category III FPIs under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable.
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Red Herring Prospectus, along with the relevant rules made thereunder.
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder.
DIN	Director Identification Number.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion).
DP ID	Depository Participant’s Identity Number.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
EPS	Earnings Per Share.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
‘Financial Year’ or ‘Fiscal or Fiscal Year’ or ‘FY’	The period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
“GoI” or “Government” or “Central Government”	The Government of India.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income-Tax Act, 1961, read with the rules framed thereunder.

Term	Description
Income Tax Rules	Income-Tax Rules, 1962.
₹, Rs., Rupees or INR	Indian Rupees
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules of 2015.
Indian GAAP	Generally accepted accounting principles in India.
Indian Penal Code	Indian Penal Code, 1860.
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time.
MCA	Ministry of Corporate Affairs, Government of India.
'Mn' or 'mn'	Million.
N.A.	Not applicable.
NAV	Net asset value.
NACH	National Automated Clearing House, a consolidated system of ECS
NEFT	National Electronic Fund Transfer.
NPCI	National Payments Corporation of India
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
'OCB' or 'Overseas Corporate Body'	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number.
RBI	Reserve Bank of India.
"RONW"/ "RoNW"	Net profit after tax / net worth as at the end of period/year.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI ESOP and Sweat Equity Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and NSE.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
U.S. GAAP	Generally accepted accounting principles of the United States of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations.
Year/ Calendar Year	The 12 month period ending December 31.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer" and "Outstanding Litigation and Material Developments" available at pages 28, 108, 170, 132, 85, 73 and 343 respectively of this Draft Red Herring Prospectus.

Summary of Business

We are one of the largest feature phone manufactures in both India and in the global market. (*Source: F&S Report*) We also manufacture smart phones with a focus on the sub-US$ 200 mobile handset market. The range of products we offer include feature phones, smart phones, tablets and other electronic accessories. In addition, we offer mobile handset solutions to OEMs globally. As a leading end-to-end focused mobile handset and mobile handset solutions company based in India (*Source: F&S Report*), we also have presence in many emerging markets.

Summary of Industry

In the fiscal year 2021, there were 104.3 million units of feature phones and 170.6 million of smartphones in the mobile phone market of India. While the mobile phone subscription market in India keeps growing, users have been shifting from feature phones to entry level smartphones. We are expanding in the African market, which shares similarities with the Indian market. The mobile phone market in the United States is dominated by smartphones. We face competitions from both Indian companies and foreign mobile handset manufacturers. (*Source: F&S Report*)

Promoters

Our Promoters are Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal.

Offer Size

Offer	[●] Equity Shares, aggregating up to ₹ [●] million
of which	
Fresh Issue(1)(2)	[●] Equity Shares, aggregating up to ₹ 5,000 million
Offer for Sale(3)	Up to 43,727,603 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
Employee Reservation Portion(4)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

1. *Our Board has authorised the Offer, pursuant to its resolution dated August 23, 2021. Our Shareholders have authorised the Fresh Issue pursuant to their resolution dated September 10, 2021.*
2. *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 19(2)(b) of the SCRR.*
3. *Each of Amit Rai, Vikram Singh Parmar, Tapperware Kitchenware Private Limited, Hari Om Rai, Vishal Sehgal, Shailendra Nath Rai, and Sunil Bhalla, severally and not jointly, specifically confirms that its respective Offered Shares are eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations. UNIC Memory confirms that its respective Offered Shares (including the Offered Shares arising upon conversion of Series B Preference Shares held by it) will be eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received from each of the Selling Shareholders for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 354.*
4. *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹[●]), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 373.*

Objects of the Offer

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

Particulars	Amount (In ₹ million)
Marketing and brand building activities	1,000
Funding acquisition and other strategic initiatives	1,500
Investment in Material Subsidiaries for funding their working capital requirements	1,500
General corporate purpose#	[●]

#To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount of general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

Pre-Offer Shareholding of Promoters, Promoter Group and Selling Shareholders

S. No.	Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
A.	**Promoters/Promoter Selling Shareholders**		
1.	Hari Om Rai	180,335,560	33.32
2.	Sunil Bhalla	113,561,488	20.99
3.	Vishal Sehgal	88,417,408	16.34
4.	Shailendra Nath Rai	46,984,112	8.68
	Total (A)	**429,298,568**	**79.33**
B.	**Promoter Group**		
5.	Shibani Sehgal	29,042,880	5.37
6.	Sojo Infotel Private Limited	13,770,156	2.54
7.	Sadanand Rai	4,200,000	0.78
8.	Suneeti Bhalla	3,898,800	0.72
9.	Manju Rai	3,600,000	0.67
10.	Jamuna Rai	1,080,000	0.20
11.	Nutan Rai	4	*Negligible#*
	Total (B)	**55,591,840**	**10.27**
C.	**Selling Shareholders (Other than the Promoter Selling Shareholders)**		
12.	Amit Rai	879,200	0.16
13.	Vikram Singh Parmar	568,780	0.11
14.	UNIC Memory*	4	*Negligible#*
15.	Tapperware Kitchenware Private Limited	11,163,276	2.06
	Total (C)	**12,611,260**	**2.33**
	Total (A + B + C)	**497,501,668**	**91.93**

**UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*
#Less than 0.01%.

Summary of Financial Information

(in ₹ million other than share data)

Particulars	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Share capital	1248.67	1248.67	1248.67
Net worth#	15,891.15	14,080.59	12,552.80
Revenue	55,236.78	52,824.48	51,287.48
Net profit after tax	1,726.08	1,077.61	731.82
Earnings per share			
- Basic	3.46	2.16	1.47
- Diluted	3.15	1.97	1.34
Net asset value per equity share*	31.82	28.19	25.13
Total borrowings^	1,031.2	1,767.70	1,588.61

Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
**Net asset value per Equity Share is derived from the Restated Financial Information and is calculated as restated net worth at the end of the year divided by number of Equity Shares outstanding at the end of the year adjusted for the impact of bonus issue and stock split after the end of the year but before the date of filing of this Draft Red Herring Prospectus.*
^Total borrowings' is calculated as borrowings under non-current liabilities, plus borrowings under current liabilities, plus current maturities of long term borrowings under other current liabilities.

Qualifications of the Auditors

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Promoters, our Directors, and our Group Companies as disclosed in this Draft Red Herring Prospectus as per the Materiality Policy, is provided below:

Litigation involving our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	3	775.05
Criminal	10*	36.67
Regulatory/ statutory action	3	339.85
Tax	50	711.59**

**includes 8 cases filed by our Company under provisions of the Negotiable Instruments Act, 1881.*
*** exclusive of the interest but includes the levy of corporate tax @ 34.5%.*

Litigation involving our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory/ statutory action	Nil	Nil
Tax	Nil	Nil

Litigation involving our Promoters

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	5	41.35
Regulatory/ statutory action	Nil	Nil
Tax	Nil	Nil

Litigation involving our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	5	41.35
Regulatory/statutory action	Nil	Nil
Tax	Nil	Nil

Litigation against our Group Companies that may have a material impact on the Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Outstanding litigation that may have a material impact on our Company	Nil	Nil

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 343.

Risk Factors

Please see "*Risk Factors*" beginning on page 28.

Summary of Contingent Liabilities of our Company

As of March 31, 2021, our capital and other commitments (contingent liabilities) not provided for in our Restated Financial Information are as follows:

(A) Contingent Liabilities

(in ₹ million)

Particulars	As on March 31, 2021
Bank guarantees	313.94
Sales tax demands	469.83
Total	**783.77**

(B) Capital and other commitments

(in ₹ million)

Particulars	As on March 31, 2021
Estimated amount of contracts to be executed on capital account	5.15
Total	**5.15**

For further details, see "*Financial Statements*" on page 239.

Summary of Related Party Transactions

a) Transactions and outstanding Balances with the related parties

(₹ in million)

Particulars	Joint Venture		
	2020-21	2019-20	2018-19
i) Transactions			
Investment made in Joint Venture			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	-	2.04
Advances given			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	0.04	-
ii) Amount due to / from related parties			
Advance given			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	0.04	-
Other Receivables			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	19.33	19.33	-

(₹ in million)

Particulars	Associate			Parties in which Key Management Personnel of the Group are interested		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19

Sale of Services						
MagicTel Solutions Private Limited	0.88	5.06	22.66	-	-	-

(₹ in million)

Particulars	**Associate**			**Parties in which Key Management Personnel of the Group are interested**		
	2020-21	**2019-20**	**2018-19**	**2020-21**	**2019-20**	**2018-19**
Amount due to / from related parties						
Receivables						
MagicTel Solutions Private Limited	-	-	1.83	-	-	-
Ottomate International Private Limited	-	-	-	0.44	-	0.16
Payables						
Am Express worldwide Logistics	-	-	-	-	0.15	0.27
Advance from Customer						
MagicTel Solutions Private Limited	-	0.07	-	-	-	-

b) Key management personnel compensation

(in ₹ million)

Particulars	**Remuneration of Key Management Personnel**		
	2020-21	**2019-20**	**2018-19**
Short-term employee benefits	12.26	9.61	28.42
Post-employment benefits	0.51	1.84	1.46

c) Details of Balances eliminated during the year ended 31st March 2021, 31st March 2020 and 31st March 2019

(in ₹ million)

Particulars	**Amount**		
	31 March 2021	**31 March 2020**	**31 March 2019**
Trade Payable			
Lava International (H.K.) Limited	-	72.31	23.00
Advance from Customer			
Lava Technologies DMCC	-	-	4.90
Other receivables			
Lava International (H.K.) Limited	94.36	116.37	107.04
Sojo Distribution Private Limited	15.52	0.04	-
Sojo Infotel Pvt Limited	5.13	0.04	-
Sojo Manufacturing Services (AP) Private Ltd	0.33	0.14	0.01
Sojo Manufacturing Services Private Ltd	10.38	10.37	10.33
Lava Enterprise Limited	0.04	0.04	-
Lava Technologies DMCC	26.60	27.40	5.99
Trade receivable			

Particulars	Amount		
	31 March 2021	31 March 2020	31 March 2019
Lava International (H.K.) Limited	-	23.26	18.76
Lava Technologies	0.00	0.00	0.00
Lava Technologies DMCC	7.67	22.31	-
XOLO International (HK) Limited	425.96	438.41	490.66
Advance given			
XOLO International (HK) Limited	101.92	299.25	384.76

d) Details of transaction eliminated during the year ended 31st March 2021, 31st March 2020 and 31st March 2019

(in ₹ million)

Particulars	Amount		
	31 March 2021	31 March 2020	31 March 2019
Purchase of goods			
LAVA International (HK) Limited	-	15.62	172.18
XOLO International (H.K.) Limited	-	32.30	-
Purchase of property, plant and equipment			
LAVA International (HK) Limited	-	-	4.17
Investment made in subsidiaries			
Sojo Manufacturing Services Pvt Limited	-	-	11.25
Lava Technologies L.L.C.	-	-	28.79
Lava Technologies DMCC	-	-	338.50
Expenses incurred on behalf of related parties			
Lava Technologies DMCC	-	20.83	6.08
Sojo Manufacturing Services (AP) Private Ltd	0.19	0.04	-
Sojo Manufacturing Services Private Limited	0.01	0.05	-
Sojo Distribution Private Limited	0.02	0.04	-
Sojo Infotel Pvt Limited	0.27	0.04	-
LAVA International (HK) Limited	-	-	82.28
Margin charged on Expenses incurred on behalf of related parties			
LAVA International (HK) Limited	-	-	11.11
Lava Technologies DMCC	-	-	0.82
Commission Charged on Bank guarantee			
LAVA International (HK) Limited	-	-	13.65
Advances given			
XOLO International (H.K.) Limited	-	-	283.85
Advance given			
Sojo Distribution Private Limited	15.31	-	-
Sojo Infotel Pvt Limited	4.82	-	-
Sale of Services			
Sojo Distribution Private Limited	0.14	-	-
Export Sales			

Particulars	Amount		
	31 March 2021	31 March 2020	31 March 2019
LAVA International (H.K.) Limited	-	2.63	18.48
Lava Technologies DMCC	7.80	91.71	5.15
LAVA Technologies	52.82	52.82	52.82
XOLO International (H.K.) Limited	-	0.13	366.65

For details of the related party transactions as reported in the Restated Financial Information, see *"Related Party Transactions"* beginning on page 237.

Financing Arrangements

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

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

The weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders, in the last one year is as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
1.	Tapperware Kitchenware Private Limited	119,984#	75
2.	Vikram Singh Parmar	80,000#	50
3.	UNIC Memory	1,528,834^	442.68^

**As certified by ASA & Associates LLP, Chartered Accountants, by way of their certificate dated September 27, 2021.*
#Above number calculated after considering the sub-division of equity shares from ₹ 10 each to ₹ 5 each and bonus issuance as approved by the Shareholders on September 10, 2021.
^The consideration was received at the time of issue of Series B Preference Shares and the equity shares (post conversion) do not include the sub-division of each equity share and bonus issuance as approved by the Shareholders on September 10, 2021 as these equity shares of face value ₹ 10 each were issued and sold before the date of approval of the said sub-division and bonus issuance.

In addition, during the one (1) year preceding the date of this Draft Red Herring Prospectus, Hari Om Rai received 90,167,780 Equity Shares, Shailendra Nath Rai received 23,492,056 Equity Shares, Sunil Bhalla received 56,780,744 Equity Shares, Vishal Sehgal received 44,208,704 Equity Shares, Amit Rai received 439,600 Equity Shares, Tapperware Kitchenware Private Limited received 5,581,638 Equity Shares, Vikram Singh Parmar received 284,390 Equity Shares, and UNIC Memory received 2 Equity Shares, pursuant to a bonus issue of Equity Shares approved by our Shareholders on September 10, 2021. Since the aforesaid allotment was pursuant to the said bonus issue and did not involve any consideration, the weighted average price of the Equity Shares acquired by the aforesaid Shareholders was Nil.

Average Cost of Acquisition

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

S. No.	Category of Shareholders	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
A.	**Promoters/Promoter Selling Shareholders**		
1.	Hari Om Rai	180,335,560	0.15
2.	Shailendra Nath Rai	46,984,112	0.06
3.	Sunil Bhalla	113,561,488	0.05
4.	Vishal Sehgal	88,417,408	0.05

S. No.	Category of Shareholders	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
B.	**Selling Shareholders (other than the Promoter Selling Shareholders)**		
1.	Amit Rai	8,79,200	Nil
2.	Vikram Singh Parmar	5,68,780	7.03
3.	UNIC Memory	4	110.67
4.	Tapperware Kitchenware Private Limited	11,163,276	1.37

As certified by ASA & Associates LLP, Chartered Accountants, by way of their certificate dated September 27, 2021.

UNIC Memory also holds an aggregate of 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.

For further details, see "*Capital Structure*" on page 85.

Details of pre-Offer Placement

Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of such number of Equity Shares for each consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum offer size requirements prescribed under regulation 19(2)(b) of the SCRR.

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

Except as disclosed in "*Capital Structure – History of Equity Share capital of our Company*" on page 86, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split / Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not split or consolidated the face value of the Equity Shares in the last one year:

- Pursuant to a resolution of the Board dated August 23, 2021 and a Shareholders resolution dated September 10, 2021, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each.

For details, see "*Capital Structure – History of Equity Share capital of our Company*" on page 86.

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

Certain Conventions

All reference in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Page Numbers

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

Currency and Units of Presentation

In this Draft Red Herring Prospectus:

- 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 "HKD" are to Hong Kong Dollar, the official currency of Hong Kong.
- All references to *"AED"* are to United Arab Emirates, Dirham, the official currency of the UAE.
- All references to "LKR" are to Sri Lankan Rupee, the official currency of Sri Lanka.
- All references to "BDT" are to Bangladesh Taka, the official currency of Bangladesh.
- All references to "MXN" are to Mexican Peso, the official currency of Mexico.
- All references to "MMK" are to Kyat, the official currency of Myanmar.
- All references to "IDR" are to Indonesian Rupiah, the official currency of Indonesia.

Exchange Rates

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

(*in ₹*)

Currency	Exchange rate as on(1)		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
USD#	73.50	75.39	69.17
AED#	19.92	20.52	18.86
HKD#	9.41	9.72	8.82
LKR#	0.37	0.40	0.39
BDT#	0.86	0.88	0.82
MXN#	3.58	3.21	3.56

Currency	Exchange rate as on(1) March 31, 2021	March 31, 2020	March 31, 2019
MMK#	0.05	0.05	0.05
IDR#	0.005	0.005	0.005

#Source: For USD - www.fbil.org, and for AED, HKD, LKR, BDT, MXN, MMK and IDR – www.xe.com
(1) If the FBIL reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed.

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

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Information comprises of the restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, and the restated consolidated summary statement of profit and loss (including other comprehensive income), and cash flow statement and changes in equity for the financial years ended March 31, 2021 , March 31, 2020 and March 31, 2019 together with its notes, annexures and schedules are derived from our audited financial statements as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.

There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS, U.S. GAAP, IFRS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP and IFRS, which may be material to investors' assessments of our financial condition"* beginning on page 61.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**", "**Fiscal Year**" or "**FY**") are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless otherwise specified.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 170 and

306, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Financial Information.

Non-Indian GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-Indian GAAP financial measures and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness 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. Given the scope and extent of the Industry Report, disclosures are limited to certain excerpts and the Industry Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors - We have commissioned and paid for a report from Frost & Sullivan which have been used for industry related data in this Draft Red Herring Prospectus.*" on page 55.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained from F&S Report. The F&S Report has been commissioned by and paid for by our Company. F&S was engaged by our Company on July 13, 2021. Further, F&S, vide their letter dated September 23, 2021 ("**Letter**") has accorded their no objection and consent to use the F&S Report. F&S, vide their Letter has also confirmed that they are an independent agency, and confirmed that F&S is not related to our Company, our Directors, the Selling Shareholders or our Key Management Personnel.

F&S Disclaimer:

"*Mobile Phones Industry Report in India has been prepared for the proposed initial public offering of equity shares by Lava International Limited (the "**Company**").*

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

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be *exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.*

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

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", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

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

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

- We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our products and services which may lead to reduced prices, operating margins, profits and further result in loss of market share.

- If we fail to successfully identify and respond to changing customer preferences and demands in a cost-effective and timely manner, our ability to generate revenues and grow our business may be adversely impacted.

- If our products become obsolete due to a breakthrough in the development of technology or alternate products, our business, results of operations, financial condition and cash flows may be adversely affected.

- We may not be able to adequately protect our intellectual property and may be subject to claims that we infringe on the intellectual property rights of others, each of which could substantially harm our business.

- Our sales and profitability could be harmed if we are unable to maintain and further build our brands.

- Our Promoters have encumbered their Equity Shares by way of pledge. Any exercise of such encumbrance could dilute the shareholding of our Promoters and consequently dilute the aggregate shareholding of our Promoters, which may materially and adversely affect our business and financial condition.

- Our sales and profitability could be harmed if we are unable to maintain and further build our white label business.

- If we are unable to successfully manage the introduction of new products, our business, cash flows and results of operations may be adversely affected.

- We rely on a limited number of third-party suppliers for some of our key components, raw materials, services and products. Any shortage and cessation in supply from these suppliers could adversely affect our business, cash flows and results of operations.

- If we do not accurately forecast demand for our products, our revenues, profit and cash flows could be adversely impacted.

For a further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 170 and 306, 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.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the 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. None of our Company, Directors, the Selling Shareholders, and the BRLMs or their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus until the date of Allotment. Each Selling Shareholder will ensure that investors are informed of material developments in relation to the statements and undertakings expressly confirmed by it in the Red Herring Prospectus until the date of Allotment. 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.

[***Remainder of this page intentionally kept blank***]

SECTION II - RISK FACTORS

Unless otherwise indicated or the context otherwise requires, in this section, references to the "Company" or our "Company" are to Lava International Limited on a standalone basis, and references to the "Group", "we", "us", "our", are to Lava International Limited, its Subsidiaries and Joint Venture on a consolidated basis.

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate or to India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 170, 132, 239 and 306, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business in terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the financial years 2021, 2020 and 2019 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and the generally accepted accounting principles in other countries. For further information, see "Financial Statements" beginning on page 239.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 26.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Mobile Phones Industry Report in India" dated September 2021 (the "**F&S Report**") prepared and released by Frost & Sullivan and commissioned on July 13, 2021 and paid for by our Company specifically for the purpose of 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 24.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. The prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Internal Risks

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

During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for the financial year 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate physically, among many others. The outbreak of COVID-19 was recognized as a public health emergency and international concern on January 30, 2020 and as a pandemic by WHO on March 11, 2020. On March 14, 2020, Government of India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. While that lockdown lasted until May 31, 2020, and was extended periodically by varying degrees by state governments and local administrations, the second wave of COVID-19 in April 2021 led to lockdowns imposed by the state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices.

Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. For example, the spread of COVID-19 has caused us to modify our business practices, including changes to employee travel arrangements and work locations, cancellation of physical participation in meetings, events and conferences, which poses new challenges to our operations which require us to address, such as cybersecurity risks associated with working from home. In future, we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. We also incurred and may continue to incur additional expenses in complying with evolving government regulations and measures, such as social distancing measures and sanitization practices. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or suspend operations in our facilities for disinfection. While our operations had significantly slowed down during early 2020 and we have almost resumed to full normalcy with requisite precautions, the actual impact of COVID-19 pandemic on our financial condition remains uncertain and is dependent on spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our estimates. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, we have experienced and may further experience, Government authorities imposition of various measures such as travel bans and restrictions, quarantines, shelter-in-place orders, and shutdowns. Beginning in March 2020, due to the nationwide lockdown, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions, we experienced closure of our production facilities, which lasted for approximately two months. Our revenue from operations during this period of closure was negatively affected, primarily due to the uncertainty and the general fall in the consumption expenditure. We also experienced an increase in lead times of procurement of essential raw materials. We may continue to be subject to temporary as well as permanent closures and reduced manufacturing operations, retail store operations, logistical delays during which we shall be required to incur additional expenses in connection with, among other things, retaining employees, fixed costs payable for maintaining our manufacturing plants and loss of inventory which may adversely affect our business, results of operations and financial condition. Further, any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

2. ***We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our products and services which may lead to reduced prices, operating margins, profits and further result in loss of market share.***

We face increasing competition from other mobile handset designers and manufacturers and distributors for our feature phones as well as our smart phones. Many of our existing and potential competitors in India and in overseas markets may have substantially greater brand recognition, longer operating histories, greater financial, research and technological resources, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers and distributors of our products or developers of operating software platforms, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products and services than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to offer better terms to third-party original equipment manufacturers ("**OEMs**") or service providers. In addition, they may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete. For example, our competitors may be better positioned to take advantage of developments in 5G infrastructure in India or in the other markets in which we sell our products and, consequently, may be able to offer technologically more advanced products at competitive prices, which could erode our present/future market share.

We face competition from domestic and international mobile handset companies in the markets in which we operate. Our principal competitors include multinational mobile handset manufacturers and domestic mobile handset manufacturers. According to F&S, the Indian mobile phone market is dominated by foreign companies, especially Chinese and Korean companies such as Xiaomi, Samsung, Vivo, Oppo and RealMe in the smartphone market and Indian companies such as Jio, Micromax and us in the feature phone market. Some of our competitors in the global market may seek to start manufacturing handsets in India to take advantage of the various initiatives introduced by the Government of India and thus may become more competitive in terms of pricing in the Indian market. Our competitors may be able to offer lower cost mobile handsets, including handsets that have features similar or better than ours. If market prices are substantially reduced by mobile handset companies in their respective markets, our business in those markets could be adversely affected. If we do not continue to distinguish our products through distinctive features, competitive pricing and design, as well as continue to build our brand recognition, we could lose market share and our revenues and profit could decline. The success of our products as well as our ability to maintain or increase our market share may also depend upon the effectiveness of our marketing initiatives. Additionally, approximately ₹41,986 million, ₹45,694 million and ₹50,166 million were from sales through our distribution network for the financial years 2019, 2020 and 2021, respectively, representing approximately 82.19%, 86.80% and 91.00% of our revenue from operations of the same periods. An increase in operator driven distribution where operator subsidies are prevalent may adversely affect our ability to compete effectively.

In the feature phone market, our competitors may adopt more aggressive pricing, marketing strategies, different design approaches and alternative technologies that consumers may prefer over our offering of feature phones. For example, certain industry participants seek to disrupt the market by bundling mobile device deals with their networks' deals. Our competitors may be able to build feature phones based on components, software and content available at low costs, which may enable them to introduce their products faster and at lower prices.

Competition in our industry is based on a range of factors including pricing, innovation, perceived value, brand recognition, after sales support and marketing. To remain competitive, we must continue to invest significant resources in capital expenditure, research and development, sales and marketing and customer support. We cannot assure you that we will have sufficient resources to make these investments or that we will be able to make the technological advances necessary to be competitive. If we fail to effectively compete, including any delays in responding to changes in the industry and the market, we may also have to incur additional costs and expenses to conduct marketing campaigns, market research and investing in newer technologies and infrastructure to effectively compete. Increased competition could result in, amongst other things, a slowdown in the growth of our corporate accounts, a loss of our market share, price reductions, reduced demand for our products, reductions in revenues and reduced margins and profitability.

3. ***If we fail to successfully identify and respond to changing customer preferences and demands in a cost-effective and timely manner, our ability to generate revenues and grow our business may be adversely impacted.***

The market for telecommunications equipment is characterized by rapidly changing technology, evolving industry standards, changing consumer preferences and demand for features, and constant product innovation. Our success depends on our ability to anticipate, gauge and react to change in customer tastes for our products, as well as to where and how customers shop for these products, technological developments, enhance existing products and technology, develop new products and technologies and bring these products to the market in a timely and cost-effective manner as well as operate within substantial production and delivery constraints. The competitiveness of our product portfolio depends on our ability to introduce new and innovative products on a timely and continuous basis and enhance existing products with added features including finger-printing software, cameras and longer battery life, among others, while maintaining the cost effectiveness.

Customer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. While we strive to offer our customers products that are value for money, there is no certainty that such products would be continued to be preferred by our customers over more expensive substitutes.

We must continually work to stock new products, maintain and enhance the recognition of our brands, achieve a favourable mix of products, and refine our approach as to how and where we market and sell our products. While We try to introduce new products or variants, We recognise that customer tastes cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our customers.

Further, in order to develop and introduce new products and enhancements, we may need to incur significant research and development costs, obtain and evaluate feedback from our customers and distributors and analyze customer usage patterns. If we fail to accurately anticipate technological trends or our end users' needs and preferences, or if we are unable to respond timely to such trends by developing and offering cost effective, reliable and user-friendly products, our ability to retain our current, as well as attract new, customers may be impaired, and our ability to generate revenues and grow our business may suffer and may in turn loss our market share. While we may be able to complete the development of new products and services in a cost-effective and timely manner, they may not gain traction in the market at all, or at anticipated levels, which may adversely affect consumer acceptance of our products and thereby lower our sales and gross margins. Any of these factors could have an adverse effect on our business and results of operations.

4. ***If our products become obsolete due to a breakthrough in the development of technology or alternate products, our business, results of operations, financial condition and cash flows may be adversely affected.***

In the event of a breakthrough in the development or growing popularity of alternate technology, we may be exposed to the risk of our products becoming obsolete or being substituted by these alternatives, and any failure on our part to effectively address such situations or to introduce new products could adversely affect our business, results of operations, financial condition and cash flows. Further, if our competitors are better positioned to respond to new or emerging technologies and are consequently able to reduce prices, we may be faced with a loss of market share.

In particular, if we fail to adapt to the rapidly changing technological development characterized by the introduction of high-speed wireless technology or fail to upgrade or adapt our existing products, our products may become less attractive to customers. This could limit our ability to acquire new customers and cause us to lose existing customers to competitors, which could have an adverse effect on our business, financial condition and results of operations. For example, our sales of feature phones in India contributed to approximately 19.58%, 20.47% and 22.19% of our total income for the financial years 2021, 2020 and 2019, respectively, while our sales of feature phones in countries other than India contributed to approximately 9.72%, 4.24% and 3.54% of our total income for the same periods. Our sales of feature phones may reduce over time due to advancements in wireless telecommunication infrastructure in India, such as the rollout of 5G networks, and the growing popularity of 5G enabled handsets. To respond successfully to technological advances, we may require substantial capital expenditures and access to related or enabling technologies in order to integrate the new technology with our existing technology.

We rely on the Android operating system, which we build into our smartphones and use for our customized user interfaces. There can be no assurance that existing, proposed or as yet undeveloped operating systems may become dominant in the future and render the Android OS less profitable or obsolete and lead to significant write-downs, or that we will be successful in responding in a timely and cost-effective way to keep pace with such a development.

Further, a slowdown in demand for our existing products ahead of a new product introduction could result in a write down in the value of inventory on hand related to existing products. We have in the past experienced a slowdown in the demand for our products and delays in new product development and such slowdowns and delays may occur in the future. As a result, if our customers, defer or cancel orders for our existing products due to introduction of alternative products, which are much more suitable and preferred as options, our business, results of operations, financial condition and cashflows would be adversely affected.

5. ***Our Promoters have encumbered their Equity Shares by way of pledge. Any exercise of such encumbrance could dilute the shareholding of our Promoters and consequently dilute the aggregate shareholding of our Promoters, which may materially and adversely affect our business and financial condition.***

As of the date of this Draft Red Herring Prospectus, 429,298,568 Equity Shares constituting 79.33% of our Equity Share capital are held by our Promoters, of which (a) 12,787,756 Equity Shares, aggregating to 2.29% of the pre-Offer equity share capital of our Company, on a fully diluted basis (*assuming conversion of Series A Preference Shares and Series B Preference Shares*), are pledged in favour of Bank of Baroda led consortium; (b) 160,068,270 Equity Shares, aggregating to 28.69% of the pre-Offer equity share capital of our Company, on a fully diluted basis, are pledged in favour of Axis Trustees Services Limited; (c) 2,478,438 Equity Shares, aggregating to 0.44% of the pre-Offer equity share capital of our Company, on a fully diluted basis, are pledged in favour of Woori Bank; and (d) 8,004,270 Equity Shares, aggregating to 1.44% of the pre-Offer equity share capital of our Company, on a fully diluted basis, are pledged in favour of Hero FinCorp Limited. Bank of Baroda has acknowledged that the aforesaid pledge on the Equity Shares of the Promoters will be de-pledged temporarily to conform the requirement of the SEBI ICDR Regulations. Further, pursuant to the share pledge agreements dated March 22, 2021 and September 23, 2021 with Axis Trustee Services Limited, pledge on 160,068,270 Equity Shares will be released on or before the date of filing the Red Herring Prospectus with the RoC subject to compliance with the terms of the respective share pledge agreements. For further details, see "*Capital Structure - Details of Equity Shares pledged by our Promoters*" on page 93. Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares and may result in invocation of pledge. If this happens, the aggregate shareholding of the Promoters may be diluted. As a result, we may not be able to conduct our business or implement our strategies, and as currently planned, which may materially and adversely affect our business and financial condition.

Pursuant to an agreement executed by our Promoters and Sojo Infotel Private Limited (a member of our Promoter Group) in connection with certain pledged Equity Shares, upon the occurrence of certain default events, such pledged shares are required to be sold. Axis Capital Limited, one of the BRLMs, being a sale arranger for the sale of such pledged Equity Shares, is required to use its reasonable efforts to procure a purchaser for such sale of the pledged Equity Shares, failing which, Axis Capital Limited is obliged to purchase or fund the purchase of the pledged Equity Shares.

Further, the loan amount as availed by our Company from Woori Bank and Hero FinCorp Limited has been repaid and our Company has made applications to both Woori Bank and Hero FinCorp Limited, separately, on September 24, 2021 to release the pledged Equity Shares. While we believe that since the loan amount has been repaid, the pledged Equity Shares shall be released within a reasonable time, there can be no assurance that such release shall be executed in a timely manner.

6. ***We may not be able to adequately protect our intellectual property and may be subject to claims that we infringe on the intellectual property rights of others, each of which could substantially harm our business.***

We rely on a combination of copyrights, trademarks, design, trade secret laws and contractual obligations to protect our intellectual property. For details of intellectual property owned by us, see "*Business - Intellectual Property*" on page 186. The registration of any intellectual property right may be a time-consuming process and there can be no assurance that any such registration shall be granted in a timely manner or at all. In absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our intellectual property is registered and continues to remain so, our ability to use our intellectual property rights may be restricted, which could adversely affect our brand image, goodwill and business. Some of our registrations may also expire, and we cannot guarantee that we will be successful in having their validity extended. While we intend to defend against any threats to our intellectual property, we cannot guarantee that these or any other intellectual property protection measures will be sufficient to prevent misappropriation of our technology. We have filed certain patent applications and there is no guarantee that these applications will be approved. Multiple trademark applications made by us have been opposed in India and in other countries, including in relation to our brand names 'LAVA' and 'XOLO'. Further, there have been instances in the past where we had abandoned trademark applications. Our inability to secure these trademarks could adversely impact our business and operations. The levels of protection and means of enforcement for intellectual property rights in India differ from those in other jurisdictions. In the event that the steps we have taken and the protections afforded by law do not adequately safeguard our proprietary technology, we could suffer losses in revenues and profits due to competing sales of products unlawfully produced based on our proprietary intellectual property which may have an adverse effect on our business, prospects, results of operations and financial condition.

We update and modify our products to keep abreast with prevalent technology. Many of our products include third-party intellectual property, which may require licenses from those third parties. These third-party intellectual property rights licensed to or issued to us in the past or to be licensed to or issued to us in the future may be challenged by our competitors. Further, we may be required to negotiate licenses from third parties, which may not be available on reasonable terms, or at all. Due to technological changes in the industries in which we operate, extensive patent coverage and the rapid rate of issuance of new patents, it is possible that certain components of our products, processes and services may infringe existing patents or intellectual property rights of third parties. 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 certain products leading to loss of market share and competitive presence or may otherwise have an adverse impact on our financial condition and operating results. Given the nature of our products, we cannot assure that our products do not or will not inadvertently infringe valid third party intellectual property rights, which may expose us to legal proceedings.

The increasing dependence of the telecommunications equipment industry on proprietary technology may subject us to litigation or other proceedings to defend against claimed infringements of, or disputes in relation to, the intellectual property rights of others. For instance, we are currently involved in litigation initiated by Telefonaktiebolaget LM Ericsson ("**Ericsson**") before the High Court of Delhi alleging, among others, infringement of eight of Ericsson's patents which has been claimed were Standard Essential Patents ("**SEPs**") held by Ericsson. Ericsson has sought a relief of permanent injunction against us against producing or marketing these products until an appropriate license for use for such patents was obtained by us and damages of ₹ 500 million. For a detailed description of proceedings initiated against our Company, see "*Outstanding Litigation and Material Developments – Material civil litigation Involving our Company – Material civil litigation initiated against our Company*" on page 343.

In addition, we have entered into non-disclosure agreements, confidentiality agreements or non-competition agreements with our certain employees, consultants or other parties to protect its proprietary rights. However, there can be no assurance that (i) such agreements shall not be breached; (ii) we will receive adequate remedies for any breach; or (iii) third parties shall not otherwise gain access to our trade secrets or proprietary knowledge and that any inability to patent new processes and protect our proprietary information or other intellectual property could adversely affect our business.

7. ***Our sales and profitability could be harmed if we are unable to maintain and further build our brands.***

We believe brand is one of the key factors in sale of our feature phones and smartphones and believe that our future success may be influenced by the performance of our "Lava" and "Xolo" brands, as well as our ability to communicate effectively about our products to our distributors and with our target customers through consistent and focused marketing messages. A number of factors, including adverse publicity regarding our brand ambassadors and unsuccessful product introductions, may have a negative effect on our reputation and erode our brand image. Insufficient investments in marketing and advertisements towards brand building could also erode or impede the development of our brand. Although we had spent ₹1,675.10 million, ₹1,469.56 million and ₹794.10 million towards advertisement, publicity and marketing during the financial years 2021, 2020 and 2019, or 3.04%, 2.79% and 1.55% of our total income in such periods, respectively and continue to expend resources on establishing and maintaining our brands, no assurance can be given that our brands will be effective in attracting and growing our customer base or that such efforts will be successful and cost-effective. Any impairment of our reputation or erosion of our brand or failure to optimize our brand in the marketing of our products could have an adverse effect on our ability to retain our current customers and attract new customers and therefore, on our sales and profitability.

Some of our products in our international markets are dual-branded pursuant to collaborations with well-established domestic telecommunication services providers or mobile handset distributors to introduce and sell our products in those markets. We cannot assure you that the counterparties in such agreements will be able to successfully maintain or strengthen their reputation and brand, and their failure to do so may adversely affect the reputation of our brands in those markets in which we collaborate with those partners and as well as other markets in which we operate.

8. ***Our sales and profitability could be harmed if we are unable to maintain and further build our white label business.***

We believe that our future success may be influenced by our ability to grow our white label business. We have in the past and are currently developing and manufacturing phones for third-party under their brand names. The income from our white label business comprised 1.66%, 1.50% and 0.97% of our total income for the financial years 2021, 2020 and 2019, respectively. We have in the past manufactured phones for third parties such as TCL and have entered into agreement to manufacture phones for HMD. We believe failure to manufacture phones as per the specifications or quality requirements of the counterparties could have an adverse effect on our capacity to retain our current customers and attract new customers and therefore, on our sales and profitability. We also cannot assure you that our partners will be able to successfully maintain or strengthen their reputation and brand, and their failure to do so may adversely affect our growth in this segment.

9. ***If we are unable to successfully manage the introduction of new products, our business, cash flows and results of operations may be adversely affected.***

In order to remain competitive, we must develop, test and manufacture new products and software. To accomplish this, we have committed substantial funds and other resources towards our research and development activities and we have set-up dedicated research and development team in India. We invested ₹66.49 million, ₹89.36 million and ₹410.11 million towards research and development activities during the financial years 2021, 2020 and 2019, or 0.12%, 0.17% and 0.80% of our total income in such periods, respectively. If our research and development efforts do not succeed, our introduction of new products may be hindered, and our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues which could adversely affect our business, growth and financial condition.

We have been successful in introducing new products, such as "Hive" and "Star OS", which are customized user interfaces on top of the Android OS. However, we cannot assure that we will be able to continue or replicate this success. We intend to collaborate with other application companies and mobile content providers to complement our existing hardware product portfolio. We may face an inability to commercialize such products in a timely fashion.

As we introduce new or enhanced products, we face risks including disruptions in customers' ordering patterns, excessive or insufficient levels of existing product inventories, difficulties in ramping-up our manufacturing arrangements, revenue deterioration in our existing product lines, insufficient supplies of new products to meet customers' demand, possible product and technology defects and a potentially different sales and support environment. The development and commercialization process is both time consuming and capital intensive. We may focus our resources on technologies that do not become widely accepted or are not commercially viable. Delays in any part of the manufacturing process, or the failure of a product to be successful at any stage and therefore not reach the market could adversely affect our business, results of operations and cash flows.

Any leaks of information about new products or features or technologies prior to their launch may reduce the effectiveness of our product launches, reducing sales volumes of current products due to anticipated future products, making it more difficult to compete, shortening the exclusivity of our product innovation or increasing market expectations for the results of our new products before we have had an opportunity to demonstrate the market viability of such products. Our failure to manage the introduction of newer products may adversely affect our business, cash flows and results of operations.

10. We rely on a limited number of third-party suppliers for some of our key components, raw materials, services and products. Any shortage and cessation in supply from these suppliers could adversely affect our business, cash flows and results of operations.

We purchase a substantial portion of our raw materials and components from a limited set of suppliers. A majority of critical components, such as chipsets, are sourced from a single source to get the benefits of, amongst other things, price, design effort, inventory, supply chain and after sales efficiency. However, we do not enter into long-term or exclusive supply agreements for our raw materials, except for memory component, and instead enter into purchase contracts for individual purchase orders from time to time. Although we believe we have maintained stable relationships with these suppliers, we cannot assure you that we would be able to source raw materials from alternative sources, at acceptable prices or at all, in the event we could not obtain such materials from our existing suppliers in an adequate quantity and timely manner for any reason and of good quality. We cannot assure you that shortages will not occur in the future, particularly in the case of our growing sales of handsets, as an increasing proportion of our handsets incorporate components using newly introduced technologies. Any failure to obtain raw materials or components could interfere with our manufacturing operations and cause our competitive positioning to suffer. In case of issues affecting a product's safety or regulatory compliance, we may be subject to damages due to product liability, and defective products or components may need to be replaced or recalled which will also adversely affect our brand and reputation.

Additionally, consolidation among our suppliers could potentially result in larger suppliers with stronger bargaining power, consequently limiting the choice of alternative suppliers. The intensive competition among our suppliers and the resulting pressure on their profitability along with negative effects from shifts in demand for components and sub-assemblies may result in the exit of certain suppliers from our industry and decrease the ability of some suppliers to invest in the innovation that is vital for our business. Our ability to source components efficiently and on terms favourable to us could also be adversely affected if component suppliers who also operate in the mobile products market choose to limit or cease the supply of components to other mobile device manufacturers, including us. In the event of an increase in the cost of our production, we cannot assure you that we will be able to correspondingly increase the price of our products due to competitive pricing.

We also procure certain components from international suppliers and there can be no assurance that we will be able to find suitable domestic suppliers to replace such international suppliers in the event of any import embargo or delay or default by international suppliers. Many of the production sites of our suppliers are geographically concentrated, with a majority of our suppliers based in Asia. In the event that any of these geographic areas is affected by any adverse conditions that disrupt production and/or deliveries from our suppliers, our ability to deliver our products on a timely basis could be negatively affected, which may adversely affect our business and results of operations. For example, we source some of our raw materials from China. The rising tension between India and China has resulted in the Government of India imposing restrictions on business relations with Chinese enterprises, such as Press Note No. 3 promulgated by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, in April 2020, which requires that foreign direct investments in India would be allowed from countries sharing land borders with India only after obtaining approval of the Government of India. There is no assurance that there will not be further regulatory restrictions on conducting business activities with Chinese enterprises. Further, there is an ongoing global shortage of semiconductors and chips, caused by the COVID-19 pandemic, affecting multiple industries, including the smartphone industry. Continuance or worsening of the same could adversely impact our business operations and affect our profit margins.

In addition, we procure some of finished handsets for international sales and SKDs for assembly and sales in India. Our other products, such as accessories are also produced by/from OEM vendors in China. We rely on these vendors to manufacture some of our products, and our vendors may, in turn, rely on third-party suppliers for many of the components used in our products.

Thus, our manufacturing model presents numerous risks to our ability to receive an adequate supply of quality products at acceptable prices and meet our customers' demands, which, if we fail to do, would have a negative effect on our business, financial position, results of operations, cash flows and prospects. These risks include:

- interruptions to the manufacturing operations of our OEM vendors or third-party suppliers due to strikes, lockouts, work stoppages or other forms of labor unrest, breakdown or failure of equipment, earthquakes, floods and other natural disasters as well as accidents and the need to comply with the directives of relevant governmental authorities;

- insufficient quality and safety controls or failures in the quality and safety controls of our OEM vendors or third-party suppliers;

- violation of local laws by OEM vendor or third party suppliers;

- significant adverse changes in the financial or business conditions of OEM vendors or third-party suppliers;

- performance by our OEM vendors or their third-party suppliers below expected levels of output or efficiency;

- any inability of our OEM vendors or their third-party suppliers to obtain timely and adequate delivery of quality materials, parts and components;

- increases in the costs of materials, parts and components;

- the possibility that our competitors may engage our OEM vendors or their third-party suppliers, directly or indirectly, and thereby reduce the manufacturing capacity available to us;

- any inability on our part to renew existing agreements with or find replacements for existing OEM vendors and third-party suppliers, respectively;

- risks related to the delay in making deliveries as our OEM vendors and third-party suppliers are based outside of India; and

- misappropriation of our intellectual property by our vendors or their third-party suppliers.

Any of these events could delay the successful and timely delivery of products that meet our quality, safety, security and other requirements, or otherwise adversely affect our sales, results of operations, reputation and brand value.

We outsource after-sales services for our products to third parties. We depend on their expertise and rely on them to provide satisfactory levels of service. After-sales services, such as technical support and repair, are essential in order to maintain customer satisfaction with our products and create positive brand reputation. If these third-party providers fail to provide consistent quality service in a timely manner and sustain customer satisfaction, our operations and revenues could suffer. In addition, in certain regions outside India, we rely on a limited number of third parties to provide after-sales services. If these third parties were to change the terms and conditions under which they provide these services, our selling costs could increase.

Further, Our Company had placed an order of 3,70,000 chargers from M/s Salom Electronics India LLP ("**Salom**"). Pursuant to the order, Salom had manufactured the chargers and supplied 3,09,960 chargers to our Company for the exclusive use. The dispute arose between the Company and us in relation to the payment of invoice raised by Salom. Subsequently, Salom had sent a demand notice dated May 20, 2020, to our Company to pay Rs. 33.8 million along with an 18% interest from the date of default till the date of actual payment and realization thereof. Salom had also filed an application under section 9 of the Insolvency and Bankruptcy Code, 2016 dated June 18, 2020, against our Company before the National Company Law Tribunal, New Delhi ("**NCLT**"). Our Company had filed a reply dated December 23, 2020 denying all the allegations and the matter is currently pending before NCLT. For details, see "*Legal and Other Information – Outstanding Litigation and Material Developments – Material outstanding litigation involving our Company*" on page 343. Further, such legal proceedings with vendors could divert management time and attention and consume financial resources.

11. ***If we do not accurately forecast demand for our products, our revenues, profit and cash flows could be adversely impacted.***

The demand for our products depends on many factors, including pricing and channel inventory levels, and is difficult to forecast due in part to variations in economic conditions, changes in customer preferences, relatively short product life cycles, changes in competition, seasonality and reliance on key sales channel partners. It is particularly difficult to forecast demand of an individual product. Significant unanticipated fluctuations in demand, the timing and disclosure of new product releases or the timing of key sales orders could result in costly excess production or inventories, liabilities for failure to achieve minimum purchase commitments or the inability to secure sufficient, cost-effective quantities of our products or production materials. Any such development could adversely impact our revenues, profit and cash flows.

12. ***There are outstanding litigations pending against us and we are a party to certain arbitration proceedings, which, if determined adversely, could affect our operations. We could suffer significant litigation expenses in defending these claims and could be subject to significant damage awards or other remedies.***

In the ordinary course of our business, we may receive consumer protection claims, product liability claims, general commercial claims related to the conduct of our business and the performance of our products and services, employment claims and other litigation claims. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from our business operations.

There are certain outstanding legal proceedings against our Company, Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals and, if determined adversely, could adversely affect our reputation, business, results of operations and financial condition. For further details of certain material legal proceedings involving our Company, our Subsidiaries, our Promoters, our Directors and our Group Companies, see "*Outstanding Litigation and Material Developments*" on page 343. A summary of the material legal proceedings against our Company, Promoters, and Directors as of the date of this Draft Red Herring Prospectus is provided below:

Litigation involving our Company

Type of proceeding	**Number of cases**	**Amount, to the extent quantifiable *(₹ million)***
Civil	3	775.05
Criminal	10*	36.67
Regulatory/ statutory action	3	339.85
Tax	50	711.59**

**includes 8 cases filed by our Company under provisions of the Negotiable Instruments Act, 1881.*
*** exclusive of the interest but includes the levy of corporate tax @ 34.5%.*

Litigation involving our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory/ statutory action	Nil	Nil
Tax	Nil	Nil

Litigation involving our Promoters

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	5	41.35
Regulatory/ statutory action	Nil	Nil
Tax	Nil	Nil

Litigation involving our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable *(₹ million)*
Civil	Nil	Nil
Criminal	5	41.35
Regulatory/statutory action	Nil	Nil
Tax	Nil	Nil

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters and Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

Further, UNIC Memory Technology (Hong Kong) Limited ("**UNIC Memory**") had entered into a subscription and shareholders' agreement ("**SSHA**") dated November 29, 2017 with our Company, our Promoters and some of their family members (together, the "**Sponsors**"). In terms of the SSHA, our Company failed to complete an initial public offering ("**IPO**") within the period as specified in the SSHA. Subsequently, UNIC Memory served an exit notice requiring the Sponsors to procure a complete exit for UNIC Memory. On account of failure to provide exit to UNIC Memory, an arbitration proceeding was initiated by UNIC Memory against the Sponsors and our Company and a petition was filed by UNIC Memory under section 9 of the Arbitration and Conciliation Act, 1996 seeking interim measures, such as restraining the Promoters from alienating, encumbering or selling their assets.

Further, our Company, UNIC Memory and the Promoters entered into a settlement agreement dated August 7, 2021 ("**Settlement Agreement**") and in this respect, UNIC Memory is required to be paid (i) an amount of USD 39,811,715, which includes USD 30 million ("**Investment Amount**", as specified in the SSHA) along with 8% internal rate of return ("**IRR**", as specified in the SSHA) running from December 4, 2017 to August 7, 2021; and (ii) 8% IRR running from August 8, 2021 until the full repayment of amount mentioned in (i).

Pursuant to the above Settlement Agreement, the aforesaid arbitration proceeding has been terminated pursuant to a consent award dated September 8, 2021 ("**Consent Award**") and the aforesaid matter before the Delhi High Court has been withdrawn.

As per the Settlement Agreement, UNIC Memory has converted some of its Series B Preference Shares into 15,28,834 equity shares of face value ₹ 10 each of the Company and the same has been transferred to Sojo Infotel Private Limited for an amount of USD 16,000,000 ("**First Instalment**"). Post receipt of this First Instalment, the liability towards UNIC Memory has been reduced to USD 23,811,715 along with 8% IRR from August 8, 2021 until the full payment ("**Remaining Outstanding Amount**"). For details regarding the payment mechanism in relation to the Remaining Outstanding Amount, see "*History and Certain Corporate Matters – Material Subsisting Agreements - Settlement agreement and share purchase agreement dated August 7, 2021 executed by and amongst UNIC Memory Technology (Hong Kong) Limited, our Company, our Promoters and Sojo Infotel Private Limited*" on page 200. Further, as per the Settlement Agreement, in the event our Company does not complete its IPO and consequent listing of Equity Shares on the Stock Exchanges before June 30, 2022, the Company and Promoters shall ensure that UNIC Memory receives its entire Remaining Outstanding Amount on or before June 30, 2022. In case, after completion of the IPO and from the proceeds thereof, UNIC Memory has not received any part of the entire Remaining Outstanding Amount, the Promoters are liable to pay the balance on or before June 30, 2022. In the event the Promoters are unable to pay the remaining outstanding amounts on or before June 30, 2022, if any, UNIC Memory will have the right to enforce the Consent Award against the Company and Promoters, to the extent of any remaining outstanding amounts after adjusting the amounts received from the IPO and/or the Promoters till June 30, 2022.

13. ***We have had an instance of non-compliance under the Companies Act, 2013 and there was an instance of delay in filing statutory forms with the RoC. Further, certain filings made in respect to allotment/transfer from a non-resident shareholder filed with RBI are not traceable.***

We cannot assure you that we will not be subjected to any liability on account of such non-compliances in future. In the past, we have had an instance of non-compliance under the Companies Act, 2013, where there was a delay in holding an annual general meeting for the financial years ended March 31, 2015 and March 31, 2016 within the due time prescribed under the Companies Act, 2013 which led to non-compliance by our Company. In this regard, our Company had filed a compounding application with the National Company Law Tribunal, New Delhi ("**NCLT**") and the NCLT vide its order dated January 8, 2018 imposed a composite penalty of 0.25 million for the two financial years as mentioned above on the Company and compounded the non-compliance. We cannot assure you that, in future, we will not be subjected to any liability on account of such non-compliances. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations.

Further, our Company had made delays in filing the return of allotment forms with ROC for allotment of 45,222 equity shares of face value of ₹ 10 each pursuant to the exercise of stock options held under ESOP 2010. While our Company has paid the requisite late fees as prescribed under the applicable company law at the time of the delayed filing, there can be no assurance that the concerned authorities will not impose any penalties/fines on our Company in this regard.

Further we and our Promoters have been unable to trace certain regulatory filings made with RBI in relation to filing of (i) form FC-GPR made in relation to the allotment of 380,233 equity shares of face value of ₹ 10 on July 31, 2009 to a non-resident shareholder; and (ii) form FC-TRS in relation to the transfer of above equity shares to our Promoter namely Vishal Sehgal on March 31, 2011. Despite having conducted an extensive search of our records, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including minutes of meetings of our board of directors and shareholders, as applicable, return of allotment, and share transfer form for such matters. We cannot assure you that the abovementioned form filings and resolutions will be available in the future.

14. ***Our existing international operations and our plans to expand into additional overseas markets subject us to various business, economic, political, regulatory and legal risks.***

We market and sell our products in India and overseas markets such as Africa, the Middle East, Hong Kong, China, Singapore, Thailand, Bangladesh, Indonesia, Malaysia, USA, Mexico, Nepal and Sri Lanka amongst others. Our income from operations outside India were ₹38,961.92 million, ₹33,508.13 million and ₹23,059.97 million for the financial years 2021, 2020 and 2019, or 70.54%, 63.43% and 44.96% of our total income in such periods, respectively. We do not possess our own network of distributors and retailers in some of these markets and have entered into agreements with third parties for the distribution of our products in these markets. If these third parties fail to provide the support and effort necessary to distribute our products, our ability to expand our operations in such jurisdiction may be negatively impacted.

We plan to continue to expand our presence in international markets by focusing on target countries globally. The expansion of our existing international operations and entry into additional international markets may require significant management attention and financial resources.

Our multinational operations are subject to inherent risks, including, but not limited to:

- entry barrier and difficulties in establishing brand recognition;
- uncertainties in cooperation with new local business partners, including distributors, logistics and transportation partners;
- inability to adapt to consumers' preferences and local trends in new regions;
- exposure to expropriation or other government actions in new regions;
- increased costs related to marketing our products in new regions;
- start-up costs related to establishing offices, infrastructure and services in new regions;
- longer accounts receivable collection periods and greater difficulty in accounts receivable collection due to lower bargaining power in a less familiar market;
- potential foreign exchange and repatriation controls on foreign earnings, exchange rate fluctuations and currency conversion restrictions;
- the burden of complying with a variety of foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and regulations and unexpected changes in the legal and regulatory environment, including changes to import and export regulations;
- increases in distribution and transportation costs;
- uncertainty regarding liability for products;
- actions which may be taken by foreign governments pursuant to any applicable trade or other restrictions;
- difficulties and costs of staffing and managing multiple multinational operations;
- reduced protection for intellectual property rights in some jurisdictions, at a reasonable cost or at all;
- potentially adverse tax consequences, including tax consequences which may arise in connection with intercompany pricing for transactions between separate legal entities within a group operating in different tax jurisdictions;
- credit risk and higher levels of payment fraud;
- inability to obtain adequate insurance;

- challenges caused by distance, language and cultural differences, and by commencing business relationship with foreign partners, foreign agencies and governments; and

- political and economic instability including potential for political unrest, war or acts of terrorism in countries in which we operate.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we do business or plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Further, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. We may not be able to compete with such companies if we are unable to offer competitive products at better price points which appeal to consumers in such markets. If we are unable to successfully build our brand reputation and sale revenues in our international markets, it may limit our ability to grow our business. Also, by expanding into new regions and markets, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected

15. ***A significant portion of our revenues and expenses and certain of our borrowings are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.***

Apart from our operations in India of which our sales are denominated in Indian Rupees, we also sell our products in several other countries and receive payments in other foreign currencies. Fluctuation in foreign currencies exchange rates could have adverse effects on our business, results of operations and financial condition. In addition, we incur a portion of our total expense in USD due to our purchase of components and raw materials from international markets. Our business and results from operations may be affected in the event that the exchange rate between the USD and the Indian Rupee fluctuates. Depreciation of the Indian Rupee against the USD may have an adverse effect on our total expenses and profit.

Further, stemming from the sale of our products in international markets, including Africa, the Middle East, Hong Kong, China, Singapore, Thailand, Bangladesh, Indonesia, Malaysia, USA, Mexico, Nepal and Sri Lanka, approximately ₹38,961.92 million, ₹33,508.13 million and ₹23,059.97 million were denominated in foreign currencies, comprising primarily in USD, HKD and CNY for the financial years 2021, 2020 and 2019, respectively, representing approximately 70.54%, 63.43% and 44.96% of our revenue for the same periods. Volatility in exchange rates would result in an increase in the cost of our products. We may not be able to pass on such increase in costs to our customers. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. For particulars of our foreign exchange risk, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 306.

16. ***We are subject to risks associated with our overseas operations, which could adversely affect our business, results of operations and financial condition.***

We conduct certain of our operations in foreign countries, including Africa, China, the Middle East, Hong Kong, Singapore, Bangladesh, Indonesia, Malaysia, USA and Nepal. Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. Any adverse social, economic and geopolitical conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action in these regions could affect our business and operations. In addition, compliance with local laws, including import/export controls, legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations on us. If we are unable to comply with such laws, our business, results of operations and financial condition may be adversely affected.

Further, changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the way in which we manage our business in the countries in which we operate. For example, the rising tension between India and China has resulted in the certain regulatory restrictions on business relations with Chinese enterprises, and there is no assurance that there will not be further regulatory restrictions on conducting business activities with Chinese enterprises or in China. This is in addition to the fluctuations in foreign currency exchange rates against the Indian Rupee, which can affect our results of operations and the relative prices at which we and foreign competitors sell products in the same markets.

Any of these risks could have an adverse effect on our business, prospects, results of operations and financial condition.

17. ***The emergence of modern trade channels in the form of online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of our products, which may have an adverse effect on our results of operations and financial condition.***

India has recently witnessed the emergence of online retailers and the market penetration of large scaled organized retail in India is likely to increase further. While we believe this provides us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such retailers. We cannot assure you that we will be able to negotiate new distribution agreements or renegotiate our existing distribution agreements, specially our pricing or credit provisions, on terms favourable to us, or at all. Any inability to enter into distribution agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

18. ***The deployment of the portion of the Net Proceeds towards our strategic acquisitions and investments may not take place within the period currently intended, and may be reduced or extended.***

Our Company proposes to utilise ₹1,500 million from the Net Proceeds towards strategic acquisitions and investments as permitted under the Memorandum of Association, in particular, with a view to aquire brands, businesses, assets and which complements our products and service offerings, strengthen or establish our presence in our targeted domestic and international markets, or enhance our knowledge-base and know-how and provide synergy to our existing businesses and operations. For further details, see "*Objects of the Offer – Details of the Objects – Funding acquisitions and other strategic initiatives*" on page 111. In the event the portion of the Net Proceeds to be utilised for the funding acquisitions are insufficient, we may have to seek alternative sources of funding.

While we intend to deploy the aforesaid portion of the Net Proceeds towards funding acquisitions and other strategic initiatives over the next three Financial Years from listing of the Equity Shares pursuant to the Offer, and as described in the section titled "*Objects of the Offer*" on page 108, the actual deployment of funds will depend on a number of factors, including the timing, nature, size, location, number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. Depending upon such factors, we may, subject to applicable law, have to reduce or extend the deployment period for the funding of funding acquisitions and other strategic initiatives beyond the estimated three Financial Years, at the discretion of our management. Further, pending utilisation of the Net Proceeds, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of RBI Act, as may be approved by our Board. We cannot assure you that the deployment of the aforesaid portion of the Net Proceeds towards funding acquisitions and other strategic initiatives will take place within the three Financial Years from listing of Equity Shares, as currently intended.

19. ***We may not accomplish our growth strategy, and our business may suffer if we fail to manage our growth efficiently or effectively.***

Our total revenue from operations increased at a CAGR of 3.9% from ₹51,083.52 million for the financial year 2019 to ₹55,128.74 million for the financial year 2021. Our operations have expanded as a result of our strategy to expand into new customer segments and international markets. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors to enable us to introduce new products. For example, we plan to strengthen our in-house software team to develop differentiated software user experiences in our products. We cannot, however, assure you that we will be successful in our expansion endeavours. If we fail to improve our existing systems or controls or to manage growth and expansion effectively, or the cost of such expansion or growth exceeds the revenues generated by our efforts, we may fail in our strategy and our business, financial condition and results of operations could be adversely affected. We expect our future growth to place significant demands on our resources as well as our management. This will require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges we face in:

- strengthening our internal control system for purchases of inventory to be commensurate with the size of our Company;
- improving the scope and coverage of our internal audit systems to keep pace with our growth;
- recruiting, training and retaining sufficiently skilled technical, sales and management personnel;
- identifying, establishing, maintaining and expanding relationships with mobile communication service providers, distributors, OEM partners and after-sales services partners in each of the markets in which we operate;
- managing economies of scale, including a larger number of distributors and after-sales service providers including in select international markets;
- identifying, understanding and responding to challenges and risks that are unique to the different markets in which we operate;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and
- maintaining high levels of product quality and customer satisfaction.

Any inability to manage our growth may have an adverse effect on our business, results of operations and financial condition.

20. We may be unable to successfully implement our expansion plans, which may have an adverse effect on our results of operations and financial condition.

As of August 31, 2021, we had one manufacturing facility in India with an aggregate production capacity of 42.52 million Feature Phone Equivalent handsets per annum. See "*Business – Description of Our Business – Our Operations – Manufacturing*" for details. We plan to expand our operations increasing the capacity at our existing facility and setting up a new manufacturing facility. The expansion, construction and opening of any such new facilities is subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and, as a result, adversely affect our business and operating results. These risks include:

- delays or failure in securing the necessary governmental and other regulatory approvals;
- shortages and late delivery of building material and facility equipment;
- changes in our financial condition and business strategy;
- input costs of construction materials and labour costs materially exceeding the budgeted amounts;
- delays in delivery, installation, commissioning and qualification of our manufacturing equipment;

- delays or failure in establishing necessary support infrastructure such as transport logistics, storage facilities and raw material management;

- labor disputes;

- design or construction changes with respect to building spaces or equipment layout;

- technological capacity and other changes to our plans necessitated by changes in market conditions and the competitive environment; and

- other external factors which may not be within the control of our management.

While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, due to the on-going pandemic and the lockdown imposed by various State and Central Governments and in view of the current scenario we cannot assure you that we will be able to set up our additional facilities without facing delays or time and cost overruns.

Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at all. We cannot assure that we will be able to complete the aforementioned expansion of our manufacturing units in accordance with the proposed schedule of implementation. Our inability to manage our expansion effectively and execute our growth strategy in a timely manner or at all, or within budget estimates, or our inability to optimally utilize our additional manufacturing facilities, could have an adverse effect on our growth, prospects, cash flows, business, results of operations and financial condition.

21. ***Our current and future expansion plans may require significant amount of capital. If we are unable to raise additional capital, our business prospects, results and financial condition could be adversely affected.***

We plan to further penetrate in both India and the international markets and expand our business operations including manufacturing, sales and distribution. We intend to fund these development plans through variety of sources, including borrowings, internal accruals and cash flow from operations. We expect our long-term capital requirements to increase significantly to fund our intended growth. We cannot assure you that we will have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. While we expect our internal accruals, cash flow from operations and available credit facilities to be adequate to fund our existing commitments, our ability to pay these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing or the inability of one or more of our financiers to provide committed funding could adversely affect our ability to complete expansion plans. Moreover, we cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, your interests as our shareholders may be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

22. ***Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial condition.***

We have working capital requirements for maintaining sufficient raw material and inventories of finished mobile handsets, as well as components and spare parts of mobile headsets for steady supply of our business and operations. In addition, we need working capital for certain costs including but not limited to salary payments, lease payments and domestic and international logistics costs. Part of the working capital may be met through additional borrowings in the future. Further, certain commercial arrangements may require a considerable increase in costs of operations for us. There can be no assurance that we will be successful in arranging adequate working capital through borrowings, cash from operations, as the case may be, for our operations, any failure in arranging adequate working capital may adversely affect our cash flows, business, results of operations and financial condition. As at March 31, 2021, 2020 and 2019, we had cash and cash equivalents of ₹238.75 million, ₹186.38 million and ₹802.24 million, respectively. For further details, see "*Financial Statements*" on page 239.

23. A slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters, as well as loss of licenses, certifications and permits, regulatory changes and government imposition of closure or lockdown. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs, difficulties with production costs, product quality issues, disruption in electrical power or water resources and could cause disruptions in our operations or shut down the affected manufacturing facility. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations. For example, our manufacturing facility in Noida, India, was shut down from April 2020 to May 2020 due to national lockdown post COVID-19 was declared as pandemic and the operation of such manufacturing facility was resumed in June 2020. In addition, we cannot assure you that we will be able to effectively utilise our expanded manufacturing capacities, in the event our manufacturing capacities are under-utilised, there may have an adverse effect on our business, results of operations and financial condition.

Further, although we have not experienced any strikes or labor unrest in the past, we cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force. Any disagreements with labor unions or labor unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, financial condition and results of operations and cash flows.

24. We rely on our manufacturing facility in Noida, India as our only manufacturing facility and any adverse developments affecting this facility could have an adverse effect on our business, results of operations and financial condition.

We manufacture and assemble our mobile handsets at our own manufacturing facility, which is located in Noida, Uttar Pradesh, India (the "**Noida Facility**") and operates for three shifts per day and 26 days per month. We also manufacture and assemble white-label mobile handsets for OEMs at our Noida Facility. For details, see "*Business - Description of Our Business - Our Operations – Manufacturing*". Any disruption to the operations at the Noida Facility may result in an adverse effect on our business, results of operations and financial condition. In addition, any significant social, political or economic disruption, or natural calamities or civil disruptions in the region where the Noida Facility is located, or changes in the policies of the state or local governments of such region, may require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

25. If we pursue acquisitions, we may not be able to successfully consummate favourable transactions or successfully integrate acquired businesses.

From time to time, we may evaluate potential acquisitions that would further our strategic objectives. For instance, our Company recently acquired 100% of the equity share capital in China Bird Centro America S.A on September 16, 2021 for a consideration of USD 50.54 million pursuant to the share swap agreement dated August 4, 2021. For details, see "*Objects of the Offer – Details of the Objects – Funding acquisitions and other strategic initiatives*" on page 111. However, we may not be able to identify suitable target assets or companies, consummate a transaction on terms that are favourable to us, or achieve the anticipated synergies, expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Companies or operations acquired created by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may entail financial and operational risks, including diversion of management attention from its existing core businesses, difficulty in integrating or separating personnel, financial, information technology and other systems, difficulty in retaining key employees, and negative impacts on existing business relationships with suppliers and customers. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

26. If Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.

We propose to utilise a certain portion of the Net Proceeds towards inorganic growth initiatives, as set forth in "*Objects of the Offer – Details of the Objects – Funding acquisitions and other strategic initiatives*" on page 111. We will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on our management's decision. The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including internal accruals or debt financing from third party lenders or institutions.

27. Disruption of our relationships with distributors, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information, conflicts among our channels of distribution or our inability to further expand our distribution network could adversely affect our business, cash flows and results of operations.

In India, we have an extensive sales network, which, as of July 31, 2021, comprised 893 active distributors and 116,339 active retailers. For details, see "*Business – Description of Our Business – Our Operations – Sales and Distribution – General Trade*". We employ a cash and carry model with our distributors, who distribute our products and are directly managed and controlled by us. Internationally, we work with distributors and also collaborate with domestic telecommunications companies to benefit from their customer base and brand recognition to distribute and sell our products. For example, we sold our mobile handsets under partnerships and collaborations to distributors such as Grameen Distribution Ltd in Bangladesh, Ambe Mobiles Pvt. Ltd. in Nepal and Golden Horse Foodstuff Company, El Khlood for Trade and Commercial Agencies, Al Basha for Trading and Almarwa for Trading in Egypt. For details, see "*Business – Description of Our Business – Our Operations – Sales and Distribution – International Business*".

We are dependent on our distributors for the sale of our products and we enter into exclusive or non-exclusive agreements with our distributors for distribution of our products within specific and territories. While we believe that our relationship with these parties has been satisfactory, we have not entered into long-term agreements with our distributors. We monitor the prices at which our distributors sell our products to retailers and in turn by retailers to customers. This is to ensure that our products are not sold at a larger discount than that permitted by us. This encourages healthy business practices and is appreciated by the trade. Such policies may impact inventory levels maintained by our distributors or retailers. If our competitors offer distributors and retailers more favourable terms or have more products available to meet their needs or utilize the leverage of broader product lines to be sold through them, these distributors and retailers may de-emphasize or decline to distribute our products.

Purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Further, due to the lack of long term agreements, our distributors are not contractually bound to provide us with a specific volume of business and can terminate our relationship with or without cause, with little or no advance notice and without compensation.

Our distributors could change their business practices, such as inventory levels, or seek to modify their contractual terms, such as payment terms. We may face the pressure to modify our trading terms if our distributors are unable or unwilling to continue observing our cash and carry model. Additionally, unexpected changes in inventory levels or other practices by our distributors or other their retail outlet customers could negatively affect our business, cash flows and results of operations. Similarly, outside of India, we are dependent on our distributors and domestic telecommunication companies for their distribution networks. We cannot assure you that such entities will be able to successfully maintain or strengthen their distribution networks, and their failure to do so may adversely affect our business, cash flows and results in operations.

In order to expand the sales volume of our products, it is essential that we continue to expand the density as well as the geographic reach of our existing distribution network and ensure that our products reach every market segment and customer base. If we are unable to continue to expand our distribution network, our business may suffer.

28. We rely completely on third-party logistics providers for supply and transportation of our products to our distributors.

We do not have an in-house logistics facility and rely completely on third-party logistics providers on provision of logistic services. These third-party logistic providers assist us in supply and transportation of our products to our distributors. The logistic services that our third-party logistic providers provide to us are critical to our supply chain and our ability to manage supply chain risk and distribution costs, as well as maintain control and traceability over our products. However, our third-party logistic providers' ability to provide us with these services effectively depends on a number of factors, some of which are beyond their control. To the extent that our third-party logistic providers experience any disruptions or delays in their operations due to, for example, disruptions in the technology it uses to manage our supply chain, insufficient labour or transportation resources, non-compliance with licensing or permit requirements, breakdowns in machinery or equipment, factors affecting road transportation or its infrastructure, such as political unrest, bad weather conditions and natural disasters, our ability to deliver products to our distributors could be disrupted, which could adversely affect our business, results of operations and financial condition. During the national lockdown during April 2020 to May 2020, the logistics operations of our third-party logistic providers were partially impacted and we experienced delay in transportation of our products.

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

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

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes, sales and marketing as well as internal and external communications. Our ability to operate and remain competitive shall depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. For example, we utilize SAP systems management processes and technology in order to handle service operations, facilitate integrated workflow across our functions, as well as to track sales of our mobile handsets. We store sensitive data, including intellectual property, our business information and that of our customers, suppliers and business partners on our networks. Our reliance on our information technology systems leaves us vulnerable to network disruptions, breakdown, malicious intrusion and computer viruses. Further, such data are backed up on third-party cloud facilities. Although we conduct information technology risk review and audits regularly and have not yet experienced any significant disruptions to our information technology systems or security breaches of third-party cloud facilities in the past, we cannot assure you that we will not encounter such disruptions or breaches in the future.

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

30. ***We may face product recalls, product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations, in which case our business and revenues, and ultimately our reputation, could be negatively affected.***

Due to the nature of our business, we face an inherent business risk of exposure to product liability or recall claims in the event that our products fail to perform as expected. Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new models or versions are released, resulting from the design or manufacture of the product, or from the software or other components used in the product. Such quality issues can expose us to product liability or recall claims in the event that our products fail to meet the required quality standards, or are alleged to cause harm to customers. We face the risk of and experienced legal proceedings and product liability claims being brought against us by various entities including consumers, distributors and government agencies for various reasons including for defective products sold or services rendered. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims, which could have an adverse effect on our business, financial condition or results of operations. While we follow stringent quality control processes and quality standards and did not experience any product recalls or make any payments for liability claims in the past three financial years, we cannot assure you that we will not experience any product recalls or material product liability losses in the future or that we will not incur significant costs to defend any such claims. Further, we do not have any insurance cover to protect us from claims from customers in our international markets. A product recall or a product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in excess of our available insurance coverage, which may adversely affect our reputation, business and revenues.

31. ***The success of our business depends substantially on a number of key management personnel, including our Promoters and management team, and on our operational workforce. Our inability to retain them or to recruit highly skilled technical personnel that are necessary for our business could adversely affect our businesses.***

Our success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy. Our key management personnel are experienced in managing our businesses and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our businesses and our future prospects. For details of our key management personnel, see "*Our Management*" on page 212. We cannot assure you that we will continue to retain any or all of the key members of our management. The loss of one or more members of our senior management team could impact our ability to execute our growth strategy and grow our revenues though we have taken key person insurance.

Our ability to implement our business strategy will depend, in large part, on our ability to attract, train, motivate and retain highly skilled personnel. Competition for senior management and other key personnel with technical and industry expertise in our industry is intense, and we may not be able to recruit and retain suitable persons to replace the loss of any of our senior managers in a timely manner. In such a situation, our ability to realize our strategic objectives could be impaired. We believe that our future success depends largely on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly-skilled personnel needed to develop successful new products. We may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing these highly-skilled personnel. Our competitors may choose to locate research and development facilities in India and would likely to be able to offer better compensation packages to such personnel. If we are unable to recruit and retain qualified personnel with the requisite experience, our growth and competitive position may be adversely affected.

Certain of our employees are hired straight out of college and may not have prior experience working in the industry. Our ability to sustain our growth depends significantly upon our ability to train these employees effectively. Additionally, we may take a long period of time to hire and train replacement personnel if qualified personnel terminate their employment with us. Our attrition rate for the financial years 2021, 2020 and 2019 was 51%, 33% and 15%, respectively.

As of July 31, 2021, we employed a total of 3,601 employees across the globe, out of whom 1,777 are full-time employees and 1,824 are on a contractual basis. See For details, see "*Business – Description of Our Business – Employees*". Although we have not experienced any strikes or labour unrest in the past, we cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

32. Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain customers and subject us to significant legal liability and reputational harm.

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, internal policies and insurance coverage, the precautions we take to prevent and detect such activity may not be effective in all cases and we may be unable to adequately prevent or deter such activities in all cases. While we have been able to identify such issues in the past and such issues were not material, there could be instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, including claims for alleged negligence, in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

33. We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected. In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India and in respective regions that we have operations, generally for carrying out our business, producing and marketing our products and for each of our manufacturing facilities, and our research and development facility. For details of applicable regulations and approvals relating to our business and operations, see "*Government and Other Approvals*" on page 351.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. While we have obtained key approvals required for our business, we have also applied for, and are awaiting grant/ renewal of certain key approvals. For instance, our Company has applied for renewal of recognition of hardware and software R&D units issued by the Department of Scientific and Industrial Research, for recognition of in-house R&D units. Failure to obtain or validly maintain such material approvals could materially and adversely affect our business, results of operations and financial condition. For further details, see "*Government and Other Approvals*" on page 351. The approvals required by our Company 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 noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. 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, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

If we fail to comply with applicable statutory or regulatory requirements or fail to complete production of our products within prescribed timeframe approved by Bureau of Indian Standards, there could be a delay in the submission or grant of approval for sale of new products. In many of the international markets where our products are ultimately sold, the approval process for a new product can be complex, lengthy and expensive. The time taken to obtain regulatory approvals varies by country but generally takes between several weeks and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, we are required to meet certain requirements and obligations under policies imposed by and schemes launched by the government which may involve substantial amount of cost allocation and may not be in line with the best interest of our business in terms of our endeavour to decrease expenditure and increase profitability. For example, under Uttar Pradesh Electronics Manufacturing Policy 2014, we along with other shareholders of the special purpose vehicle entity are required to provide employment opportunities to more than 25,000 person in the Electronic Manufacturing Cluster over a period of 10 years from the date of commencement of operations and under Production Linked Incentive Scheme (PLI), we are required to achieve incremental capital expenditure of ₹500 million annually and achieve specified threshold in terms of sales of our manufactured goods each year which will entail a PLI incentive of 6-4% over incremental sales from base year.

34. ***Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As of March 31, 2021, we had total outstanding borrowings of ₹1,031.20 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. These restrictive covenants *inter-alia* require us to obtain either the prior permission of such banks or financial institutions or require us to inform them of various activities, including, among others, alteration of our capital structure, implementing any scheme of expansion/diversification/modernization, amending our articles of association or memorandum of association, undertaking any guarantee obligations on behalf of any third party or any other company or raising of additional debt or equity. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans among other consequences in case of an event of default. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. Although we have received consents from our lenders for the Fresh Issue, these restrictive covenants may affect some of the rights of our Shareholders.

For further information, see "*Financial Indebtedness*" beginning on page 340.

In addition, certain terms of our borrowings require us to maintain financial ratios which are tested periodically, including on a quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Certain of our financing arrangements also contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

35. ***In the event our contingent liabilities materialize, our financial condition may be adversely affected.***

As of March 31, 2021, our aggregate contingent liabilities (on a consolidated basis) amounted to ₹783.77 million.

The following table sets forth certain information relating to our consolidated contingent liabilities as of March 31, 2021:

Contingent liabilities

(*in ₹ million*)

Particulars	As of March 31, 2021
Bank guarantees	313.94
Sales tax demands	469.83
Total	**783.77**

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 306.

36. ***Some of our Subsidiaries and Group Companies have incurred losses during recent financial years.***

Some of our Subsidiaries and Group Companies have incurred losses in the recent financial years. The following table sets forth details of these losses suffered in the financial years 2021, 2020 and 2019:

Name of Subsidiary/Group Company	Financial Year 2021 (₹ million)	Financial Year 2020 (₹ million)	Financial Year 2019 (₹ million)
Subsidiaries			
Sojo Distribution Private Limited	(1.01)	(0.02)	(0.04)
Sojo Infotel Private Limited [(1)]	(3.40)	(0.02)	(0.06)
Sojo Manufacturing Services Private Limited	(0.03)	(0.03)	(0.16)
Lava Enterprises Limited	(0.08)	(0.02)	(0.04)
Sojo Manufacturing Services (AP) Private Limited	(0.04)	Not applicable	(0.81)
Group Companies			
MagicTel Solutions Private Limited	(6.86)	(22.18)	(11.66)
Yamuna Electronics Manufacturing Cluster Private Limited	(0.03)	(0.19)	(1.50)

Note:

(1) Sojo Infotel Private Limited ceased to be our Subsidiary on March 17, 2021.

We cannot assure you that our Subsidiaries and Group Companies will not make losses in the future.

37. ***We may be required to pay cancellation fees or write down our inventory, which may have an adverse effect on our results of operation.***

Our Company purchases components and builds inventory in advance of product shipments. As such, our Company makes prepayments to certain of its suppliers to secure such inventory. We acquire components through a combination of purchase orders, supplier contracts, and open orders in each case based on projected demand. If there is an abrupt and substantial decline in demand for one or more of our products, a change in our product development plans, or an unanticipated change in technological requirements for any of our products, then we may be required to record additional accruals for cancellation fees payable with respect to such orders which would adversely affect our results of operations.

Further, while we perform a detailed review of our inventory based on multiple factors including demand forecasts, product life cycle status, product development plans, current sales levels and component cost trends, in certain circumstances we may be required to record write-downs of our inventory. Some of these circumstances include future demand or market conditions for our products being less favourable than forecasted, unforeseen technological changes or changes to our product development plans that negatively impact the utility of any of our inventories, or significant deterioration in the financial condition of one or more of our suppliers to whom we have made an inventory prepayment. Although we did not record material write-downs of our inventory in the past, such write-downs may adversely affect our financial condition and operating results.

38. Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.

The interest rate for principal amount of debt aggregating to ₹1,031.2 million as of March 31, 2021, under our financing agreements is expressed as the base rate of a specified lender and a specified interest spread per annum. Further, most of our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. Accordingly, we are susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. See "*Financial Indebtedness*" on page 340 for a description of interest typically payable under our financing agreements.

39. Our Promoters and Directors have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations, which may affect the ability of our Promoters and Directors to effectively render their duties and thereby, adversely impact our business and operations.

Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal, our Promoters and Directors, have personally guaranteed the repayment of certain loan facilities availed by our Company. As of March 31, 2021, principal outstanding amounts from credit facilities personally guaranteed by them were ₹1,031.2 million, which constituted 100% of our outstanding indebtedness as on such date. For details regarding the guarantees given by our Promoters, see "*History and Certain Corporate Matters – Guarantees given by the Promoter Selling Shareholders*" on page 211.

Any default or failure by us to repay these loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters, which in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operations and financial condition. In the event these individuals withdraw or terminate their guarantees, our lenders may require alternate guarantees, repayments of amounts outstanding or even terminate the loan facilities. We may not be successful in providing alternate guarantees satisfactory to the lenders, and as a result may be required to repay outstanding amounts or seek additional sources of capital, which could affect our financial condition and cash flows.

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

We are currently entitled to certain tax benefits and incentives under favorable government policies. For example, our manufacturing facilities in India benefit from grants, subsidies and tax benefits under the government's "Make in India" initiative. For further details, see "*Statement of Possible Special Tax Benefits*" on page 125. New or revised policies in relation to "Make in India" or other policies related to tax, duties or other such levies promulgated from time to time by relevant authorities may adversely affect our results of operations and cash flows. We cannot assure you as to what action current or future governments will implement regarding tax incentives or duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

Further the tax related laws that are applicable to us include the Income Tax Act, 1961 (the "**Income Tax Act**"), the Customs Act, 1962 and various rules and notifications issued by taxation authorities. With effect from July 1, 2017, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) and certain tax incentives under these statutes are applicable to our Company.

We cannot assure that any tax incentives currently availed of by our Company will continue in the future or that such tax credits shall continue to be available to us in the future, to the same extent, or at all, or that any such deductions, if claimed by us, will necessarily be upheld and not challenged or denied by the relevant tax authorities.

41. Our ability to pay dividends in the future may depend upon our future revenues, profits, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

Whether we pay dividends in the future and the amount of any such dividends, if declared, may depend upon a number of factors, including our results of operations and financial condition, financing agreements that we have entered into, contractual restrictions (including the terms of some of our financing arrangements that currently restrict our ability to pay dividends) and other factors considered relevant by our Board of Directors and shareholders. We may be unable to pay dividends in the near or medium term, and our future dividend policy may depend on our capital requirements and financing arrangements. Further, dividends distributed by us may cost dividend distribution tax at rates applicable from time to time. We cannot assure you that our Company will declare and pay, or have the ability to declare and pay, any dividends on Equity Shares at any point in the future. For further details, see "*Dividend Policy*" on page 238.

42. We have experienced negative cash flows in relation to our operating, investing and financing activities in the last three financial years. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

The following table sets forth our cash flows for the periods indicated:

(₹ in million)

	For the Financial Year Ended		
	2021	**2020**	**2019**
Net cash generated from / (used in) operating activities	1,517.80	(1,327.25)	(2,780.63)
Net cash (used in) / generated from investing activities	(951.51)	566.12	3,456.59
Net cash (used in) / generated from financing activities	(490.95)	18.10	(2,646.54)
Net increase/ (decrease) in cash and cash equivalents	**75.35**	**(743.03)**	**(1,970.58)**

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 239 and 306, respectively. We cannot assure you that our net cash flows will be positive in the future.

43. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have an adverse effect on our business.***

We face the risk of loss resulting from product liability, intellectual property, contractual, warranty, and other lawsuits, whether or not such claims are valid. In addition, our insurance may not be adequate to cover such claims or may not be available to the extent we expect. For details of insurance policies we maintained, see "*Our Business-Insurance*" on page 186. A successful claim that exceeds or is not covered by our policies could require us to pay substantial sums.

We maintain insurance policies with independent third parties in respect of buildings, equipment and certain inventories covering losses due to fire and a wide range of natural disasters and burglary. We also maintain Directors and Officers liability insurance for our Promoters and accident insurance and health insurance for our employees. Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. In such event, our insurance policies may not protect us from liability for damages, which may lead to financial liability and other adverse consequences.

Further, while we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows.

44. ***We are subject to risks associated with operating with joint venture and other strategic partners.***

We have formed Yamuna Electronics Manufacturing Cluster Private Limited, a joint venture in which we hold 45.33% of the equity interest, to set up a cluster for manufacturing mobile and other electronic products in Greater Noida. We need the cooperation and consent of our joint venture partner in connection with the operations of our joint venture, which may not always be forthcoming and we may not always be successful at managing our relationships with such partners. There are certain risks associated in operating with joint venture partners, including the risk that our joint venture partners may:

- have economic or business interests or goals that are inconsistent with our interests and goals;
- exercise veto rights in relation to our proposals in respect of joint venture operations and future financing requirements;
- be unable or unwilling to fulfill their obligations under the relevant joint venture or other agreement and have disputes with us or terminate such agreements;
- take actions contrary to our instructions or requests or contrary to a joint ventures company's policies and objectives;
- take actions that are not acceptable to regulatory authorities; or
- experience financial or other difficulties.

We cannot assure you that our relationship with our joint venture partner can at all times be amicably maintained as envisaged. We also cannot control the actions of our joint venture partners. These factors could potentially harm the business and operations of the joint venture, and, in turn, materially and adversely affect our business and results of operations.

45. ***Actual or perceived health risks associated with the use of handsets or other telecommunications equipment could negatively affect our business.***

There have been public concerns about health risks arising from electromagnetic fields generated by handsets. Any perceived risk or new findings, regardless of their scientific basis, concerning the adverse health effects of telecommunications equipment could negatively affect our reputation and brand value and result in a reduction in sales. Although we comply with all current electromagnetic field safety standards and recommendations in India and other countries in which we sell our products, we cannot assure you that we will not become the subject of product liability claims or be held liable for such claims or be required to comply with future regulatory changes that may have an adverse effect on our business.

46. ***Our ability to invest in our overseas subsidiaries, or acquire new businesses overseas, may be constrained by Indian and foreign laws, which could adversely affect our growth strategy, business and prospects.***

We currently have subsidiaries incorporated in Hong Kong, USA, Thailand, Sri Lanka, Nepal, the UAE, Mexico, Myanmar, Indonesia and Bangladesh. Under Indian foreign investment laws, an Indian company is permitted to invest in, or provide financial commitment to overseas joint ventures or wholly owned subsidiaries, not exceeding 400.00% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions), and any financial commitment exceeding USD 1.00 million (or its equivalent) in a Financial Year will require prior approval of the RBI. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment.

Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. Additionally, there are also further requirements specified under the Companies Act and Indian foreign exchange laws in relation to any acquisition that we propose to undertake in the future. These limitations on overseas direct investment could constrain our ability to acquire overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy, business and prospects.

47. ***We have commissioned and paid for a report from Frost & Sullivan which have been used for industry related data in this Draft Red Herring Prospectus.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the Frost & Sullivan Report (the "**F&S Report**") or extracts of the F&S Report.

We have commissioned Frost & Sullivan on July 13, 2021 and paid them to produce their report titled Mobile Phones Industry Report in India dated September 2021, which has been used for industry related data disclosed in this Draft Red Herring Prospectus. We commissioned the F&S Report for the purposes of confirming our understanding of the industry in connection with the Offer. This report uses certain methodologies for market sizing and forecasting. Investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

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.

48. ***Information relating to the historical capacity of our manufacturing unit located in Noida, Uttar Pradesh 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 and the historical capacity utilisation of our manufacturing unit located in Noida, Uttar Pradesh included in this Draft Red Herring Prospectus is based on various assumptions and estimates, including assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated September 20, 2021 from Cogs Risk Management Services Private Limited, chartered engineers in relation to such capacities and actual production levels, future capacity utilisation rates may vary significantly from the estimated production capacities of our production facilities and historical capacity utilisation rates. In addition, capacity utilisation is calculated differently in different countries, industries and for the kinds of products we manufacture. Actual utilisation rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilisation information for our existing facilities included in this Draft Red Herring Prospectus.

49. ***Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoters and Promoter Group currently own 79.33% of our Equity Shares. Following the completion of the Offer, our Promoters and Promoter Group will continue to hold approximately [●]% of our post-Offer Equity Share capital. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over us which will allow them to vote together in capacity as shareholders of the Company on certain matters in general meetings of the Company. Accordingly, the interests of our Promoters and certain members of the Promoter Group in capacity as shareholders of the Company may conflict with your interests and the interests of other shareholders of the Company.

Further, we cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. ***We have entered into, and will continue to enter into related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.***

We have entered into certain transactions with related parties, including sale of services to a related party, sale of property, plant and equipment to a related party and services taken from a related party. For the fiscal years 2021, 2020 and 2019, the related party transactions accounted for approximately 0.11%, 0.37% and 1.25%, respectively, of our revenue from operations. For further information on our related party transactions, see "*Related Party Transactions*" on page 237. While we believe that all our related party transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. Although all related party transactions that we may enter post-listing, shall be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details of the related party transactions see "*Related Party Transactions*" on page 237.

51. ***Our registered and corporate offices, production facilities and other offices are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

Our registered office and corporate office, are located on leased premises, and we do not own these premises. Our registered office is situated on premises taken on leave and license basis for a period of three years and subject to automatic renewals for one year periods. Our corporate office is leased to us till December 31, 2025. Our manufacturing and design facilities in Noida, India, is located on leasehold premises for a period until May 31, 2025, renewable on mutually agreeable terms. Our warehouses and other offices are also located on leasehold premises.

Our leases may expire in the ordinary course. We cannot assure you that we will continue to be able to continue operating out of our existing premises or renew our existing leases at favourable terms or at all. Any such event may adversely impact our operations and cash flows and may divert management attention from our business operations. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises.

Given that our business operations are conducted on premises leased, any encumbrance or adverse impact, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may adversely affect our business operations. In the event of relocation, we may be required to obtain fresh regulatory licenses and approvals. Until we receive these, we may suffer disruptions in our operations and our business which may adversely affect our financial condition.

Although proper stamp duty was paid at the time of execution of the lease agreements, such arrangements may be finally adjudicated by relevant revenue authorities to be inadequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For details in relation to our premises, see "*Our Business – Properties*" on page 188.

52. ***Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations including terms of approvals granted to us, may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including manufacturing permits, and environmental, health and safety permits. For licenses, permits and authorization obtained by us, see "*Government and Other Approvals*" beginning from page 351. There is a 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.

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

Certain Promoters, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Additionally, Key Managerial Personnel may also be regarded as interested to the extent of employee stock options granted by our Company and which may be granted to them from time to time pursuant to the ESOP Schemes, as applicable. We cannot assure you that our Promoters, Directors and our Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details of such interests, "*Our Management – Interests of our Directors*", "*Our Management – Interests of Key Management Personnel*", "*Our Promoter and Promoter Group – Interest of Promoters*" and "*Related Party Transactions*" on pages 217, 229, 232 and 237, respectively.

54. ***Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits and lead to dilution in earnings per share in future periods.***

Our Company has framed and implemented employee stock option scheme, namely, ESOP 2015, ESOP 2020-I, and ESOP 2020-II (the "**ESOP Scheme**"). For further details, see "*Capital Structure – Employee Stock Option Schemes*" on page 100 of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, we have 49,050,513 outstanding stock options (adjusted for stock split and bonus issue as approved by the Shareholders on September 10, 2021) under the ESOP Scheme. Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits in future periods. Any future issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Scheme may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Although the pre-Offer shareholding of the shareholders (except Equity Shares allotted pursuant to exercise of employee stock options) is subject to lock-in as per applicable provisions of the SEBI ICDR Regulations, disposal of a large number of Equity Shares by any significant shareholder of our Company after the expiry of the lock-in periods could adversely affect the market price of the Equity Shares. Our employees may also choose to exercise the vested options and subsequently sell the Equity Shares upon listing. In addition, any perception by investors that such issuances or sale might occur could also affect the trading price of the Equity Shares.

55. ***Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the twelve months preceding the filing of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded. For further information, see "*Capital Structure – History of Equity Share capital of our Company*" on page 86.

56. ***Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.***

We intend to utilise the Net Proceeds of the Offer as set forth in "*Objects of the Offer*" on page 108. The funding requirements mentioned for the objects of the Offer are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. They are based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

The exact amounts that will be utilised from the Net Proceeds towards the stated objects will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identity and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. For further details, see "*Objects of the Offer*" on page 108.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

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

The Offer comprises of an offer for sale of up to 43,727,603 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be transferred to the each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale and will not result in any creation of value for us or in respect of your investment in our Company. Our Company will not receive any such proceeds. For further information, see "*Objects of the Offer*" on page 108.

External Risks

Risks Related to India

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

The Indian economy and its capital markets are influenced by economic, political and market conditions in India and globally including the volatility in the securities markets in other countries. We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

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

- downgrade of India's sovereign debt rating by an independent agency;

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

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

- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years.

- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

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 and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and

- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

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

60. ***Investors may not be able to enforce a judgment of a foreign court against our Company outside India.***

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

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the

Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor 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 or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, pursuant to Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a 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, can only be made through Government approval route, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 395.

62. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. 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.

63. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian 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 including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

Risks Related to the Offer

64. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by us in consultation with the Lead Managers, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 122 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and shall be based on numerous factors, as described in the section "*Basis for Offer Price*" on page 122. This price may not necessarily be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. The Bidders may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer may be subject to significant fluctuations as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;

- the activities of competitors and suppliers;

- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

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

67. You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.

The Equity Shares will be listed on the Stock Exchanges. 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 finalised 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 (6) 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. There can be no assurance you that the Equity Shares will be credit to investor's 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.

68. There is no assurance that our Equity Shares will remain listed on the stock exchange.

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

69. 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 Promoters 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 an employee benefit scheme) or disposal of our Equity Shares by the Promoters 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.

Except as disclosed in "*Capital Structure*" on page 85, there can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters 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.

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

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

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

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

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

72. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. 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.

The Finance Act, 2019, had clarified that in the absence of a specific provision under an agreement, the buyer shall be liable to pay stamp duty in case of sale of securities through stock exchanges, and the transferor shall be liable to pay stamp duty in case of transfer for consideration through a depository. 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 provisions have been notified with effect from July 1, 2020. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on the submission of the Bid and not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, RIBs can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all the Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment within six (6) Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

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

SECTION III – INTRODUCTION

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information as of and for the Fiscal Years ended March 31, 2019, March 31, 2020 and March 31, 2021.

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 239 and 306, respectively.

[***Remainder of this page intentionally kept blank***]

Restated Consolidated Statement of Assets and Liabilities

(All amount in ₹ million unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	1,191.46	794.90	971.24
Capital work-in-progress	32.75	20.69	-
Intangible assets	29.60	57.54	127.05
Right of use asset	161.64	208.18	-
Investment in Joint Venture and associate	62.06	63.79	69.43
Financial assets			
Investments	58.45	60.37	55.02
Loans	30.32	26.15	37.05
Other financial asset	20.82	20.50	128.11
Deferred tax assets (net)	229.11	-	-
Other non-current assets	51.15	58.00	77.22
Advance tax assets (Net)	1.95	0.97	63.21
	1,869.31	**1,311.09**	**1,528.33**
Current assets			
Inventories	4,438.63	2,364.76	4,239.01
Financial assets			
Investments	10.00	20.69	94.50
Trade receivables	11,624.18	13,148.12	10,143.44
Cash and cash equivalents	238.75	186.38	802.24
Other bank balances	1,612.66	1,301.75	1,774.85
Loans	9.59	11.99	22.97
Others	463.68	1,304.74	1,610.00
Other current assets	4,108.69	4,193.35	3,592.69
	22,506.18	**22,531.78**	**22,279.70**
TOTAL ASSETS	**24,375.49**	**23,842.87**	**23,808.03**
Equity and liabilities			
Equity			
Equity share capital	1,248.67	1,248.67	1,248.67
Instruments entirely equity in nature	51.00	50.00	50.00
Other equity			
Securities premium reserve	2,393.58	1,874.58	1,874.58
Treasury shares	(63.34)	(63.34)	(63.34)
Foreign currency translation reserve	432.20	596.83	152.02
Share based payment reserve	228.72	143.18	143.18

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Retained earnings	11,608.01	10,238.36	9,155.39
Other reserve	(7.69)	(7.69)	(7.69)
Equity attributable to equity holders of the Holding Company	**15,891.15**	**14,080.59**	**12,552.80**
Non-controlling interest	0.41	0.51	0.52
Total Equity	**15,891.56**	**14,081.10**	**12,553.32**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	553.58	672.89
Other financial liabilities	162.60	320.36	73.47
Other non-current liabilities	-	-	4.67
Provisions	51.55	45.98	69.31
Deferred tax liabilities (net)	-	84.49	120.43
	214.15	**1,004.41**	**940.77**
Current liabilities			
Financial liabilities			
Borrowings	965.32	1,094.42	797.86
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	20.37	11.07	20.49
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,061.44	4,954.45	7,241.61
Other financial liabilities	1,103.65	537.18	691.88
Other current liabilities	509.51	1,558.95	1,027.95
Provisions	248.35	234.10	349.62
Liabilities for current tax (net)	361.14	367.19	184.52
Total liabilities	**8,269.78**	**8,757.36**	**10,313.94**
TOTAL EQUITY AND LIABILITIES	**24,375.49**	**23,842.87**	**23,808.03**

Restated Consolidated Statement of Profit and Loss

(All amount in ₹ millions unless otherwise stated)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Income			
Revenue from operations	55,128.74	52,643.29	51,083.52
Other income	108.04	181.19	203.96
Total income (I)	**55,236.78**	**52,824.48**	**51,287.48**
Expenses			
Cost of Goods Sold	46,659.92	44,969.41	42,812.55
Employee benefits expense	1,902.22	1,990.68	3,229.96
Other expenses	4,162.49	3,871.83	3,412.98
Total expense (II)	**52,724.63**	**50,831.92**	**49,455.49**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)	**2,512.15**	**1,992.56**	**1,831.99**
Depreciation and amortisation expense	390.37	330.51	414.95
Finance costs	285.76	389.94	601.44
Profit/(loss) before share of net profit of associate and joint ventures, exceptional items and tax	**1,836.02**	**1,272.11**	**815.60**
Share of loss of joint venture, associates (net of tax) (III)	**1.73**	**5.64**	**3.50**
Profit before tax	**1,834.29**	**1,266.47**	**812.10**
- Current tax	332.67	201.60	197.86
- Tax charge/(credit) relating to earlier years	(30.80)	22.99	(3.75)
- Deferred tax expense/(income)	(193.66)	(35.73)	(113.81)
Income tax expense	**108.21**	**188.86**	**80.30**
Profit for the year	**1,726.08**	**1,077.61**	**731.82**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods :			
- Re-measurement (gains)/losses of defined benefit plan	1.65	0.59	(18.68)
- Income tax relating to this item	(0.41)	(0.21)	6.53
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :			
-Exchange difference on translation of foreign operations	**164.63**	**(444.81)**	**(164.07)**

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Other comprehensive income for the year (net of tax)	**165.87**	**(444.43)**	**(176.22)**
Total Comprehensive income for the year (net of tax)	**1,560.21**	**1,522.04**	**908.02**
Profit for the year is attributable to			
- Equity holders of Lava International Ltd	**1,726.18**	**1,077.62**	**731.83**
- Non-controlling interest	**(0.10)**	**(0.01)**	**(0.01)**
Other comprehensive income of the year is attributable to			
- Equity holders of Lava International Ltd	**(165.87)**	**444.43**	**176.22**
Total comprehensive income of the year is attributable to			
- Equity holders of Lava International Ltd	**1,560.31**	**1,522.05**	**908.03**
- Non-controlling interest	**(0.10)**	**(0.01)**	**(0.01)**
Earnings per equity share (in Rupees)			
Basic	**3.46**	**2.16**	**1.47**
Diluted	**3.15**	**1.97**	**1.34**

Restated Consolidated Statement of Cash Flows

(All amount in ₹ Millions unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020	31 March 2019
Cash flow from operating activities			
Profit before tax	**1,834.29**	**1,266.47**	**812.10**
Adjustment to reconcile profit before tax to net cash flows			
Depreciation/amortization	390.37	330.51	414.95
Profit on sale of property, plant and equipment	(1.00)	3.27	(0.38)
Property, plant and equipment written off	-	-	8.55
Fair value (gain) /loss on Investment at fair value through profit or loss	(2.00)	0.92	(3.35)
Dividend Income	-	-	(5.00)
Share based payment expense	-	-	4.32
Unrealized foreign exchange (gain)/ loss	30.00	(59.31)	(172.80)
Net gain on sale of mutual fund investments	(3.09)	0.17	(12.02)
Share of loss/(Profit) of associate/ joint venture	1.74	5.64	3.50
Balances written off	-	41.93	0.79
Fair value (gain)/loss on derivative financial instrument at FVTPL	10.93	(13.35)	-
Payment of principal portion of lease liabilities	(22.91)	(19.08)	-
Liability written back	85.54	-	-
Provision for Inventories obsolescence	(41.67)	14.82	80.93
Provision for expected credit loss and doubtful advances	263.39	31.31	16.65
Amortization of prepaid security deposit	1.35	7.14	-
Interest expense	193.30	218.96	273.96
Interest income	(75.66)	(122.66)	(160.56)
Operating profit before working capital changes	**2,664.58**	**1,706.74**	**1,261.64**
Movements in working capital:			
Increase/ (Decrease) in trade payables and other liabilities	(248.86)	(2,790.91)	(7,162.62)
Increase/ (Decrease) in provisions	22.23	(21.65)	(234.27)
(Increase)/ Decrease in trade receivables	494.41	(3,010.14)	1,189.17
(Increase)/ Decrease in inventories	(2,046.77)	1,912.56	2,961.55
(Increase)/ Decrease in other assets	922.15	863.55	(566.16)
Cash generated from operations	1,807.75	(1,339.85)	(2,550.69)
Income taxes paid (net of refunds)	(289.95)	12.60	(229.94)
Net cash flow used in operating activities (A)	**1,517.80**	**(1,327.25)**	**(2,780.63)**
Cash flows from investing activities			
Purchase of property, plant and equipment including capital work in progress	(159.91)	(184.34)	(172.26)
Purchase of intangible assets including intangible assets under development	-	-	644.14
Proceeds from sale of property, plant and equipment (including intangibles)	4.31	1.93	0.85
Dilution of intangible assets including intangible assets under development	(524.54)	(1.28)	-

Particulars	March 31, 2021	March 31, 2020	31 March 2019
Investment in subsidiaries	-	0.19	(2.04)
Movement in mutual fund investments	13.91	73.64	414.53
Investments in bank deposits	(2,252.60)	(2,186.19)	(2,770.77)
Redemption/maturity of bank deposits	1,867.28	2,762.85	5,063.46
Interest received	100.04	99.32	278.68
Net cash flow from/(used in) investing activities (B)	**(951.51)**	**566.12**	**3,456.59**
Cash flow from financing activities			
Purchase of treasury shares	-	-	(28.62)
Proceeds from long-term borrowings	31.20	-	300.00
Payment of long-term borrowings	(119.62)	(120.69)	(714.40)
Movement in short-term borrowings	(129.10)	296.56	(1,997.57)
Interest paid on lease liability	(24.99)	(27.11)	-
Interest paid on borrowings	(248.44)	(130.66)	(205.95)
Net cash (used in)/from financing activities (C)	**(490.95)**	**18.10**	**(2,646.54)**
Net increase in cash and cash equivalents (A + B +C)	**75.35**	**(743.03)**	**(1,970.58)**
Effect of exchange differences on cash & cash equivalents held in foreign currency	(22.98)	127.17	(0.40)
Cash and cash equivalents at the beginning of the year	186.38	802.24	2,773.22
Cash and cash equivalents at the end of the year	**238.75**	**186.38**	**802.24**
Components of cash and cash equivalents			
Cash on hand	2.95	8.86	5.93
With banks on current account			
- on deposit account	77.27	81.27	97.47
- others balances	158.53	96.25	698.84
Total cash and cash equivalents	**238.75**	**186.38**	**802.24**

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares	[●] Equity Shares aggregating up to ₹ [●] million
of which:	
Fresh Issue(1)(2)	[●] Equity Shares aggregating up to ₹ 5,000 million
Offer for Sale(3) by Selling Shareholders	Up to 43,727,603 Equity Shares aggregating up to ₹ [●] million
of which:	
Employee Reservation Portion*	[●] Equity Shares
Accordingly,	
The Net Offer	[●] Equity Shares
The Offer consists of:	
A. QIB Portion	Not more than [●] Equity Shares
of which:	
Anchor Investor Portion**	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
Balance of Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion	Not less than [●] Equity Shares
C. Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer prior to conversion of Series A Preference Shares and Series B Preference Shares	541,126,216 Equity Shares
Equity Shares outstanding prior to the Offer upon conversion of Series A Preference Shares and Series B Preference Shares (assuming maximum conversion)	557,769,856 Equity Shares(4)
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of this Offer	See "*Objects of the Offer*" on page 108 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

* *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 373. Our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [•]% of the Offer Price (equivalent of ₹ [•] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion, which shall be announced at least two Working Days prior to the Bid /Offer Opening Date.*

** *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. 5% of the 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 (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject* *to valid bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 377.*

(1) *Our Board has authorised the Offer, pursuant to its resolution dated August 23, 2021. Our Shareholders have authorised the Fresh Issue pursuant to their resolution dated September 10, 2021.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 19(2)(b) of the SCRR.*

(3) *Each of Amit Rai, Vikram Singh Parmar, Tapperware Kitchenware Private Limited, Hari Om Rai, Vishal Sehgal, Shailendra Nath Rai, and Sunil Bhalla, severally and not jointly, specifically confirms that its respective Offered Shares are eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations. UNIC Memory confirms that its respective Offered Shares (including the Offered Shares arising upon conversion of the respective Series B Preference Shares held by it) will be eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations. Each Selling Shareholder has specifically authorized its respective participation in the Offer for Sale as stated under "- Notes" below.*

(4) *As of the date of this Draft Red Herring Prospectus, there are 100,000 Series A Preference Shares held by Bennett Coleman and the same shall be converted into a maximum of 5,368,832 Equity Shares in accordance with the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus with the RoC. Further, as on the date of this Draft Red Herring Prospectus, there are 324,172 Series B Preference Shares held by UNIC Memory and same shall be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA. The details of the conversion price will be updated in the Red Herring Prospectus prior to filing with the RoC. For details, see, "History and Certain Corporate Matters" and "Capital Structure" on pages 196 and 85, respectively.*

Notes:

- Each of the Selling Shareholders have authorised its respective participation in the Offer for Sale with respect to its respective portion of the Offered Shares as set out below:

S. No.	Name of the Selling Shareholders	Date of Board Resolution	Date of Consent Letter	Maximum number of Equity Shares offered for sale
1.	Hari Om Rai	NA	September 23, 2021	Up to 12,540,649
2.	Shailendra Nath Rai	NA	September 23, 2021	Up to 3,135,162
3.	Sunil Bhalla	NA	September 23, 2021	Up to 7,837,906
4.	Vishal Sehgal	NA	September 23, 2021	Up to 7,837,906
5.	Amit Rai	NA	September 20, 2021	Up to 76,768
6.	Tapperware Kitchenware Private Limited	June 9, 2021	September 6, 2021	Up to 974,736
7.	Vikram Singh Parmar	NA	September 17, 2021	Up to 49,664
8.	UNIC Memory*	September 26, 2021	September 27, 2021	Up to 11,274,812

**UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*

- Allocation to Bidders in all categories, except the Retail Portion and Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The Allocation to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 377.

- 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 combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. In case of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "*Terms of the Offer*" on page 368.

GENERAL INFORMATION

Our Company was incorporated at New Delhi as 'Lava International Limited' as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by RoC on March 27, 2009. Our Registered Office is located at B-14, House 2 Basement, Shivlok Commercial Complex, Karampura, Delhi 110 015, India, and our Corporate Office is at A-56, Sector-64, Noida - 201 301, Uttar Pradesh, India. The registration number of our Company is 188920 and our CIN is U32201DL2009PLC188920.

For details in relation to change in registered office address of our Company, see '*History and Certain Corporate Matters*' on page 196.

Address of the RoC

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

Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019
India

Board of Directors

The table below sets forth the details of the constitution of our Board:

Name	Designation	DIN	Address
Hari Om Rai	Chairman and Managing Director	01191443	F-2/2, Second Floor, Vasant Vihar-1, South West Delhi, Delhi-110057
Shailendra Nath Rai	Whole-time Director	00908417	D-402, Nagarjun Apartments, U.P. Link Road, Mayur Vihar, Phase -I, New Delhi – 110 096
Sunil Bhalla	Non-executive Director	00980040	Farm no. 2, Kh. no. 36/27/1, 27/2, Kapashera Estate, Kapashera, Delhi – 110 037
Vishal Sehgal	Non-executive Director	03127049	E-90, Marg 20, Saket, South Delhi, Delhi -110 017
Vinod Rai	Independent Director	00041867	3, Palam Marg (Third floor), Vasant Vihar, New Delhi – 110 057
Rahul Kansal	Independent Director	01270798	L-11/20, DLF City, Phase-II, Gurgaon- 122 002, Haryana
Chitra Gouri Lal	Independent Director	02823536	H.N. C - 5, Sector 26-I, Police Station-Sector 20, Noida, Uttar Pradesh – 201301
Vinod Sharma	Independent Director	00064374	House No. 160, Munirka Enclave, New Delhi – 110067

For brief profiles of our Directors, please see "*Our Management*" beginning on page 212.

Company Secretary and Compliance Officer for the Offer

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

A-56, Sector-64, Noida – 201 301
Uttar Pradesh, India
Tel: +91 0120 463 7100
E-mail: compliance1@lavainternational.in

Statutory Auditors of our Company

ASA & Associates LLP
Aurobindo Tower, 81/1 Third Floor, Sri Aurobindo Marg
Adchini, New Delhi 110017
India
Tel.: 011 4100 9999
E-mail: prateet.mittal@asa.in
ICAI Firm Registration Number: 009571N/N500006
Peer Review Number: 012066

Changes in Statutory Auditors

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

Name of the Auditors	Date of change	Reason for change
Walker Chandiok & Co LLP 21st Floor, DLF Square Jacaranda Marg, DLF Phase II Gurgaon 122 002 Haryana, India **E-mail**: sandeep.mehta@in.gt.com **Peer Review No.:** 11707 **Firm Registration No**.: 001076N/N500013	September 17, 2019	Vacation of office due to inability to continue as statutory auditors on account of inadequate fees.
Suresh Surana & Associates LLP 2nd Floor, Tower – B, B-37, Sector -1 Noida (NCR) – 201 301, Uttar Pradesh India **E-mail**: ravinder@ss-associates.com **Peer Review No.:** 011592 **Firm Registration No**.: 121750W/W-100010	December 30, 2019	Appointment as Statutory Auditors.
Suresh Surana & Associates LLP 2nd Floor, Tower – B, B-37, Sector -1 Noida (NCR) – 201 301, Uttar Pradesh India **E-mail:** ravinder@ss-associates.com **Peer Review No.**: 011592 **Firm Registration No.:** 121750 W/W-100010	July 13, 2021	Vacation of office due to inability to continue as statutory auditors on account of inadequate fees.
ASA & Associates LLP Aurobindo Tower, 81/1 Third Floor Sri Aurobindo Marg Adchini, New Delhi 110017 India **E-mail:** prateet.mittal@asa.in **Peer Review No.**: 012066 **Firm Registration No.:** 009571N/N500006	September 10, 2021	Appointment as Statutory Auditors.

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025, Maharashtra
Tel: +91 22 4325 2183
E-mail: lava.ipo@axiscap.in
Investor Grievance E-mail: complaint@axiscap.in

BOB Capital Markets Limited
1704, B Wing, 17th Floor
Parinee Crescenzo, Plot No. C-38/29
G Block, Bandra Kurla Complex
Bandra East Mumbai 400 051, Maharashtra
Tel: +91 22 6138 9300
E-mail: lava.ipo@bobcaps.in

Website: www.axiscapital.co.in
Contact Person: Sagar Jatakiya
SEBI Registration No.: INM000012029

Investor Grievance E-mail:
investorgrievance@bobcaps.in
Website: www.bobcaps.in
Contact Person: Ninad Jape/Nivedika Chavan
SEBI Registration No.: INM000009926

DAM Capital Advisors Limited
(*Formerly IDFC Securities 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: lava.ipo@damcapital.in
Investor Grievance E-mail:
complaint@damcapital.in
Website: www.damcapital.in
Contact Person: Gunjan Jain
SEBI Registration No.: MB/INM000011336

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005, Maharashtra
Tel: +91 22 2217 8300
E-mail: lava.ipo@sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Janardhan Wagle
SEBI Registration No.: INM000003531

Statement of inter-se allocation of responsibilities among the BRLMs

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

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	All BRLMs	Axis
2.	Drafting and approval of all statutory advertisement	All BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	All BRLMs	BOB Capital
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	All BRLMs	Axis
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	All BRLMs	SBICAP
6.	Preparation of road show presentation	All BRLMs	DAM Capital
7.	Preparation of FAQs for the road show team	All BRLMs	DAM Capital
8.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	All BRLMs	DAM Capital
9.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	All BRLMs	Axis

Sr. No	Activity	Responsibility	Co-ordinator
10.	Conduct retail and non-institutional 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 • Finalising centres for holding conferences for brokers etc. • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All BRLMs	SBICAP
11.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	All BRLMs	BOB Capital
12.	Managing the book and finalization of pricing in consultation with the Company.	All BRLMs	DAM Capital
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds/unblocking of application monies and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	All BRLMs	SBICAP

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083, Maharashtra
Tel: +91 22 4918 6200
E-mail: lava.ipo@linkintime.co.in
Investor grievance e-mail: lava.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Legal Counsel to the Company as to Indian Law

IndusLaw
2nd Floor, Block D, The MIRA
Mathura Road, Ishwar Nagar
New Delhi – 110 065
Tel: +91 11 4782 1000

Legal Counsel to the BRLMs as to Indian Law

L&L Partners
(*formerly Luthra and Luthra Law Offices*)
1st and 9th Floor
Ashoka Estate Building
Barakhamba Road
New Delhi 110 001
Tel: +91 11 4121 5100

International Legal Counsel to the BRLMs as to international law

Sidley Austin LLP
Level 31, Six Battery Road
Singapore 049 909
Telephone: +65 6230 3900

Legal Counsel to UNIC Memory Technology (Hong Kong) Limited as to Indian Law

Khaitan & Co
Embassy Quest
3rd Floor
45/1 Magrath Road
Bengaluru 560 025
Karnataka, India
Telephone: +91 80 4339 7000

Bankers to our Company

Indian Bank Limited MCB, 2nd Floor, Allahabad Bank Building 17, Parliament Street, New Delhi – 110 001, India **Tel.**: 011 4011 0511 **E-mail**: mcb.parliamentstreet@indianbank.co.in **Website**: www.indianbank.com **Contact Person**: Ms. Roopali Singh, Asst. General Manager	**Canara Bank Limited** LCB, 1st Floor, Sarojini House, 6, Bhagwan Das Road, New Delhi – 110 001, India **Tel**: 0124 23381937 **E-mail**: cb.19095@canarabank.com **Website**: www.canarabank.com **Contact Person**: Sooraj Jayaswal, Asst. General Manager
Indian Overseas Bank G-07, Sewa Corporate Park, DLF Phase – II, Gurgaon, Haryana – 122 002, India **Tel.**: 0124 4053710 **E-mail**: iob1436@iob.in **Website**: www.iob.in **Contact Person**: Mr. Abhishek Sinha, Chief Manager	**HDFC Bank Limited** Block A, 2nd Floor, Vatika Atrium, Sector – 53, Gurgaon, Haryana – 122002, India **Tel.**: 0124 4664396 **E-mail**: adeesh.jain@hdfcbank.com **Website**: www.hdfcbank.com **Contact Person**: Mr. Adeesh Jain, Dy. Vice President

Union Bank of India IFB, M-11, 1st Floor, Middle Circle, Connaught Circus, New Delhi-110001, India **Tel:** 011-23417403 **Email:** ifbcp@unionbankofindia.com **Website:** www.unionbankofindia.co.in **Contact Person:** Mr. Ravi Shankar, Dy. General Manager	**Punjab National Bank** Large Corporate Branch, 1st Floor, E-Block, Harsha Bhawan, New Delhi-110001, India **Tel.:** 01141911101 **E-mail:** bm0007@obc.co.in **Website:** www.pnbindia.in **Contact Person:** Harvinder Pal Raval, Asst. General Manager
Bank of Baroda Corporate Financial Services Branch, 16, Sansad Marg New Delhi-110001 **Tel:** 011-23441560 **Email:** indel@bankofbaroda.com **Website:** www.bankofbaroda.com **Contact Person:** Shaheen Banu, Chief Manager	

Syndicate Members

[●]

Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank

[●]

Sponsor Bank

[●]

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII 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 eligible as Issuer Banks 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, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time.

Syndicate SCSB Branches

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

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number, and e - mail address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm,respectively, or such other websites as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated September 27, 2021 from ASA & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 21, 2021 on our Restated Financial Information; and (ii) their report dated September 23, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated September 20, 2021 from the independent chartered engineer, namely Cogs Risk Management Services Private Limited, Chartered Engineer, to include their name in this Draft Red Herring Prospectus, as an “expert” as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the installed production capacities and capacity utilisation of the manufacturing facility of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Credit Rating

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

Grading of the Offer

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Debenture Trustees

As this is an offer of Equity Shares, there are no debenture trustees appointed for the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations for monitoring the utilisation of the Net Proceeds from the Fresh Issue. For further details, please see the section entitled "*Objects of the Offer*" beginning on page 108.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity is appointed for the Offer.

Filing

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 the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and has also been uploaded on the SEBI intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

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

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi 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 on their website. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 377.

All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. Retail Individual Investors may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to ₹200,000) and Eligible Employee can revise their Bids during the Bid/

Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

For further details on the method and procedure for Bidding and Book Building Process, see "*Offer Structure*" and "*Offer Procedure*" on pages 373 and 377, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to it, in relation to its respective portion of the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

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

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

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 377.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Member does not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and are subject to certain conditions specified therein.

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

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

Name, address, Tel. number and email address of the Underwriters	Indicative Number of Equity Shares to be underwritten	Amount underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

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

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, 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 the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been entered into as on the date of this Draft Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(In ₹, except share data)

	PARTICULARS	Aggregate nominal value	Aggregate value at Offer Price****
A)	**AUTHORISED SHARE CAPITAL^**		
	782,000,000 Equity Shares of face value of ₹5 each	3,910,000,000	-
	100,000 Series A Preference Shares of face value of ₹10 each	1,000,000	-
	500,000 Series B Preference Shares of face value of ₹100 each	50,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF PREFERENCE SHARES)**		
	541,126,216 Equity Shares of face value of ₹5 each	2,705,631,080	-
	100,000 Series A Preference Shares of face value of ₹10 each **	1,000,000	-
	324,172 Series B Preference Shares of face value of ₹100 each ***	32,417,200	-
C)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND POST THE CONVERSION OF PREFERENCE SHARES)** ** ***		
	557,769,856 Equity Shares of face value of ₹5 each	2,788,849,280	-
D)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS***		
	Offer of up to [●] Equity Shares	[●]	[●]
	Of which:		
	a) Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 5,000 million *(a)*	[●]	[●]
	b) Offer for Sale of up to 43,727,603 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million*(b)*	[●]	[●]
	Of which:		
	Employee Reservation Portion of up to [●] Equity Shares	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹5 each (assuming full subscription to the Offer)	[●]	[●]
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (in ₹ million)		3,296.76
	After the Offer* (in ₹ million)		[●]

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

* *Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of the SCRR.*

** *Bennett Coleman holds an aggregate of 100,000 Series A Preference Shares which will be converted into a maximum of 5,368,832 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the BCCL Investment Agreement.*

*** *UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*

**** *To be included upon determination of the Offer Price.*

(a) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on August 23, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed at the meeting held on September 10, 2021. The Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 27, 2021.*

(b) *Each Selling Shareholder, severally and not jointly, authorises its respective participation in the Offer for Sale. For details see "The Offer" on page 73. Each Selling Shareholder confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the date of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.*

Notes to the Capital Structure

1. **Share Capital History**

a) History of Equity Share capital of our Company

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

Date of allotment*	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 27, 2009	50,000	10	10	Cash	Subscription to the MoA [1]	50,000	500,000
May 30, 2009	1,225,000	10	20	Cash	Preferential allotment [2]	1,275,000	12,750,000
July 31, 2009	750,233	10	20	Cash	Preferential allotment [3]	2,025,233	20,252,330
November 24, 2014	5,330	10	140	Cash	Allotment pursuant to exercise of stock options held under ESOP 2010 [4]	2,030,563	20,305,630
November 28, 2014	5,330	10	313.63	Cash	Allotment pursuant to exercise of stock options held under ESOP 2010 [5]	2,035,893	20,358,930
March 25, 2015	1,706	10	588	Cash	Allotment pursuant to exercise of stock options held under ESOP 2010[6]	2,037,599	20,375,990
	10,660		140			2,048,259	20,482,590
	31,980		293			2,080,239	20,802,390
	876		1,115			2,081,115	20,811,150
March 30, 2016	29,135,610	10	-	Other than cash	Bonus issue of 14 equity shares for every one equity share held [7]	31,216,725	312,167,250
July 24, 2017	93,650,175	10	-	Other than cash	Bonus issue of three equity shares for every one equity share held [8]	124,866,900	1,248,669,000
September 4, 2017	1	10	3,203	Cash	Preferential allotment [9]	124,866,901	1,248,669,010
December 4, 2017	1	10	449.07	Cash	Preferential allotment [10]	124,866,902	1,248,669,020
May 18, 2021	1,350,844	10	533	Cash	Rights issue [11]	126,217,746	1,262,177,460
June 5, 2021	562,851	10	533	Cash	Rights issue [12]	126,780,597	1,267,805,970
August 9, 2021	1,528,834	10	11.50**	Other than cash	Conversion of Series B	128,309,431	1,283,094,310

Date of allotment*	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					Preference Shares(13)		
September 10, 2021	Sub-division of equity shares(14)					256,618,862	1,283,094,310
September 10, 2021	256,618,862	5	-	Other than cash	Bonus issue of one Equity Share for every one Equity Share held (15)	513,237,724	2,566,188,620
September 16, 2021	27,888,492	5	133.25	Other than cash	Swap of equity shares of China Bird Centro America S.A. with the Equity Shares of our Company(16)	541,126,216	2,705,631,080

**The equity shares were fully paid-up on the date of their allotment.*
*** Consideration was paid at the time of allotment of the Series B Preference Shares.*

(1) *10,000 equity shares each were allotted to Hari Om Rai, Shailendra Nath Rai and Sunil Bhalla; and 5,000 equity shares each were allotted to Suneeti Bhalla, Manju Rai, Dr. Jagdish Bhagat and Dr. Taru Bhagat, pursuant to initial subscription to the MoA.*

(2) *475,000 equity shares were allotted to Sunil Bhalla; and 750,000 equity shares were allotted to Hari Om Rai.*

(3) *245,000 equity shares were allotted to Hari Om Rai; 10,000 equity shares each were allotted to Manju Rai and A. K. Sukheja; 4,500 equity shares were allotted to Jamuna Rai; 10,000 equity shares were allotted to Surinder Singh Sukheja; 18,000 equity shares were allotted to Ravinder Singh; 5,000 equity shares were allotted to Renu Sukheja; 17,500 equity shares were allotted to Sadanand Rai; 50,000 equity shares were allotted to Shibani Sehgal; and 380,233 equity shares were allotted to Wu Ching Ho.*

(4) *5,330 equity shares were allotted to Rajesh Sethi pursuant to exercise of stock options held under ESOP 2010.*

(5) *5,330 equity shares were allotted to Prashanth Devdas Gadiyar pursuant to exercise of stock options held under ESOP 2010.*

(6) *Equity shares were allotted pursuant to exercise of stock options held under ESOP 2010 as under:*

Sr. No.	Name of allottee	Number of equity shares allotted	Issue price (in ₹)
1.	Sunil Raina	5,330	140
2.	Raman Sharma	5,330	140
3.	Radha Krishna A	5,330	293
4.	Navin Chawla	5,330	293
5.	Vivek Mani Tripathi	5,330	293
6.	Arijeet Talapatra	5,330	293
7.	Vikram Singh Parmar	5,330	293
8.	Virendra Kumar Rai	5,330	293
9.	Ashim Sharma	1,706	588
10.	Gaurav Nigam	876	1,115

(7) *Equity shares were allotted pursuant to a bonus issue of 14 equity shares for every one equity share, as under:*

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Hari Om Rai	10,709,902
2.	Sunil Bhalla	6,790,000
3.	Vishal Sehgal	5,323,262
4.	Shailendra Nath Rai	2,806,972
5.	Shibani Sehgal	1,694,168
6.	Sadanand Rai	245,000

Sr. No.	Name of allottee	Number of equity shares allotted
7.	Suneeti Bhalla	227,430
8.	Manju Rai	210,000
9.	Lava Employee Welfare Trust	205,240
10.	Ravinder Singh	149,772
11.	Amit Rai	74,620
12.	Sunil Raina	74,620
13.	Raman Sharma	74,620
14.	Navin Chawla	74,620
15.	Vivek Mani Tripathi	74,620
16.	Vikram Singh Parmar	74,620
17.	Jamuna Rai	63,000
18.	A K Sukheja	53,494
19.	Sandeep Dongre	49,252
20.	Radha Krishna A	46,620
21.	Dr. Jagdish Bhagat	26,754
22.	Dr. Taru Bhagat	26,754
23.	Renu Sukheja	26,754
24.	Ashim Sharma	21,252
25.	Gaurav Nigam	12,264
Total		**29,135,610**

(8) *Equity shares were allotted pursuant to a bonus issue of three equity shares for every one equity share, as under:*

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Hari Om Rai	33,812,982
2.	Sunil Bhalla	21,292,779
3.	Vishal Sehgal	16,578,264
4.	Shailendra Nath Rai	8,809,521
5.	Shibani Sehgal	5,445,540
6.	Tapperware Kitchenware Private Limited	2,128,884
7.	Sadanand Rai	787,500
8.	Lava Employee Welfare Trust	752,805
9.	Suneeti Bhalla	731,025
10.	Manju Rai	675,000
11.	Ravinder Singh	481,410
12.	Amit Rai	239,850
13.	Sandeep Dongre	239,850
14.	Sunil Raina	239,850
15.	Navin Chawla	239,850
16.	Vikram Singh Parmar	239,850
17.	Raman Sharma	215,865
18.	Jamuna Rai	202,500
19.	A K Sukheja	171,945
20.	Jagdish Bhagat	85,995
21.	Taru Bhagat	85,995
22.	Renu Sukheja	85,995
23.	Ritesh Suneja	67,500
24.	Gaurav Nigam	39,420
Total		**93,650,175**

(9) *One equity share was allotted to Bennett Coleman pursuant to the BCCL Investment Agreement.*
(10) *One equity share was allotted to UNIC Memory pursuant to the UNIC SSHA.*
(11) *1,350,844 equity shares allotted to Sojo Infotel Private Limited.*
(12) *562,851 equity shares allotted to Sojo Infotel Private Limited.*
(13) *1,528,834 equity shares allotted to UNIC Memory pursuant to conversion of 175,828 Series B Preference Shares.*
(14) *Our Company has, pursuant to a resolution of the Board dated August 23, 2021 and a Shareholders resolution dated September 10, 2021, sub-divided equity shares of face value of ₹ 10 each to Equity Shares of face value of ₹ 5 each. Accordingly, the number of issued and paid-up equity shares of our Company was sub-divided from 128,309,431 equity shares of ₹ 10 each to 256,618,862 Equity Shares*

of ₹ 5 each.

(15) *Equity Shares were allotted pursuant to a bonus issue of one Equity Shares for every one Equity Share, to shareholders holding Equity Shares of the Company as on the record date dated September 8, 2021.*

(16) *27,888,492 Equity Shares allotted to Clipper Global S.A pursuant to the swap of 15,000 equity shares of China Bird Centro America S.A., in accordance with the terms of the share swap agreement dated August 4, 2021 entered into amongst our Company, China Bird Centro America S.A., Clipper Global S.A., Swire Holding Foundation, Fundacion Ferher, IDC Overseas LTD., Mobile Payment Solutions S.A., Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai. For details, see "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years" on page 198.*

b) History of preference share capital of our Company

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

Date of allotment	Number of preference shares	Face value per preference share (₹)	Issue price per preference share (₹)	Nature of consideration	Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
Series A Preference Shares							
September 4, 2017	100,000	10	5,200	Cash	Preferential allotment [1]	100,000	1,000,000
Total						**100,000**	**1,000,000**
Series B Preference Shares							
December 4, 2017	500,000	100	3,849.15	Cash	Preferential allotment [2]	500,000	50,000,000
August 9, 2021	175,828	100	NA	NA	Conversion of Series B Preference Shares[3]	324,172	32,417,200
Total						**324,172**	**32,417,200**

(1) *100,000 Series A Preference Shares were allotted to Bennett Coleman pursuant to the BCCL Investment Agreement.*

(2) *500,000 Series B Preference Shares were allotted to UNIC Memory pursuant to the UNIC SSHA.*

(3) *175,828 Preference Shares were converted into 1,528,834 equity shares on August 9, 2021 pursuant to terms and conditions of the settlement agreement dated August 7, 2021 entered into between our Company, UNIC Memory, Sojo Infotel Private Limited, Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai.*

As of the date of this Draft Red Herring Prospectus, there are 100,000 outstanding Series A Preference Shares and 324,172 outstanding Series B Preference Shares. The Series A Preference Shares will convert into a maximum of 5,368,832 Equity Shares and Series B Preference Shares will convert to 11,274,808 Equity Shares, pursuant to the terms and conditions of the respective preference shares, and the conversion of such preference shares will be completed prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations, and the terms of the preference shares.

c) Issue of specified securities at a price lower than the Offer Price in the last year

Except as disclosed above under "*Capital Structure - History of Equity Share capital of our Company*" and "*Capital Structure – History of preference share capital of our Company*" on pages 85 and 89, respectively, our Company has not issued any Equity Shares or preference shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

d) Equity Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares or preference shares out of revaluation reserves since incorporation. Details of Equity Shares issued for consideration other than cash are as follows:

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
March 30, 2016	29,135,610	10	-	Bonus issue of 14 equity shares for	See footnote 7 to the table on equity share capital build	-

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
				every one equity share	up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 86.	
July 24, 2017	93,650,175	10	-	Bonus issue of three equity shares for every one equity share	See footnote 8 to the table on equity share capital build up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 86.	-
August 9, 2021	1,528,834	10	NA	Conversion of Series B Preference Shares	See footnote 13 to the table on equity share capital build up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 86.	-
September 10, 2021	256,618,862	5	-	Bonus issue of one Equity Shares for every one Equity Share	See footnote 15 to the table on equity share capital build up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 86.	-
September 16, 2021	27,888,492	5	133.25	Swap of equity shares of China Bird Centro America S.A. with the Equity Shares of our Company	See footnote 16 to the table on equity share capital build up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 86.	Acquisition of China Bird Centro America S.A.

2. **History of Equity Share Capital held by our Promoters', Promoters' Contribution and Lock-in of Promoters' Shareholding**

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold 429,298,568 Equity Shares representing 79.33% of the issued, subscribed and paid-up Equity Share capital of our Company. Set forth below is the build-up of the equity shareholding of our Promoters since incorporation of our Company:

Name of the Promoter	Date of allotment/ transfer*	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/ transfer price per equity share (₹)	% of the pre-Offer equity share capital^	% of post-Offer equity share capital
Hari Om Rai	March 27, 2009	Subscription to the MoA	10,000	Cash	10	10	Negligible	[●]
	May 30, 2009	Preferential allotment	750,000	Cash	10	20	0.28	[●]
	July 31, 2009	Preferential allotment	245,000	Cash	10	20	0.09	[●]
	August 24, 2009	Transfer to Shailendra Nath Rai	(157,750)	Cash	10	20	0.06	[●]

Name of the Promoter	Date of allotment/ transfer*	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/ transfer price per equity share (₹)	% of the pre-Offer equity share capital^	% of post-Offer equity share capital
		Transfer to Suneeti Bhalla	(11,245)	Cash	10	20	Negligible	[●]
		Transfer to Shibani Sehgal	(71,012)	Cash	10	20	0.03	[●]
	March 30, 2016	Bonus issue of 14 equity shares for every one equity share	10,709,902	Bonus	10	-	3.96	[●]
	April 28, 2016	Transfer to Tapperware Kitchenware Private Limited	(283,851)	Cash	10	10	0.10	[●]
	July 20, 2017	Transfer from Vivek Mani Tripathi	79,950	Cash	10	213	0.03	[●]
	July 24, 2017	Bonus issue of three equity shares for every one equity share	33,812,982	Bonus	10	-	12.50	[●]
	November 27, 2019 to December 4, 2019	Transfer of one equity share to 86 persons*	(86)	Cash	10	100	Negligible	[●]
	September 10, 2021	Pursuant to a resolution passed by our shareholders on September 10, 2021, our Company sub-divided each equity share of face value of ₹ 10 each to ₹ 5 each and accordingly 45,083,890 equity shares held by Hari Om Rai as on date were sub-divided into 90,167,780 Equity Shares of face value of ₹ 5 each.						
	September 10, 2021	Bonus Issue of one Equity Share for every one Equity Share	90,167,780	Bonus	5	-	16.66	[●]
Sub-total			**180,335,560**				**33.32**	**[●]**
Shailendra Nath Rai	March 27, 2009	Subscription to the MoA	10,000	Cash	10	10	Negligible	[●]
	August 24, 2009	Transfer from Hari Om Rai	157,750	Cash	10	20	0.06	[●]
		Transfer from Jagdish Bhagat	3,089	Cash	10	20	Negligible	[●]
		Transfer from Taru Bhagat	3,089	Cash	10	20	Negligible	[●]
		Transfer from A. K. Sukheja	6,179	Cash	10	20	Negligible	[●]
		Transfer from Ravinder Singh Sukheija	17,302	Cash	10	20	Negligible	[●]
		Transfer from Renu Sukheja	3,089	Cash	10	20	Negligible	[●]
	March 30, 2016	Bonus issue of 14 equity shares for every one equity share	2,806,972	Bonus	10	-	1.04	[●]
	April 28, 2016	Transfer to Tapperware Kitchenware Private Limited	(70,963)	Cash	10	10	0.03	[●]

Name of the Promoter	Date of allotment/ transfer*	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/ transfer price per equity share (₹)	% of the pre-Offer equity share capital^	% of post-Offer equity share capital
	July 24, 2017	Bonus issue of three equity shares for every one equity share	8,809,521	Bonus	10	-	3.26	[●]
	September 10, 2021	Pursuant to a resolution passed by our shareholders on September 10, 2021, our Company sub-divided each equity share of face value of ₹ 10 each to ₹ 5 each and accordingly 11,746,028 equity shares held by Shailendra Nath Rai as on date were sub-divided into 23,492,056 Equity Shares of face value of ₹ 5 each.						
	September 10, 2021	Bonus Issue of one Equity Share for every one Equity Share	23,492,056	Bonus	5	-	4.34	[●]
Sub-total			**46,984,112**				**8.68**	**[●]**
Sunil Bhalla	March 27, 2009	Subscription to the MoA	10,000	Cash	10	10	Negligible	[●]
	May 30, 2009	Preferential allotment	475,000	Cash	10	20	0.18	[●]
	March 30, 2016	Bonus issue of 14 equity shares for every one equity share	6,790,000	Bonus	10	-	2.50	[●]
	April 28, 2016	Transfer to Tapperware Kitchenware Private Limited	(177,407)	Cash	10	10	0.07	[●]
	July 24, 2017	Bonus issue of three equity shares for every one equity share	21,292,779	Bonus	10	-	7.87	[●]
	September 10, 2021	Pursuant to a resolution passed by our shareholders on September 10, 2021, our Company sub-divided each equity share of face value of ₹ 10 each to ₹ 5 each and accordingly 28,390,372 equity shares held by Sunil Bhalla as on date were sub-divided into 56,780,744 Equity Shares of face value of ₹ 5 each						
	September 10, 2021	Bonus Issue of one Equity Share for every one Equity Share	56,780,744	Bonus	5	-	10.49	[●]
Sub-total			**113,561,488**				**20.99**	**[●]**
Vishal Sehgal	March 31, 2011	Transfer from Wu Ching Ho	380,233	Cash	10	20	0.14	[●]
	March 30, 2016	Bonus issue of 14 equity shares for every one equity share	5,323,262	Bonus	10	-	1.97	[●]
	April 28, 2016	Transfer to Tapperware Kitchenware Private Limited	(177,407)	Cash	10	10	0.07	[●]
	July 24, 2017	Bonus issue of three equity shares for every one equity share	16,578,264	Bonus	10	-	6.13	[●]
	September 10, 2021	Pursuant to a resolution passed by our shareholders on September 10, 2021, our Company sub-divided each equity share of face value of ₹ 10 each to ₹ 5 each and accordingly 22,104,352 equity shares held by Vishal Sehgal as on date were sub-divided into 44,208,704 Equity Shares of face value of ₹ 5 each.						

Name of the Promoter	Date of allotment/ transfer*	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/ transfer price per equity share (₹)	% of the pre-Offer equity share capital^	% of post-Offer equity share capital
	September 10, 2021	Bonus Issue of one Equity Share for every one Equity Share	44,208,704	Bonus	5	-	8.17	[●]
Sub-total			**88,417,408**				**16.34**	**[●]**
Total			**429,298,568**		**-**		**79.33**	**[●]**

^ As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 5 each.

**One equity share each was transferred to 86 persons namely, Naveen Kumar, Rajbir, Sanjay Singh, Akshay Saini, Rakesh Kumar Singh, Reena Omprakash Singh, Jyoti Kumari, Abhishek Rai, Sat Prakash, Tejinder Singh, Sanyogita Rai, Sanjay Kumar Yadav, Praveen Sharma, Sourabh Singh Raghuvanshi, Rahul Gupta, Meena, Sunil Kumar, Saurabh Rai, Kiran Singh, Jugnu, Seema, Minoo Rai, Vipan Singla, Rakesh Kumar Rai, Chetan Kapur, Rahul Saini, Tilak Raj Babbar, Amit Rai, Meenakshi Gola, Deepak Kardam, Sanjeev Kumar Verma, Ritesh Kumar Mishra, Sheela Rani, Sanjay Das, Ranjeet Kumar Rai, Sona Sharma, Radhika, Nand Kumar Sharma, Vikas Sharma, Bibhash Deb, Sanjay Kumar, Mohini, Simran Jeet Singh, Nutan Rai, Neelam Rai, Raju Kumar, Vivek Rai, Ashutosh Rai, Ujawal Kumar Singh, Tej Prakash Sharma, Manish Gola, Madhu Kant Jha, Madhav Mishra, Sudhanshu Rai, Kanhi Lal, Gaurav Kumar Rai, Somi Pradhan, Surjit Shivshankar Singh, Shashank Mohan Rai, Meeta Sharma, Rahul Shanu, Jogender Singh, Navneet Kumar, Pranaw Kumar Solanky, Ajay Kishore Singh, Saket Kumar, Pramod Kumar Rai, Govind Kumar Rai, Priyanka Rai, Babu Lal Saini, Dilip Kumar Kanth, Mohd Shadab Alam, Pankaj Nath Rai, Ranjana Rai, Krishn Mohan Rai, Ankit Rai, Yatish Khurana, Gaurav Taneja, Deepak Nayak, Trun Kumar Patra, Rajana Devi, Varun Singhal, Surendra Singh, Sachin Nandwani, Asitava Bose, Meena and Ramesh Kumar.*
Note: All the equity shares held by the Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

b) Details of Equity Shares pledged by our Promoters

Our Promoters, namely, Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal have collectively pledged 183,338,734 Equity Shares (a) in favour of Bank of Baroda pursuant to the deed of pledge dated December 15, 2018, for securing loans availed by our Company from certain lenders pursuant to the working capital consortium agreement dated June 7, 2018, (b) in favour of Axis Trustees Services Limited pursuant to an share pledge agreement dated March 22, 2021 for securing money raised through issuance of non-convertible debentures by Sojo Infotel Private Limited and pursuant to a share pledge agreement dated September 23, 2021 for securing money raised through issuance of non-convertible debentures by our Company, (c) in favour of Hero FinCorp Limited pursuant to sanction letter dated September 29, 2017; and (d) in favour of Woori Bank pursuant to sanction letter dated September 18, 2017, details of which are set forth below:

Name of Promoter	Pledgee	Number of Equity Shares	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
Hari Om Rai	Bank of Baroda*	5,115,100	0.95	[●]
	Axis Trustees Services Limited	61,106,355	11.29	[●]
	Hero FinCorp Limited#	3,201,708	0.59	[●]
	Woori Bank #	991,374	0.18	[●]
Vishal Sehgal	Bank of Baroda*	3,196,940	0.59	[●]
	Axis Trustees Services Limited	38,191,472	7.06	[●]
	Hero FinCorp Limited #	2,001,068	0.37	[●]
	Woori Bank #	619,610	0.11	[●]
Sunil Bhalla	Bank of Baroda*	3,196,940	0.59	[●]
	Axis Trustees Services Limited	38,191,472	7.06	[●]
	Hero FinCorp Limited #	2,001,068	0.37	[●]
	Woori Bank #	619,610	0.11	[●]
Shailendra Nath Rai	Bank of Baroda*	1,278,776	0.24	[●]
	Axis Trustees Services Limited	22,578,971	4.17	[●]
	Hero FinCorp Limited #	800,426	0.15	[●]
	Woori Bank #	247,844	0.05	[●]
Total		**183,338,734**	**33.88**	**[●]**

 # Promoters have made applications to the respective pledgee in relation to release of the pledged Equity Shares. See "Risk Factor - Our Promoters have encumbered their Equity Shares with by way of pledge. Any exercise of such encumbrance could dilute the shareholding of our Promoters and consequently dilute the aggregate shareholding of our Promoters, which may materially and adversely affect our business and financial

condition" on page 32.
* *Hari Om Rai, Vishal Sehgal, Sunil Bhalla and Shailendra Nath Rai have made applications to pledge their respective Equity Shares (i.e., 2,557,550 Equity Shares of Hari Om Rai, 1,598,470 Equity Shares of Vishal Sehgal, 1,598,470 Equity Shares of Sunil Bhalla and 639,388 Equity Shares of Shailendra Nath Rai) in favour of Bank of Baroda.*

Pursuant to an agreement executed by our Promoters and Sojo Infotel Private Limited (a member of our Promoter Group) in connection with certain pledged Equity Shares, upon the occurrence of certain default events, such pledged shares are required to be sold. Axis Capital Limited, one of the BRLMs, being a sale arranger for the sale of such pledged Equity Shares, is required to use its reasonable efforts to procure a purchaser for such sale of the pledged Equity Shares, failing which, Axis Capital Limited is obliged to purchase or fund the purchase of the pledged Equity Shares.

c) Shareholding of our Promoters and other members of our Promoter Group

Set forth are the details of Equity Shares held by our Promoters and other members of the Promoter Group as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage of pre-Offer Equity Share capital (%)	Number of Equity Shares	Percentage of post-Offer Equity Share capital (%)
Promoters					
1.	Hari Om Rai	180,335,560	33.32	[●]	[●]
2.	Sunil Bhalla	113,561,488	20.99	[●]	[●]
3.	Vishal Sehgal	88,417,408	16.34	[●]	[●]
4.	Shailendra Nath Rai	46,984,112	8.68	[●]	[●]
Sub-total (A)		**429,298,568**	**79.33**	**[●]**	**[●]**
Promoter Group					
1.	Shibani Sehgal	29,042,880	5.37	[●]	[●]
2.	Sojo Infotel Private Limited	13,770,156	2.54	[●]	[●]
3.	Sadanand Rai	4,200,000	0.78	[●]	[●]
4.	Suneeti Bhalla	3,898,800	0.72	[●]	[●]
5.	Manju Rai	3,600,000	0.67	[●]	[●]
6.	Jamuna Rai	1,080,000	0.20	[●]	[●]
7.	Nutan Rai	4	Negligible	[●]	[●]
Sub-total (B)		**55,591,840**	**10.27**	**[●]**	**[●]**
Total Promoter & Promoter Group (A+B)		**484,890,408**	**89.61**	**[●]**	**[●]**

d) Details of Promoters' contribution locked in for eighteen months

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as the minimum promoters' contribution and locked-in for a period of eighteen months from the date of Allotment (the "**Promoters' Contribution**"). As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 429,298,568 Equity Shares (constituting 74.28% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis), of which 245,959,834 Equity Shares are eligible for Promoters' Contribution.

Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai have, pursuant to their letters each dated September 23, 2021 respectively, given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in^	Date of transaction#	Face value (₹)	Allotment/ Acquisition Price (₹)	Nature of transaction	% of the pre-Offer Equity Share capital	% of the fully diluted post-Offer Equity Share Capital
Hari Om Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sunil Bhalla	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Vishal Sehgal	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Shailendra Nath Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]					[●]	[●]

Note: To be updated at the Prospectus Stage
#*Equity Shares were fully paid-up on the date of allotment/acquisition.*
^*For a period of eighteen months from the date of Allotment.*

The Equity Shares that are being locked-in for computation of Promoters' Contribution are not, and will not be, ineligible under Regulation 15 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

(i) 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) Equity Shares resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits or against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Equity Shares issued to the Promoters in the last one year preceding the date of this Draft Red Herring Prospectus upon conversion of a partnership firm; and

(iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

3. **Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, members of our Promoter Group or our Directors or their immediate relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus**

Our Promoters, members of our Promoter Group or our Directors or their immediate relatives have not sold or purchased any equity shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Name of the Promoter, the Promoter Group, Directors or their immediate relatives	Number of equity shares purchased	Number of Equity Shares sold/transferred	Date of transaction	Transaction price per Equity Share
Sojo Infotel Private Limited (Promoter Group)	1,350,844	NA	May 18, 2021	₹ 533
Sojo Infotel Private Limited (Promoter Group)	562,851	NA	June 5, 2021	₹ 533
Sojo Infotel Private Limited (Promoter Group)	1,528,834	NA	August 7, 2021	USD 10.46

4. **Details of share capital locked-in for six months**

Except for (a) the Promoters' Contribution which shall be locked in as above; (b) the Equity Shares held by the employees of our Company (whether currently an employee or not) which have been or will be allotted to them under Lava Employee Stock Option Plan 2015, Lava Employee Stock Option Plan 2020 – I and Lava Employee Stock Option Plan 2020 – II prior to the Offer; and (b) Offered Shares, the entire pre-Offer equity share capital of our

Company (including those Equity Shares held by our Promoters in excess of Promoters' Contribution), shall be locked in for a period of six months from the date of Allotment. Any unsubscribed portion of the Offered Shares in the Offer for Sale would also be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by the Promoters and locked in as per Regulation 16 of the SEBI ICDR Regulations may be transferred to and among the Promoters and/or members of the Promoter Group or a new promoter of our Company, subject to continuation of lock-in in the hands of the transferee 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 the Promoters prior to the Offer which are locked in, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in the hands of the transferee and compliance with the provisions of the Takeover Regulations.

The Equity Shares held by our Promoters which are locked-in from the date of Allotment, may be pledged only with scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing company as collateral security for loans granted by such entity, provided that: (i) in case of Equity Shares locked-in for eighteen months, such Equity Shares may be pledged only if the loan has been granted to our Company or its Subsidiaries, for the purpose of financing one or more of the objects of the Offer, and pledge of the Equity Shares is a term of sanction of such loans; and (ii) in case of Equity Shares locked-in for a period of six months, the pledge of the Equity Shares is one of the terms of the sanctioned loan. Provided that the lock-in of Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

[***Remainder of this page intentionally kept blank***]

5. **Our shareholding pattern**

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

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total								
								Equity	NA									
(A)	**Promoter and Promoter Group**	11	484,890,408	-	-	484,890,408	89.61	484,890,408	NA	484,890,408	89.61	-	86.93	-	-	183,338,734*	33.88	484,890,408
(B)	**Public**	1,132	50,127,000	-	-	50,127,000	9.26	50,127,000	NA	50,127,000	9.26	16,643,640	11.97	-	-	3040	Negligible	50,127,000
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	1	6,108,808	-	-	6,108,808	1.13	6,108,808	NA	6,108,808	1.13	-	1.10	-	-	-	-	6,108,808
	Total (A) + (B) + (C)	1,144	541,126,216	-	-	541,126,216	100	541,126,216	-	541,1262,16	100	16,643,640	100	-	-	183,341,774	33.88	541,126,216

183,338,734 Equity Shares aggregating to 33.88% of the issued and paid up capital of our Company held by our Promoters have been pledged in favour of Bank of Baroda, Axis Trustee Services Limited, Hero FinCorp Limited and Woori Bank, for details see "Notes to Capital Structure – Details of Equity Shares pledged by our Promoters" on page 93. Bank of Baroda pursuant to their letter dated June 3, 2021 has agreed to de-pledge the Equity Shares to confirm to the requirements of SEBI ICDR Regulations. Equity Shares pledged to Axis Trustee Services Limited would be released on or before the date of filing of the Red Herring Prospectus with the RoC subject to the terms of the respective share pledge agreements. Further our Company has made application to Hero FinCorp Limited and Woori Bank in relation to release of the respective pledged Equity Shares. See "Risk Factor - Our Promoters have encumbered their Equity Shares with by way of pledge. Any exercise of such encumbrance could dilute the shareholding of our Promoters and consequently dilute the aggregate shareholding of our Promoters, which may materially and adversely affect our business and financial condition" on page 32.

6. As on the date of this Draft Red Herring Prospectus, our Company has 1,144 shareholders.

7. **Equity Shareholding of our Directors and Key Management Personnel in our Company**

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

Sr. No.	Name of the shareholder	Number of Equity Shares	% of Pre-Offer Equity Share Capital held
Directors			
1.	Hari Om Rai	180,335,560	33.32
2.	Sunil Bhalla	113,561,488	20.99
3.	Vishal Sehgal	88,417,408	16.34
4.	Shailendra Nath Rai	46,984,112	8.68
Key Managerial Personnel			
1.	Mr. Sunil Raina	679,200	0.13
2.	Mr. Asitava Bose	4	*Negligible#*
3.	Mr. Sourabh Singh Raghuvanshi	4	*Negligible#*
4.	Mr. Mugdh Rajit	4	*Negligible#*

#Less than 0.01%.

8. **Major Shareholders**

(a) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital	Number of Equity Shares held on a fully diluted basis*	Percentage of pre-Offer equity share capital on a fully diluted basis*
1.	Hari Om Rai	180,335,560	33.32	180,335,560	31.20
2.	Sunil Bhalla	113,561,488	20.99	113,561,488	19.65
3.	Vishal Sehgal	88,417,408	16.34	88,417,408	15.30
4.	Shailendra Nath Rai	46,984,112	8.68	46,984,112	8.13
5.	Shibani Sehgal	29,042,880	5.37	29,042,880	5.03
6.	Clipper Global S.A.	27,888,492	5.15	27,888,492	4.83
7.	Sojo Infotel Private Limited	13,770,156	2.54	13,770,156	2.38
8.	Tapperware Kitchenware Private Limited	11,163,276	2.06	11,163,276	1.93
9.	Lava Employee Welfare Trust	6,108,808	1.13	6,108,808	1.06
10.	UNIC Memory **	4	Negligible	11,274,812	1.95
	Total	**517,272,184**	**95.59**	**528,546,992**	**91.46**

** Assuming conversion of Series A Preference Shares and Series B Preference Shares into a maximum of 16,643,640 Equity Shares in aggregate and exercise of 20,147,360 vested options.*
*** UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*

(b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our

Company as on ten days prior to the filing of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital	Number of Equity Shares held on a fully diluted basis*	Percentage of equity share capital on a fully diluted basis*
1.	Hari Om Rai	180,335,560	33.32	180,335,560	31.20
2.	Sunil Bhalla	113,561,488	20.99	113,561,488	19.65
3.	Vishal Sehgal	88,417,408	16.34	88,417,408	15.30
4.	Shailendra Nath Rai	46,984,112	8.68	46,984,112	8.13
5.	Shibani Sehgal	29,042,880	5.37	29,042,880	5.03
6.	Clipper Global S.A.	27,888,492	5.15	27,888,492	4.83
7.	Sojo Infotel Private Limited	13,770,156	2.54	13,770,156	2.38
8.	Tapperware Kitchenware Private Limited	11,163,276	2.06	11,163,276	1.93
9.	Lava Employee Welfare Trust	6,108,808	1.13	6,108,808	1.06
10.	UNIC Memory **	4	Negligible	11,274,812	1.95
	Total	**517,272,184**	**95.59**	**528,546,992**	**91.46**

** Assuming conversion of Series A Preference Shares and Series B Preference Shares into a maximum of 16,643,640 Equity Shares in aggregate and exercise of 20,147,360 vested options.*
*** UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder as on one year prior to the date of this Draft Red Herring Prospectus).

Sr. No.	Shareholder	Number of equity shares having face value of ₹10 each	Percentage of Equity Share capital	Number of equity shares held on a fully diluted basis*	Percentage of equity share capital on a fully diluted basis*
1.	Hari Om Rai	45,083,890	36.11	45,083,890	33.25
2.	Sunil Bhalla	28,390,372	22.74	28,390,372	20.94
3.	Vishal Sehgal	22,104,352	17.7	22,104,352	16.30
4.	Shailendra Nath Rai	11,746,028	9.41	11,746,028	8.66
5.	Shibani Sehgal	7,260,720	5.81	7,260,720	5.35
6.	Tapperware Kitchenware Private Limited	2,760,987	2.21	2,760,987	2.04
7.	Lava Employee Welfare Trust	1,527,202	1.22	1,527,202	1.13
8.	UNIC Memory **	1	Negligible	4,347,537	3.21
	Total	118,873,552	95.2	123,221,088	90.88

** Assuming conversion of Series A Preference Shares and Series B Preference Shares into a maximum of 5,689,744 Equity Shares in aggregate and exercise of 5,036,840 vested options.*
*** UNIC Memory held an aggregate 500,000 Series B Preference Shares and assuming the conversion of the same into 4,347,536 equity shares of face value ₹ 10 each.*

(d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on two years prior to the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder as on two years prior to the date of this Draft Red Herring Prospectus).

Sr. No.	Shareholder	Number of equity shares having face value of ₹10 each	Percentage of equity share capital	Number of equity shares held on a fully diluted basis*	Percentage of equity share capital on a fully diluted basis*
1.	Hariom Rai	45,083,976	36.11	45,083,976	33.25
2.	Sunil Bhalla	28,390,372	22.74	28,390,372	20.94
3.	Vishal Sehgal	22,104,352	17.7	22,104,352	16.30
4.	Shailendra Nath Rai	11,746,028	9.41	11,746,028	8.66
5.	Shibani Sehgal	7,260,720	5.81	7,260,720	5.35
6.	Tapperware Kitchenware Pvt Ltd	2,760,987	2.21	2,760,987	2.04
7.	Lava Employee Welfare Trust	1,527,202	1.22	1,527,202	1.13
8.	UNIC Memory **	1	Negligible	4,347,537	3.21
	Total	118,873,638	95.2	123,221,174	90.88

** Assuming conversion of Series A Preference Shares and Series B Preference Shares into a maximum of 5,689,744 Equity Shares in aggregate and exercise of 5,036,840 vested options.*

***UNIC Memory held an aggregate 500,000 Series B Preference Shares and assuming the conversion of the same into 4,347,536 equity shares of face value ₹ 10 each.*

9. Employee Stock Option Schemes

Lava Employee Stock Option Plan 2015 ("ESOP 2015")

Our Company, pursuant to the resolutions passed by our Board on July 21, 2015 and our Shareholders on August 31, 2015 adopted the ESOP 2015 by modifying Lava Employee Stock Option Plan 2010 ("**ESOP 2010**") which has been amended pursuant to resolutions passed by our Board on April 15, 2016 and April 24, 2017 and Shareholders on February 23, 2017. The purpose of the ESOP 2015 plan is to, *inter alia*, create a sense of ownership and participation among the employees and motivate the employees of the Company and its Subsidiaries with incentives and reward opportunities. The aggregate number of Equity Shares which can be issued under ESOP 2015, upon exercise, shall not exceed 10% of the total paid up share capital of the Company, as amended, and there shall be no further grants under this scheme.

As on date of this Draft Red Herring Prospectus, under ESOP 2015, a cumulative of 51,736,160 options have been granted.

The details of the ESOP are as follows:

Particulars	Total
Options granted	51,736,160
Options vested (excluding options that have been exercised)	20,147,360
Options exercised	16,804,960
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	20,147,360
Options forfeited/lapsed/cancelled	14,783,840
Money realized by exercise of options	25,809,528
Total number of options in force	20,147,360

Particulars	Details			
	Fiscal 2019	Fiscal 2020	Fiscal 2021	From April 1, 2021 till date of the DRHP
Total options outstanding as at the beginning of the period	20,187,360	20,147,360	20,147,360	20,147,360
Total options granted	-	-	-	-

Particulars	Details			
	Fiscal 2019	**Fiscal 2020**	**Fiscal 2021**	**From April 1, 2021 till date of the DRHP**
Options vested and not exercised	20,187,360	20,147,360	20,147,360	20,147,360
Options exercised	40,000	-	-	-
The total number of Equity Shares arising as a result of exercise of options	20,187,360	20,147,360	20,147,360	20,147,360
Vesting period	1 year from the date of grant			
Pricing formula	NA			
Exercise price of option granted during the period in ₹ (as on the date of grant options)	Not applicable since no grant made during the period			
Options forfeited/lapsed/cancelled	-			
Variation of terms of options	Vesting period and exercise price are varied for options granted over the period			
Money realized by exercise per option (in ₹)	438,100	Nil	Nil	Nil
Employee wise details of options granted to:				
(i) Key managerial personnel	Nil	Nil	Nil	Nil
(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	Nil	Nil	Nil	Nil
(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 the Company at the time of grant	Nil	Nil	Nil	Nil
Fully diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'	1.34	1.97	3.15	NA
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 the Company and on the earnings per share of the Company	-	-	-	-
Description of the pricing formula 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	-	-	-	-
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years	-	-	-	-
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	Below Key Managerial Personnel may sell equity shares allotted on the exercise of their options post listing of the equity shares of our Company Sunil Raina – 679,200 Equity Shares			

Particulars	Details			
	Fiscal 2019	Fiscal 2020	Fiscal 2021	From April 1, 2021 till date of the DRHP
the listing of Equity Shares pursuant to the Offer				
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No			

Note: All the above ESOP options and exercise price are calculated after considering the impact of sub-division and bonus issuance dated September 10, 2021.

Lava Employee Stock Option Plan 2020 – I ("ESOP 2020-I")

Our Company, pursuant to the resolutions passed by our Board on December 8, 2020 and our Shareholders on December 31, 2020 adopted the ESOP 2020-I which has been amended pursuant to resolutions passed by our Board on August 23, 2021 and Shareholders on September 10, 2021. The purpose of the ESOP 2020-I plan is to *inter alia*, create a sense of ownership and participation among the employees and motivate the employees of the Company and its Subsidiaries with incentives and reward opportunities. The number of Equity Shares which can be issued under ESOP 2020-I, upon exercise, shall be decided by the Board from time to time provided total number of options granted under all ESOPs of the Company does not exceed 15% of the total paid up share capital of the Company, as amended. The ESOP 2020-I is administered through Lava Employee Welfare Trust.

ESOP 2020-I is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As on date of this Draft Red Herring Prospectus, under ESOP 2020-I, a cumulative of 8,458,409 options have been granted.

The details of the ESOP are as follows:

Particulars	Total
Options granted	8,458,409
Options vested (excluding options that have been exercised)	-
Options exercised	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	8,458,409
Options forfeited/lapsed/cancelled	-
Money realized by exercise of options	-
Total number of options in force	8,458,409

Particulars	Details	
	Fiscal 2021	From April 1, 2021 till date of the DRHP
Total options outstanding as at the beginning of the period	-	8,109,598
Total options granted	8,109,598	348,812
Options vested and not exercised	-	-
Options exercised	-	-
The total number of Equity Shares arising as a result of exercise of options	8,109,598	8,485,409
Vesting period	3 years vesting period as follows: 1st year – 25% of options granted 2nd year – 25% of options granted 3rd year – 50% of option granted	

<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">Details</th></tr>
<tr><th>Fiscal 2021</th><th>From April 1, 2021 till date of the DRHP</th></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>Pricing formula</td><td colspan="2">Exercise Price will be as follows:
<table><tr><td>1st year vesting</td><td>100% of book value per share</td></tr><tr><td>2nd year vesting</td><td>90% of book value per share</td></tr><tr><td>3rd year vesting</td><td>80% of book value per share</td></tr></table></td></tr>
<tr><td>Exercise price of option granted during the period in ₹ (as on the date of grant options)</td><td colspan="2">16.81</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td>-</td><td>-</td></tr>
<tr><td>Variation of terms of options</td><td>-</td><td>-</td></tr>
<tr><td>Money realized by exercise per option (in ₹)</td><td>-</td><td>-</td></tr>
<tr><td>Employee wise details of options granted to:</td><td></td><td></td></tr>
<tr><td>(i) Key managerial personnel</td><td><table><tr><td>Sourabh Raghuvanshi</td><td>170,058</td></tr><tr><td>Asitava Bose</td><td>40,000</td></tr><tr><td>Mugdh Rajit</td><td>2,44,168</td></tr></table></td><td>-</td></tr>
<tr><td>(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</td><td>Sachin Nandwani – 503,474</td><td>Sudhanshu Sharma - 348,812</td></tr>
<tr><td>(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 the Company at the time of grant</td><td>-</td><td>-</td></tr>
<tr><td>Fully diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 ‘Earnings Per Share’</td><td>3.15</td><td>NA</td></tr>
<tr><td>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 the Company and on the earnings per share of the Company</td><td>-</td><td>-</td></tr>
<tr><td>Description of the pricing formula 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</td><td colspan="2">Black Scholes Model to calculate Call Option Price.

Significant assumptions used to estimate fair value of options as follows:
<table><tr><td>Risk free interest rate</td><td>5.10%</td></tr><tr><td>Average expected life</td><td>3 years</td></tr><tr><td>Expected volatility</td><td>46.94</td></tr><tr><td>Expected dividend</td><td>0%</td></tr><tr><td>Price of underlying shares</td><td>17.36</td></tr></table></td></tr>
<tr><td>Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years</td><td>-</td><td>-</td></tr>
<tr><td>Intention of key managerial personnel and</td><td colspan="2">No</td></tr>
</table>

Particulars	Details	
	Fiscal 2021	From April 1, 2021 till date of the DRHP
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		
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No	

Note: All the above ESOP options and exercise price are calculated after considering the impact of sub-division and bonus issuance dated September 10, 2021.

Lava Employee Stock Option Plan 2020 – II ("ESOP 2020-II")

Our Company, pursuant to the resolutions passed by our Board on December 8, 2020 and our Shareholders on December 31, 2020 adopted the ESOP 2020-II which has been amended pursuant to resolutions passed by our Board on August 23, 2021 and Shareholders on September 10, 2021. The purpose of the ESOP 2020-II plan is to *inter alia*, create a sense of ownership and participation among the employees and motivate the employees of the Company and its Subsidiaries with incentives and reward opportunities. The number of Equity Shares which can be issued under ESOP 2020-II, upon exercise, shall be decided by the Board from time to time provided total number of options granted under all ESOPs of the Company does not exceed 15% of the total paid up share capital of the Company, as amended. ESOP 2020-II is administered through Lava Employee Welfare Trust.

ESOP 2020-II is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As on date of this Draft Red Herring Prospectus, under ESOP 2020-II, a cumulative of 20,444,744 options have been granted.

The details of the ESOP are as follows:

Particulars	Total
Options granted	20,444,744
Options vested (excluding options that have been exercised)	-
Options exercised	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	20,444,744
Options forfeited/lapsed/cancelled	-
Money realized by exercise of options	-
Total number of options in force	20,444,744

Particulars	Details	
	Fiscal 2021	From April 1, 2021 till date of the DRHP
Total options outstanding as at the beginning of the period	-	20,444,744
Total options granted	20,444,744	-
Options vested and not exercised	-	-
Options exercised	-	-
The total number of Equity Shares arising as a result of exercise of options	-	-
Vesting period	1 year from the date of grant of options	

<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">Details</th></tr>
<tr><th>Fiscal 2021</th><th>From April 1, 2021 till date of the DRHP</th></tr>
<tr><td>Pricing formula</td><td>10,222,372 options at the rate Rs. 5 and 10,222,372 at the rate Nil being bonus issue</td><td>NA</td></tr>
<tr><td>Exercise price of option granted during the period in ₹ (as on the date of grant options)</td><td colspan="2">2.50</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td>-</td><td>-</td></tr>
<tr><td>Variation of terms of options</td><td>-</td><td>-</td></tr>
<tr><td>Average money realized on exercise per option</td><td>-</td><td>-</td></tr>
<tr><td>Employee wise details of options granted to:</td><td></td><td></td></tr>
<tr><td>(i) Key managerial personnel</td><td><table><tr><td>Sunil Raina</td><td>6,100,027</td></tr><tr><td>Sanjeev Agrawal</td><td>6,100,027</td></tr></table></td><td>-</td></tr>
<tr><td>(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</td><td>Ritesh Suneja – 8,244,690</td><td>-</td></tr>
<tr><td>(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 the Company at the time of grant</td><td><table><tr><td>Sunil Raina</td><td>6,100,027</td></tr><tr><td>Sanjeev Agrawal</td><td>6,100,027</td></tr><tr><td>Ritesh Suneja</td><td>8,244,690</td></tr></table></td><td>-</td></tr>
<tr><td>Fully diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 ‘Earnings Per Share’</td><td>3.15</td><td>NA</td></tr>
<tr><td>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 the Company and on the earnings per share of the Company</td><td>-</td><td>-</td></tr>
<tr><td>Description of the pricing formula 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</td><td colspan="2">Black Scholes Model to calculate Call Option Price.

Significant assumptions used to estimate fair value of options as follows :<table><tr><td>Risk free interest rate</td><td>5.10%</td></tr><tr><td>Average expected life</td><td>3 years</td></tr><tr><td>Expected volatility</td><td>46.94</td></tr><tr><td>Expected dividend</td><td>0%</td></tr><tr><td>Price of underlying shares</td><td>17.36</td></tr></table></td></tr>
<tr><td>Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years</td><td>-</td><td>-</td></tr>
<tr><td>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</td><td colspan="2">No</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP</td><td colspan="2">No</td></tr>
</table>

Particulars	Details	
	Fiscal 2021	From April 1, 2021 till date of the DRHP
scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)		

Note: All the above ESOP options and exercise price are calculated after considering the impact of sub-division and bonus issuance dated September 10, 2021.

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

11. Neither the BRLMs nor their associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

12. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, our Subsidiaries, the Directors, the Promoters or the members of our Promoter Group and Group Companies, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

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

14. Except for options that may be granted pursuant to ESOP Plans and conversion of Series A Preference Shares and Series B Preference Shares, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Our Company has not allotted any Equity Shares in terms of any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

16. Except for the Fresh Issue and allotment of Equity Shares upon any exercise of options vested pursuant to ESOP Plans, 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, whether on a preferential basis or by way of issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise.

17. Except for the Fresh Issue, the Pre-IPO Placement (if any), allotment of Equity Shares upon any exercise of options vested pursuant to ESOP Plans and conversion of Series A Preference Shares and Series B Preference Shares, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the 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.

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

19. Except as stated in "*Notes to Capital Structure – Details of Equity Shares pledged by our Promoters*" on page 93, as on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

20. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, other members of our Promoter

Group, our Directors or their relatives may have financed the purchase of securities of our Company by any other person.

21. Except to the extent of Equity Shares offered by the Promoters in the Offer for Sale, our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in this Offer.

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

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

24. The BRLMs and any person related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associate of the BRLMs.

OBJECTS OF THE OFFER

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

Offer for Sale

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

Net Proceeds

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

Particulars	Amount (₹ in million)
Gross proceeds of the Fresh Issue*#	5,000
(Less) Offer related expenses in relation to the Fresh Issue*	[●]
Net Proceeds	[●]

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

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

Objects of the Fresh Issue

Our Company proposes to utilize the Net Proceeds raised through the Fresh Issue for the following objects:

1. Marketing and brand building activities
2. Funding acquisition and other strategic initiatives
3. Investment in Material Subsidiaries for funding their working capital requirements and
4. General corporate purpose

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

In addition, our Company expects to achieve the benefits of listing the Equity Shares on Stock Exchanges.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Fresh Issue. Further, the activities proposed to be funded from the Net Proceeds would be as permitted under the main objects set out in the Memorandum of Association.

Utilisation of Net Proceeds

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

Particulars	Amount (₹ in million)*
Marketing and brand building activities	1,000
Funding acquisition and other strategic initiatives	1,500
Investment in Material Subsidiaries for funding their working capital requirements	1,500
General corporate purposes#	[●]
Total	[●]

**The entire estimated cost is proposed to be met from the Net Proceeds. Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

#To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount of general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

Proposed schedule of implementation and deployment of Net Proceeds

Since the Net Proceeds are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, a schedule of deployment of funds in relation to the Objects has not been provided. We intend to deploy the Net Proceeds towards the Objects over the next three Financial Years from listing of the Equity Shares pursuant to the Offer, in accordance with the business needs of the Company. However, the actual deployment of funds will depend on a number of factors, including market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are subject to revisions on account of changes in costs, financial condition, business strategy or external circumstances which may not be in our control. If the actual utilisation towards funding any of the Objects (other than the general corporate purposes), is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds, in accordance with the SEBI ICDR Regulations, and will be in compliance with the objectives as set out under "*Objects of the Offer – Details of the Objects – 4. General Corporate Purposes*" on page 118 below. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to us to fund any such shortfalls.

Details of the Objects

1. *Marketing and brand building activities*

Our "Lava" brand is the leading brand in the mobile handsets industry in India, according to F&S. In the mobile handset industry, brand awareness among consumers is a significant factor towards contribution to market share. To this effect, marketing and advertising activities are instrumental in driving awareness and educating a potential consumer, leading to conversion. We believe that recognition and reputation of our brand among consumers has contributed to the growth of our business and hence maintaining and enhancing our brand equity is critical to our business.

We believe that consumers associate our "Lava" brand with value-for-money quality products with smart designs and superior customer service. We believe that a well-planned media mix, brand associations and other brand building activities will continue to result in a high brand recall for us. Our marketing activities are aimed towards reinforcing consumer perceptions of Lava as a reliable and innovative brand that offers value for money and quality products.

We have identified our target segment, crafted the brand positioning and developed our marketing strategy, based on market research, consumer insight studies and regular engagement and feedback from our distributors/ retailers. For instance, we have launched several digital and TV campaigns in the previous years with the theme that highlights our Indian credentials which stand in contrast to large number of our competitors which are foreign players. One such campaign was launched on Republic Day in 2019, under the catchphrase "*Is it too much of an effort? Think.*", with the theme to evoke a sense of pride amongst the young citizens. Further, we launched another campaign coinciding with India's Independence Day celebrations in 2020, under the catchphrase *Desh ki Apni Dhun*, where a unique signature tune of Lava was presented, created from the streets sounds in India. While the former campaign had a digital burst, the latter campaign received run-time on televisions as well.

Over the years, we have engaged in marketing and brand building campaigns through various media vehicles, including television, digital, print and retail on increasing the visibility of our products and, in particular, building and promoting the "Lava" brand. An example of a successful campaign, utilising different media of communication, was our "*Money Back Challenge*" campaign. The campaign was promoted across different media such as television, print, digital as well as cluster marketing activations in multiple cities. Through effective communication, presented by then-brand ambassador (a player in the Indian cricket team), we were able to communicate the quality of our products and present Lava as a reliable brand. Our "Money Back Challenge" campaign was awarded the Marketing Campaign of the Year (2018) by the Times Network. Further, we have also advertised by sponsoring sports teams, award shows and popular shows.

Additionally, in the Fiscal Year 2021, we had launched an entirely virtual campaign for launch and promotion of our product *MyZ*, which is the first smartphone in the world that can be customized by customers. We engaged with several tech influencers and other influencers to promote *MyZ* on various social media platforms and also undertook other digital marketing initiatives such as social media marketing, search engine marketing, and search engine optimisation. In the recent past, we have followed similar digital marketing mix for launch and promotion of our products.

We use retail marketing by use of signages and/or display of our brands at retail outlets and near point of sale. We believe that a well-planned media mix, brand associations, sponsorships and other brand building activities will continue to play a significant role in our strategy and help establish the brand in the minds of the consumers, resulting in a high brand recall for us. As such, we intend to continue building our brand on the functional aspects of reliability, innovation and value for money by increasing investment in television marketing such as sponsorship of sports events and popular shows, print advertisements such as newspapers and magazines, digital marketing such as social media presence and internet advertising, retail marketing such as usage of signage and/or display of our brands at retail outlets and near point of sale, celebrity endorsements and brand tie-ups. Accordingly, we intend to continue to spend financial resources in the future towards marketing and brand building activities to further enhance our brand presence and to expand our consumer base. For details on our sales and marketing initiatives, see "*Our Business - Marketing*" on page 185.

Our total marketing and brand building expenses, which we refer to as "*Advertisement and marketing expenses*" in our Restated Consolidated Financial Statements, were ₹ 794.10 million, ₹ 1,469.56 million, and ₹ 1,675.10 million, during Fiscals 2019, 2020, and 2021, respectively, and constituted 1.61%, 2.89% and 3.18% of our total expenses for such periods, respectively. During the last three Fiscal Years, we have stayed focussed on consolidating our feature-phones division, which traditionally involves low marketing spend, as well as strengthening our research and development and manufacturing capabilities to support our vision of creating an Indian brand that offers globally comparable product solutions. However, with anticipated tailwinds through various government backed schemes such as Production Linked Incentive scheme as well as our 'Lava' brand created over the years, we plan to increase the visibility of our brand and invest significantly into our promotional activities. To this effect, the Board of our Company has also noted, in their meeting dated September 21, 2021, that our Company shall have the budget of ₹ 4,000 million to spend towards marketing and brand building exercises over the next three Fiscal Years.

We intend to deploy ₹ 1,000 million from the Net Proceeds towards marketing and brand building exercise. Accordingly, we have entered into an agreement dated September 21, 2021, with Alliance Advertising & Marketing Private Limited in connection with planning, preparing, and placing of advertising for the objective of building the corporate image and market the products of the Company. The agreement is valid till full deployment of budgeted and marketing expenses by the Company toward this object and the scope of service by Alliance Advertising & Marketing Private Limited includes all media releases for the products/schemes and/or brands being promoted under the brands of the Company and arranging and providing advertising space, time or other means to be used for publication. The agreement contains a detailed plan for the marketing expenditure (including commissions payable to the Alliance Advertising & Marketing Private Limited) covering television and digital by the Company.

Advertising on television channels

We undertake advertising on television channels through campaigns prepared by our advertising team, in liaison with advertising agencies from time to time, for segments on television programmes. For deploying such advertisements, we are required to purchase time slots from media agencies on the relevant television channels. The quantum of advertising time that we purchase on television channels, as well as the mix of television channels that we deploy advertisements on is driven primarily by the objective of the underlying advertising campaign. For instance, with the aim to continue establishing Lava as a proud Indian brand in the mobile handset category, we did a high impact TV burst around the occasion of India's Independence Day in 2020 and also ensured that our campaign was featured on the news channels and other channels telecasting the prime minister's speech. We believe that this ensures that the viewership of our advertisements are higher and showcases our brand to a larger target audience. Our marketing expenditure for advertising on television channels could vary due to prices differences in prime time and non-prime time advertising slots. Additionally, we factor in target audience characteristics viz. age profile, language preferences, etc. and consultations with advertising agencies on trending television programmes and our analysis of customer acquisition/ conversion trends subsequent to earlier advertising campaigns, in formulating the eventual television channel and advertising time mix.

Advertising on digital

We routinely undertake advertising on digital channels through modes such as social media marketing, search engine marketing, search engine optimisation and advertising on platforms of online marketplaces. We primarily use digital marketing for promotion of our smartphones, and the selection of our digital marketing mix is driven by the targeted audience characteristics such as age group, popularity of certain online platforms with targeted audience or targeted geographies etc. and including research and analysis of our marketing team based on previous customer acquisition/ conversion trends.

As stated earlier, our deployment of advertising campaigns on television and digital, is contingent on various factors, such as the nature of the advertising campaigns, ratings of programmes or segments, expected viewership of our advertisements during certain time-slots and segments, and our Company's business and marketing plans. For instance, advertisements on well publicised segments on television channels (such as major sporting events, awards ceremonies or first-time movie releases on television) are likely to be viewed by a larger number of viewers, but advertising time-slots on such segments are likely to cost more than on other segments. Accordingly, we may choose to purchase more advertising time for certain desirable specific channels or segments and less advertising time in other channels or segments, in variance to that mentioned in the agreement with Alliance Advertising & Marketing Private Limited, subject to the overall deployment of ₹ 1,000 million from the Net Proceeds for this purpose.

Our engagement on any other form of media towards our advertising and brand building activities which is not covered in the agreement with Alliance Advertising & Marketing Private Limited, shall be funded by internal accruals.

Our Company, the Promoters and the Directors are not associated with Alliance Advertising & Marketing Private Limited in any manner.

2. *Funding acquisition and other strategic initiatives*

In pursuit of our strategy of growth through acquisitions, we continue to selectively evaluate targets for acquisitions and investments and seek opportunities to acquire brands, businesses and assets which complements our products and service offerings, strengthen or establish our presence in our targeted domestic and international markets, or enhance our knowledge-base and know-how and provide synergy to our existing businesses and operations and such acquisitions and investments would be within the main objects set out in the Memorandum of Association.

The mobile handset industry is characterized by rapid technological advances, changes in consumer preferences and frequent introduction of new and enhanced products. One of the means for existing players to grow is through consolidation by way of acquisition or similar such strategic initiatives, which provides access to technology, access to know-how as well new markets.

The table below summarizes the key acquisitions/ strategic investments that we have undertaken in the past:

S. no.	Name of entity	Nature of transaction	Consideration amount	Country of incorporation	Fiscal Year of investment	Investment rationale
1.	China Bird Centro America S.A. ("**B Mobile**")	Acquisition by our Company of 100% of the issued and paid-up share capital (on a fully diluted basis) of B Mobile	USD 50.54 million*	Panama	FY 2022	To sell feature phones market in Latin America.
2.	MagicTel Solutions Private	MagicTel was set up as a joint venture and our Company	₹ 50,000/-	India	FY 2013	To earn commissions from pre-installing apps

S. no.	Name of entity	Nature of transaction	Consideration amount	Country of incorporation	Fiscal Year of investment	Investment rationale
	Limited ("**MagicTel**")	subscribed to 50% of then paid equity share capital of MagicTel#				in smart phones.

**Equivalent to ₹ 3,716.14 million (as per conversion rate of 1 USD = ₹ 73.53). The consideration amount has been discharged through a share swap aggregating to 5% of the issued and paid-up share capital of our Company, which was allotted on September 16, 2021. For further details, see "History and Certain Corporate Matters - Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years - Acquisition of China Bird Centro America S.A." on page 198.*

#In the fiscal year 2016, our Company had divested 25% of paid-up share capital of MagicTel, for a consideration of ₹ 80 million. As on the date of the Draft Red Herring Prospectus, our Company holds 25% of the paid-up equity share capital of MagicTel.

We believe with the acquisition of B Mobile, our Company is well positioned to begin selling feature and smart phones in Latin America.

We intend to utilise ₹ 1,500 million from the Net Proceeds towards funding potential acquisitions and other strategic initiatives. This amount is based on our management's present estimates of the amounts to be utilised towards this purpose. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. Depending on the objectives decided by our management, such acquisitions and inorganic growth initiatives may be in the nature of, among others, acquisition of a minority interest in an entity, entering into a joint venture arrangement or acquisition of a majority stake in an entity. The portion of the Net Proceeds allocated towards this purpose may not be the total value or cost of any such strategic initiatives but is expected to provide us with certain financial leverage to enter into binding agreements. In the event that there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of the funds earmarked for thegeneral corporate purposes, subject to utilisation towards general corporate purposes not exceeding 25% of the gross proceeds of the Fresh Issue and/or through our internal accruals or debt financing or any combination thereof. For further details, see *"Risk Factors - In Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding"* on page 46.

Acquisition process

The general framework and process followed by us in involves identifying the strategic acquisition based on the criteria set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we enter into definitive agreements to acquire the target based on the approval of our Board of Directors and the shareholders, if required.

As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives.

3. *Investment in subsidiaries to fund working capital requirements*

For the Fiscal 2021, we generated revenue of ₹ 38,961.92 million from operations of our overseas subsidiaries, which was 70.67% of our total revenue from operations. While the global markets remain a key area of growth for our business, currently our international presence is through collaborations with domestic telecommunications companies and/or local distributors/ retailers to sell mobile handsets and other electronic accessories. Further, our international footprint is also supported by our 12 subsidiaries overseas, of which three are our Material Subsidiaries namely, ((i) XOLO International (HK) Limited, Hong Kong, (ii) Lava International (H.K.) Limited, Hong Kong and (iii) Lava Technologies DMCC (Dubai).

According to F&S, global mobile handset is a USD 411 billion market and sub-USD 200 mobile handset market is a USD 102 billion market. Our target market is the sub-USD 200 mobile handset market, of which 65% is attributable to Asia and Africa. We intend to focus on establishing and expanding distribution channels in the middle east countries such as the United Arab Emirates, in the Asian countries such as Indonesia, Philippines and

Vietnam and in the African countries such as Egypt. We also intend to focus on American countries, such as Jamaica. These markets have been identified based on the macroeconomic factors, political stability, outlook towards foreign companies, foreign exchange stability, demographic profile and the competition present. We believe that we can leverage our significant experience in the Indian and other Asian markets, and our manufacturing operations based in India, to develop our operations in other Asia countries.

For details see, "*Our Business – Our Strategy - Establish and expand our distribution network in other international markets*" on page 175.

Our Company intends to use ₹ 1,500 million from the Net Proceeds to fund the working capital requirements of our Material subsidiaries, which will be in-turn utilized by them towards pursuing and leveraging opportunities in the above referred overseas markets.

Deployment of Net Proceeds by the Company in the Material Subsidiaries may be in the form of equity or debt or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

Existing working capital

(i) XOLO International (HK) Limited, Hong Kong ("XOLO International")

The existing working capital of XOLO International based on its standalone audited financial statement along with sources of funding is as stated below:

Particulars	**As at March 31** *(Amount in ₹ million)*		
	2021	**2020**	**2019**
(A) Current assets			
a) Inventories	597.3	378.9	605.6
b) Trade receivables	1,135.3	1,079.2	627.1
c) Cash and bank balances	38.6	3.0	6.3
Total current assets (A)	1,771.1	1,461.0	1,239.1
(B) Current liabilities			
a) Financial liabilities			
i. Trade payables	1,244.7	1,154.4	1,156.4
b) Other current liabilities	37.2	58.2	38.6
Total current liabilities (B)	1,281.9	1,212.6	1,195.0
(C) Total working capital requirements (C=A-B)	489.2	248.4	44.1
(D) Funding Pattern			
Working capital funding from banks			
Internal accruals and Equity	489.2	248.4	44.1
Total	489.2	248.4	44.1

The standalone audited financial statements of XOLO International (HK) Limited as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, as translated in Indian Rupee in accordance with Ind AS 21, are available at https://www.lavamobiles.com/investor-relations.aspx.

Future working capital requirements

On the basis of the XOLO International existing working capital requirements and the projected working capital requirements, XOLO International, pursuant to its board resolution dated September 17, 2021 approved its projected working capital requirements, for Fiscal Years 2022 and 2023 and the proposed funding of such working capital requirements as stated below:

Particulars	**As at March 31** *(Amount in ₹ million)*	
	2023	**2022**
(A) Current assets		
a) Inventories	765.4	620.5

Particulars	As at March 31 *(Amount in ₹ million)*	
	2023	**2022**
b) Financial assets		
i.Trade receivables	1,440.5	1,138.8
ii.Other financial assets/ Cash and bank balances	38.5	38.5
c) Other current assets		
Total current assets (A)	2,244.5	1,797.8
(B) Current liabilities		
a) Financial liabilities		
i. Trade payables	1,339.5	1,085.8
ii.Other financial liabilities		
b) Provisions		
c) Other current liabilities	37.1	37.1
Total current liabilities (B)	1,376.6	1,122.9
(C) Total working capital requirements (C=A-B)	867.8	674.8
(D) Funding Pattern		
Working capital funding from banks (D)		
Internal accruals and Equity (E)	674.8	489.2
Net working capital requirements (F= C-D-E)	193.0	185.6
Amount proposed to be utilized from Net Proceeds (G)	193.0	185.6

(ii) Lava International (H.K.) Limited, Hong Kong ("Lava International (H.K.)")

Existing working capital

The existing working capital of Lava International (H.K.) based on its consolidated audited financial statement along with sources of funding is as stated below:

Particulars	As at March 31 *(Amount in ₹ million)*		
	2021	**2020**	**2019**
(A) Current assets			
a) Inventories	562.0	52.1	40.8
b) Financial assets			
i. Trade receivables	3,322.0	3,658.9	3,458.3
c) Other current assets	745.0	1,133.7	1,275.0
Total current assets (A)	4,629.0	4,844.7	4,774.2
(B) Current liabilities			
a) Financial liabilities			
i. Trade payables	1,093.5	1,055.7	1,814.2
ii. Other financial liabilities	94.4	112.4	106.2
b) Provisions	94.0	95.3	224.0
c) Other current liabilities	16.4	416.4	226.1
Total current liabilities (B)	1,298.3	1,679.9	2,370.5
(C) Total working capital requirements (C=A-B)	3,330.7	3,164.8	2,403.7
(D) Funding Pattern			
Working capital funding from banks			
Internal accruals and Equity	3,330.7	3,164.8	2,403.7
Total	**3,330.7**	**3,164.8**	**2,403.7**

The consolidated audited financial statements of Lava International (H.K.) Limited, Hong Kong as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, as translated in Indian Rupee in accordance with Ind AS 21, are available at https://www.lavamobiles.com/investor-relations.aspx.

Future working capital requirements

On the basis of the Lava International (H.K.) existing working capital requirements and the projected working capital requirements, Lava International (H.K.), pursuant to its board resolution dated September 17, 2021 approved its projected working capital requirements, for Fiscal Years 2022 and 2023 and the proposed funding of such working capital requirements as stated below:

Particulars	As at March 31 - *(Amount in ₹ million)*	
	2023	2022
(A) Current assets		
a) Inventories	751.3	570.7
b) Trade receivables	4,713.3	3,491.3
c) Other current assets	744.9	744.9
Total current assets (A)	**6,209.5**	**4,806.9**
(B) Current liabilities		
a) Financial liabilities	-	-
b) Trade payables	1,502.7	1,141.4
c) Other current liabilities	202.6	202.6
Total current liabilities (B)	**1,705.2**	**1,343.9**
(C) Total working capital requirements (C=A-B)	4,504.3	3,463.0
(D) Funding Pattern		
Working capital funding from banks (D)		
Internal accruals and Equity (E)	3,612.8	3,369.8
Net working capital requirements (F= C-D-E)	891.50	93.20
Amount proposed to be utilized from Net Proceeds (G)	891.50	93.20

(iii) Lava Technologies DMCC (Dubai) ("Lava Technologies DMCC")

Existing working capital

The existing working capital of Lava Technologies DMCC based on its standalone audited financial statement along with sources of funding is as stated below:

Particulars	As at March 31 *(Amount in ₹ million)*		
	2021	2020	2019
(A) Current assets			
a) Inventories	24.0	9.8	-
b) Financial assets			
i. Trade receivables	914.3	724.5	420.0
ii. Other financial assets (Due from Related Parties)	227.8	243.8	217.0
c) Other current assets	201.6	22.7	8.5
Total current assets (A)	1,367.8	1,000.7	645.5
(B) Current liabilities			
a) Financial liabilities			
i. Trade payables	24.7	124.8	71.0
b) Other financial liabilities (Due to Related Parties)	35.2	28.3	6.9
Total current liabilities (B)	59.9	153.1	77.8
(C) Total working capital requirements (C=A-B)	1,307.9	847.6	567.6
(D) Funding Pattern			
Working capital funding from banks			
Internal accruals and Equity	1,307.9	847.6	567.6
Total	1,307.9	847.6	567.6

The standalone audited financial statements of Lava Technologies DMCC (Dubai) as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, as translated in Indian Rupee in accordance with Ind AS 21, are available at https://www.lavamobiles.com/investor-relations.aspx.

Future working capital requirements

On the basis of the Lava Technologies DMCC existing working capital requirements and the projected working capital requirements, Lava Technologies DMCC pursuant to its board resolution dated September 19, 2021 approved its projected working capital requirements, for Fiscal Years 2022 and 2023 and the proposed funding of such working capital requirements as stated below:

Particulars	As at March 31 *(Amount in ₹ million)*	
	2023	2022
(A) Current assets		
a) Inventories	135.0	106.5
b) Financial assets		
i. Trade receivables	1,185.3	945.2
ii. Other financial assets (Due from Related Parties)	227.8	227.8
c) Other current assets	201.6	201.6
Total current assets (A)	1,749.7	1,481.1
(B) Current liabilities		
a) Financial liabilities		
i. Trade payables	269.9	106.5
b) Other financial liabilities (Due to Related Parties)	35.2	35.2
Total current Liabilities (B)	**305.1**	**141.6**
(C) Total working capital requirements (C=A-B)	1,444.6	1,339.5
(D) Funding Pattern		
Working capital funding from banks (D)	-	-
Internal accruals and Equity (E)	1,339.5	1,307.9
Net working capital requirements (F= C-D-E)	105.1	31.6
Amount proposed to be utilized from Net Proceeds (G)	105.1	31.6

Assumptions for working capital requirements of the Material Subsidiaries:

The following table sets forth the details of the holding period (with days rounded to the nearest) considered:

(i) XOLO International

Particulars	No of days for the Fiscal ended				
	March 31, 2019 (Actual)	March 31, 2020 (Actual)	March 31, 2021 (Actual)	March 31, 2022 (Assumed)	March 31, 2023 (Assumed)
1. Trade receivables	224	33	31	30	30
2. Inventory	235	13	18	20	20
3. Trade payables	449	39	38	35	35

(ii) Lava International (H.K.)

Particulars		No of days for the Fiscal ended				
		March 31, 2019 (Actual)	March 31, 2020 (Actual)	March 31, 2021 (Actual)	March 31, 2022 (Assumed)	March 31, 2023 (Assumed)
1.	Trade receivables	73	90	73	75	75
2.	Inventory	1	2	14	15	15
3.	Trade payables	44	30	28	30	30

(iii) Lava Technologies DMCC

Particulars		No of days for the Fiscal ended				
		March 31, 2019 (Actual)	March 31, 2020 (Actual)	March 31, 2021 (Actual)	March 31, 2022 (Assumed)	March 31, 2023 (Assumed)
1.	Trade receivables	42	47	36	36	35
2.	Inventory	-	1	1	5	5
3.	Trade payables	8	9	1	5	10

The working capital projections made by the Material Subsidiaries are based on certain key assumptions, as set out below:

(iv) XOLO International

Particulars	Assumptions and Justifications
Current Assets	
Trade receivables	XOLO International had 31 days of receivables between March 31, 2020 to March 31, 2021, which has been assumed to be maintained at levels of 30 days for Fiscal ended March 31, 2022 and 2023.
Inventories	Finished goods: In order to achieve cost competitiveness and shorter lead times through constant innovation, XOLO International needs to maintain efficient finished goods inventory levels. From March 31, 2020 to March 31, 2021 its finished goods days were 18 days, which we assume to continue on the levels of 20 days for the Fiscal ended March 31, 2022 and 2023.
Trade payables	Trade payables have a direct correlation to business growth. Holding levels for trade payables is computed from the standalone audited financial statement. XOLO International has assumed the holding level for trade payables as 39 and 38 days of cost of goods sold for the Fiscal ended March 31, 2020 and March 31, 2021, respectively. Trade payables levels have been projected as 35 days and 35 days in line with projected sale for the Fiscals 2022 and 2023.

(i) Lava International (H.K.)

Particulars	Assumptions and Justifications
Current Assets	

Particulars	Assumptions and Justifications
Trade receivables	Lava International (H.K.) Limited had 73 days of receivables between March 31, 2020 to March 31, 2021, which has been assumed to be maintained at levels of 75 days for Fiscal ended March 31, 2022 and 2023.
Inventories	Finished goods: In order to Improve fulfilment rates, Lava International (H.K.) needs to maintain efficient finished goods inventory levels. From March 31, 2020 to March 31, 2021 its finished goods days were 14 days, which we assume to continue on the levels of 15 days for the Fiscal ended March 31, 2022 and 2023.
Trade payables	Trade payables (Suppliers of goods and services) are important business partners and business terms with them play an important role in an overall sales and procurement experience. Holding levels for trade payables is computed from the consolidated audited financial statement. Lava International (H.K.) has assumed the holding level for trade payables as 30 and 28 days of cost of goods sold for the Fiscal ended March 31, 2020 and March 31, 2021, respectively. Trade payables levels have been projected as 30 days and 30 days in line with projected sale for the Fiscals 2022 and 2023.

(ii) Lava Technologies DMCC

Particulars	Assumptions and Justifications
Current Assets	
Trade receivables	Lava Technologies DMCC had 36 days of receivables between March 31, 2020 to March 31, 2021, which has been assumed to be maintained at levels of 36 days for Fiscal ended March 31, 2022 and 35 days for Fiscal ended March 31, 2022 2023.
Inventories	Finished goods: As a measure of improving dealer and retailer relationships a continuous supply and fulfilment is important. In order to achieve, Lava Technologies DMCC needs to maintain efficient finished goods inventory levels. From March 31, 2020 to March 31, 2021 its finished goods days were 01 days, which we assume to continue on the levels of 05 days for the Fiscal ended March 31, 2022 and 2023.
Trade payables	A visibility on procurement lead times and payments cycle allows the business to plan its fund requirements. Holding levels for trade payables is computed from the standalone audited financial statement. Lava Technologies DMCC has assumed the holding level for trade payables as 09 and 01 days of cost of goods sold for the Fiscal ended March 31, 2020 and March 31, 2021, respectively. Trade payables levels have been projected as 05 days and 10 days in line with projected sale for the Fiscals 2022 and 2023.

4. *General corporate purposes*

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, without limitation, acquisition of fixed assets, repayment of debt, new product development, and meeting expenses incurred in the ordinary course of business, as may be applicable.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

The Offer related expenses primarily include fees payable to the BRLMs and legal counsel, listing fees, selling commission and brokerage, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer shall be borne by the Company and the Selling Shareholders, in proportion to the Equity Shares contributed by them respectively in the Offer, upon the successful completion of the Offer. Upon the successful completion of the Offer, each Selling Shareholder shall severally and not jointly reimburse the Company for any expenses incurred by the Company on behalf of such Selling Shareholders in the proportion of their respective portion of the Offered Shares, as mutually agreed between the Company and the Selling Shareholders, in accordance with Applicable Law. It is clarified that in the event the Offer is not successful or withdrawn, all expenses in relation to the Offer shall be borne by the Company.

The estimated Offer related expenses are as under:

Activity	**Estimated Offer expenses amount(1) (₹ in million)**	**As a % of total estimated Offer expenses(1)**	**As a % of Offer Size***
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/ processing fees for SCSBs and Bankers to the Offer, and fees payable to the Sponsor Bank for Bids made by RIIs using UPI(2) (3)(4)	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for Members of the Syndicate, RTAs, CDPs and Registered Brokers(5)	[●]	[●]	[●]
Fees payable to other advisors such as independent chartered accountant, chartered engineer, industry report vendor, etc.	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others: i. Listing fees, SEBI filing fees, upload fees, Stock Exchanges processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii. Printing and stationery expenses	[●]	[●]	[●]
iii. Advertising and marketing for the Offer	[●]	[●]	[●]
iv. Fees payable to legal counsel	[●]	[●]	[●]
v. Miscellaneous	[●]	[●]	[●]
Total Estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalized and *incorporated in the Prospectus on determination of the Offer Price.*

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

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

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

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

*Portion for Retail Individual Bidders**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

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

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

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

**For each valid application*

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

Appraising entity

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

Bridge financing facilities

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

Our Company has entered into a Debenture Trust Deed dated September 23, 2021 with Axis Trustee Services Limited and pursuant which our Company has to issue secured, unrated, unlisted, non-convertible debentures ("**NCDs**") aggregating to ₹ 250 million, on a private placement basis. The proceeds raised from such NCD issuance will be used towards the general corporate purposes in the ordinary course of business of the Company. Under the terms of such NCD issuance, one of the repayment events is the primary infusion of funds in the Company through the Offer. For details of such NCD issuance, see "*Financial Indebtedness*" and "*Capital Structure – Details of Equity Shares pledged by our Promoters*" on pages 340 and 93, respectively.

Means of Finance

Fund requirements for the Objects are proposed to be met from the Net Proceeds and /or through our internal accruals or debt financing or any combination thereof. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) of the SEBI ICDR Regulations.

Interim Use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described in this section, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. 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 equity shares of any other listed company.

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds of the Fresh Issue prior to the filing of the Red Herring Prospectus. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Financial Years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

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

Other Confirmations

Other than to the extent of expenses in the ordinary course of business, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies. Our Company has not entered into nor has planned to enter into any arrangement/agreements with our Directors, our Key Management Personnel, our Subsidiaries or our Group Companies in relation to the utilisation of the Net Proceeds of the Offer. However, the Promoters will receive a portion of the proceeds of the Offer for Sale, net of their respective share of Offer Expenses pursuant to sale of the Equity Shares being offered by them through the Offer for Sale.

Variation in Objects

Our Company shall not vary the objects of the Offer, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and subject to compliance with applicable laws.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company 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 the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 5 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 170, 28, 239 and 306 respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- A leading end-to-end focused mobile handset and mobile handset solutions company in India with growing international presence;
- Robust research and development capabilities with a strong track record in product innovation and design;
- Large-scale state-of-the-art manufacturing and quality service capabilities;
- Extensive distribution network supported by advanced information technology capabilities; and
- Highly qualified and experienced leadership team and motivated and skilled workforce;

For further details, see "*Our Business – Our Competitive Strength*" on page 172.

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Information.

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

1. ***Basic and Diluted Earnings Per Share ("EPS")***

Financial Period	Basic EPS (₹)[#]	Diluted EPS (₹)[#]	Weightage
Financial Year ended March 31, 2021	3.46	3.15	3
Financial Year ended March 31, 2020	2.16	1.97	2
Financial Year ended March 31, 2019	1.47	1.34	1
Weighted Average	**2.70**	**2.46**	

[#] Basic EPS and Diluted EPS have been calculated after consider bonus and split after the balance sheet date but before the date of signing in line with the Ind AS 33 Earnings per share.

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 Financial Information of our Company, as adjusted for the sub-division and bonus.*
3. *The face value of each Equity Share is ₹5 each.*
4. *Earnings per Share (₹) = Profit attributable to equity shareholders for the year/Weighted Average No. of equity shares at the end of the period/year*
5. *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).*
6. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "Financial Statements" beginning on page 239.*

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

Particulars	P/E ratio at the Floor Price (number of times)	P/E ratio at the Cap Price (number of times)
Based on Basic EPS for the financial year ended March 31, 2021	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2021	[●]	[●]

Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	158.98
Lowest	127.32
Industry Composite	143.15

Notes:

1. *The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison of Accounting Ratio with Listed Industry Peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- Comparison of Accounting Ratios with Listed Industry Peers" on page 124.*
2. *P/E figures for the peer are computed based on closing market price as on September 15, 2021 on NSE, divided by Diluted EPS (on consolidated basis) based on the financial results declared by the peers available on website of stock exchanges for the Financial Year ending March 31, 2021.*

3. *Return on Net Worth (RoNW)**

As per the Restated Financial Information of our Company:

Financial Period	RoNW (%)	Weightage
Financial Year ended March 31, 2021	10.86%	3
Financial Year ended March 31, 2020	7.65%	2
Financial Year ended March 31, 2019	5.83%	1
Weighted Average	**8.95%**	

Notes:

1. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. (Net Worth x Weight) for each year / Total of weights*
2. *Return on Net Worth (%) = Total profit for the year attributable to owners of the company divided by the total Equity attributable to the owners of the Company at the end of the year.*
3. *Total Equity attributable to the owners of the Company has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of the Company).*

4. *Net Asset Value per Equity Share**

Fiscal/ Period Ended	NAV (₹)
As on March 31, 2021	31.71
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

**will be populated in the Prospectus. The Net Asset Value should be read with significant accounting policies and notes on Restated Financial Information as appearing in the section titled "Financial Statements" on page 239.*

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net Asset Value Per Equity Share = Total Equity attributable to the owners of the Company at the end of the year as per the Restated Financial Information / number of equity shares outstanding as at the end of year/period.*
3. *Total Equity has been computed by aggregating share capital and other equity attributable to owners of the Company as per the Restated Financial Information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).*

5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on September 15, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Lava International Limited*	55,236.78	5	-	-	3.46	3.15	10.86%	31.71
Listed Peers								
Amber Enterprises India Limited	30,636.20	10	3,177.95	127.32	24.96	24.96	5.09%	486.92
Dixon Technologies (India) Limited	64,497.48	2	4,271.75	158.98	27.49	26.87	21.67%	125.93

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/financial results as available of the respective company for the year ended March 31, 2021.

**Financial information for Lava International Limited is derived from the Restated Financial Information for the year ended March 31, 2021.*

Notes:
1. *Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the financial statements of the companies respectively for the year ended March 31, 2021*
2. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 15, 2021, divided by the Diluted EPS provided under Note 1 above.*
3. *RoNW is computed as total profit for the year attributable to owners of the company divided by the total Equity attributable to the owners of the Company at the end of the year.*
4. *NAV is computed as the total Equity attributable to the owners of the Company at the end of the year divided by the outstanding number of equity shares.*
5. *Financial information for companies is for the year ended March 31, 2021*

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

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

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 170, 239, and 306, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 28 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

September 23, 2021

To

The Board of Directors
Lava International Limited
B-14, House 2, Basement
Shivlok Commercial Complex
Karampura Delhi West Delhi- 110 015

Axis Capital Limited
1st Floor, Axis House
Wadia International Centre
P.B Marg, Worli
Mumbai- 400 025
Maharashtra, India

DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

BOB Capital Markets Limited
1704, B Wing, 17th Floor
Parinee Crescenzo, Plot No.C- 38/39, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400051
Maharashtra, India

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai - 400 005
Maharashtra, India

Statement of possible special tax benefits (under direct and indirect tax laws) available to Lava International Limited (the "Company") and its shareholders and its material subsidiaries in accordance with the requirements under Schedule VI Part A- Clause (9) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

Dear Sir/Madam,

We, ASA & Associates LLP, the statutory auditors of the Company, hereby confirm that the enclosed statement is in connection with the special tax benefits available to the Company, the shareholders and material subsidiaries (*as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*) of the Company, under the Income Tax Act, 1961, as amended (the "**Act**"), presently in force in India, the Finance Act, 2021, the Central Goods and Service Tax Act 2017, the Integrated Goods and Service Tax Act 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Service Act 2017, (collectively the "**GST Act**"), Customs Act 1962 ("**Customs Act**"), Custom Tariff Act, 1975 ("**Tariff Act**") (collectively the "**Taxation Laws**")including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, and the taxation Laws applicable in Dubai and HongKong as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"), each as amended, i.e. applicable for financial year ended March 31, 2022 relevant to the assessment year ended March 31, 2023 presently in force in India as on the date of this certificate in the enclosed statement at **Annexure I**.

Management's responsibility

The preparation of the enclosed **Annexure I** and the information set out in the **Annexure I** is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the **Annexure I** and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, and for providing all relevant information to the Securities and Exchange Board of India ("**SEBI**").

Following are the material subsidiaries of the Company:

(a) LAVA International (HK) Limited

(b) XOLO International (HK) Limited

(c) LAVA Technologies DMCC

Several of these benefits are dependent on the Company or its shareholders or material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. We were informed that this statement is only intended to provide general information to the investors for the Offer and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Auditor Responsibility

Our responsibility is to perform the procedures in accordance with the requirements of the Guidance Note on Audit Reports and Certificates Issued for Special Purposes issued by the Institute of Chartered Accountants of India. In addition to the foregoing, our scope of work did not include verification of compliance with other requirements of the Guidelines, other circulars, notifications, etc., as issued by relevant regulatory authorities from time to time, and any other laws and regulations applicable to the respective company. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the company. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such an opinion on them.

Opinion

Based on the information and explanations given to us, and read with the matter stated in Management's Responsibility above, we confirm that Annexure I provide in all material respects the special tax benefits available to the Company or its shareholders or material subsidiaries in accordance with the applicable tax laws as on the date of this certificate.

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

(1) The Company or its shareholders or material subsidiary will continue to obtain these benefits in future; or

(2) The conditions prescribed for availing the benefits have been/ would be met with.

(3) The revenue authorities/courts will concur with the views expressed therein

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.

This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsels appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to extracts of, or reference to, this certificate being used in the draft red herring prospectus, red herring prospectus and prospectus or any other documents in connection with the Offer (collectively, the "**Offer Documents**"). We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We confirm that we will immediately communicate any changes in writing in the above information that will come to our attention or as made available to us by the management to the Book Running Lead Managers until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number: 009571N / N500006

Prateet Mittal
Partner
Membership No: 402631

UDIN: 21402631AAAASC7515

Place: Gurugram

Encl: Annexure I (Statement of tax benefits)

Annexure I

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND SHAREHOLDERS OF THE COMPANY

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The statement of tax benefits enumerated below is as per the Income-tax Act, 1961 ("**Act**") as amended from time to time and applicable for financial year 2021-22 relevant to assessment year 2022-23.

Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("**the AmendmentAct, 2019**") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a **reduced rate** of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay MinimumAlternate Tax (MAT) on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the reduced corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from Financial Year ended on March 31, 2020.

Deduction in respect of Employment of new employees under Section 80JJAA of the Income Tax Act, 1961

1. Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

2. No deduction under sub-section (1) shall be allowed,

   (a) if the business is formed by splitting up, or the reconstruction, of an existing business:

   Provided that nothing contained in this clause shall apply in respect of a business which is formed as a result of re-establishment, reconstruction or revival by the assessee of the business in the circumstances and within the period specified in section 33B;

   (b) if the business is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;

   (c) unless the assessee furnishes along with the return of income the report of the accountant, as defined in the Explanation to section 288 giving such particulars in the report as may be prescribed.

The company is availing special tax benefit under section 80JJAA of the Income Tax Act, 1961.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARIES

Lava Technologies (DMCC)

According to the Dubai Income Tax Ordinance of 1969 and the Dubai Income Tax Decree and its amendment in 1970, no profit is subject to Corporate Income Tax except the profit earned by branches of Foreign Banks and Corporates in Oil and Gas producing industry. Thus there is no direct tax applicable to Lava Technologies (DMCC).

Lava International (HK) Limited

There are no special Direct Tax benefits available to the Company.

XOLO International (HK) Limited

There are no special Direct Tax benefits available to the Company.

C. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Notes:

1. These special tax benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation and Income Tax regulations of the respective countries where material subsidiaries are located. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or its material subsidiaries may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for 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.

3. 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 or its material subsidiaries 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. The above views are based on the existing provisions of laws which are subject to change from time to time.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND SHAREHOLDERS OF THE COMPANY

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goodsand Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs TariffAct, 1975 (collectively referred to as "**Indirect tax**").

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017 (Customs IGCR Rules 2017)

The Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017, is enforced in India from the 1st of July, 2017. These rules are meant for importers who are desirous of availing the benefit of an exemption notification issued under sub-section (1) of section 25 of the **Customs Act, 1962**. The benefit of such exemption hinges on the utilization of imported goods covered in the notification for the manufacture of any commodity or provision of output service.

Importers who are desirous of availing the benefits of an exemption as specified above, must intimate the Deputy Commissioner or the Assistant Commissioner of Customs having jurisdiction over the particular premise where the imported goods are to be utilized for the purpose of manufacture or rendering of output service.

Company is availing the special tax benefits under IGCR Rule 2017

Advance Authorisation Scheme

To promote the export, government issues export promotion schemes time to time. Under The Advance Authorization Scheme, the import of inputs will be allowed without payment of duty subject to certain conditions specified, if such imported inputs are used in a product which is to be exported. The imported inputs are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable.

Company is availing the special tax benefits under advance authorization scheme.

Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme

Remission of Duties and Taxes on Exported Products is a flagship export promotion scheme of the Commerce Ministry of India notified on 17th August 2021 vide Notification No.19/2015-2020. The scheme aims to refund to the exporters the embedded central, state and local duties and taxes paid on inputs. Mobile Phones are eligible for RoDTEP scheme @ Rs. 24.50 per handsets on all future exports subject to certain condition.

Company is availing the special tax benefits under RoDTEP Scheme.

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARIES

Lava Technologies (DMCC)

VAT is applicable with effect from 1 January 2018 in Dubai and the same is applicable to the Lava Technologies (DMCC) at the prescribed rate. Further,

Lava Technologies (DMCC) is also eligible for availment of input tax credit of the VAT paid on the corresponding purchases which can be utilized against the output liability.

Apart from above, there are no special Indirect tax benefits available to Lava Technologies in Dubai

Lava International (HK) Limited

There are no special Indirect Tax benefits available to the Company.

XOLO International (HK) Limited

There are no special Indirect Tax benefits available to the Company.

C. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special Indirect Tax benefits available to the shareholders of the Company.

Notes:

1. These special tax benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation and Income Tax regulations of the respective countries where material subsidiaries are located. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or its material subsidiaries may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for 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.
3. 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 or its material subsidiaries 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. The above l views are based on the existing provisions of laws which are subject to change from time to time.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from the industry report titled "Mobile Phones Industry Report in India" dated September 2021 (the "F&S Report") prepared and released by Frost & Sullivan and commissioned and paid for by our Company to confirm our understanding of our industry specifically for the purpose of the Offer. Unless specified otherwise, all information in this section has been derived from the F&S Report. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

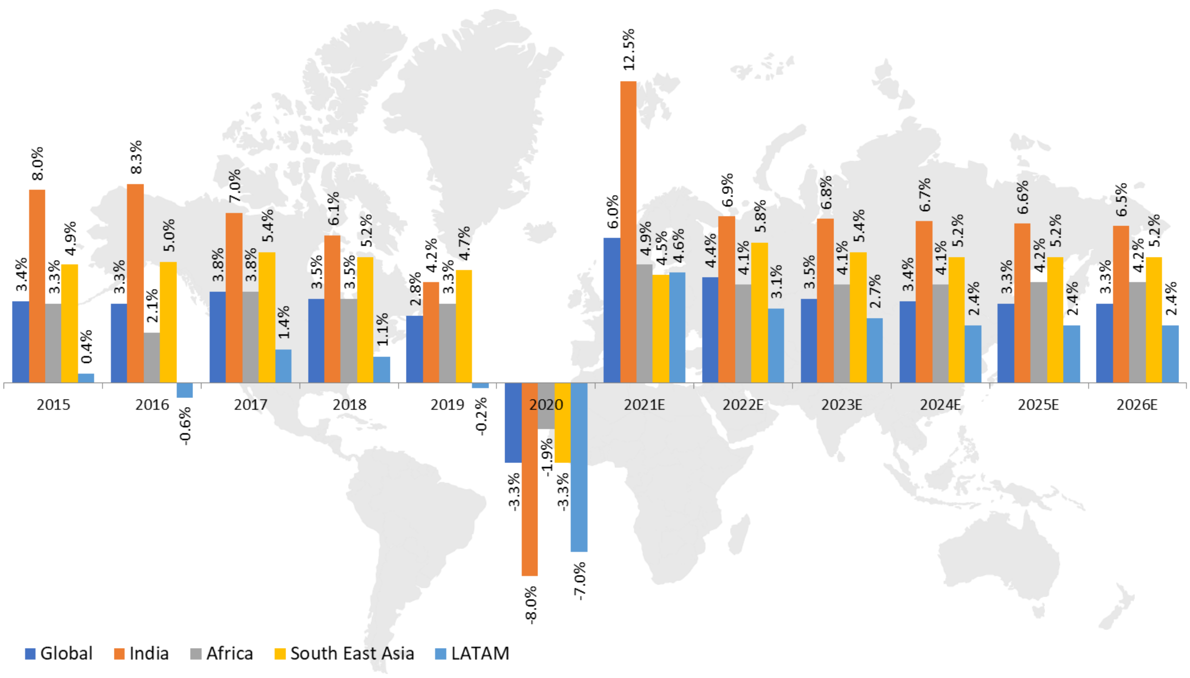
While preparing its report, F&S has also sourced information from publicly available sources, including our Company's financial statements that are publicly available. However, unless the context otherwise requires financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus is derived from our audited consolidated financial statements prepared in accordance with Ind AS or Ind AS 34, as applicable, specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended) issued by the ICAI. 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.

GLOBAL MACROECONOMIC OVERVIEW

A review of the Global GDP

Global economy fell by 3.3% in 2020. Global real GDP is anticipated to rise to around 6.0% in 2021, after a rebound in economic activities. Overall, future economic recovery and development would be led by developing economies such as India, Africa, and South East Asia, which are expected to expand at rates greater than the global average.

Chart 1.1: Real GDP Growth (Annual Percentage Change), Global, in %, 2015-2026E



Note: E refers to Estimate *Source: IMF (Data as published in April 2021), Wall Street Journal*

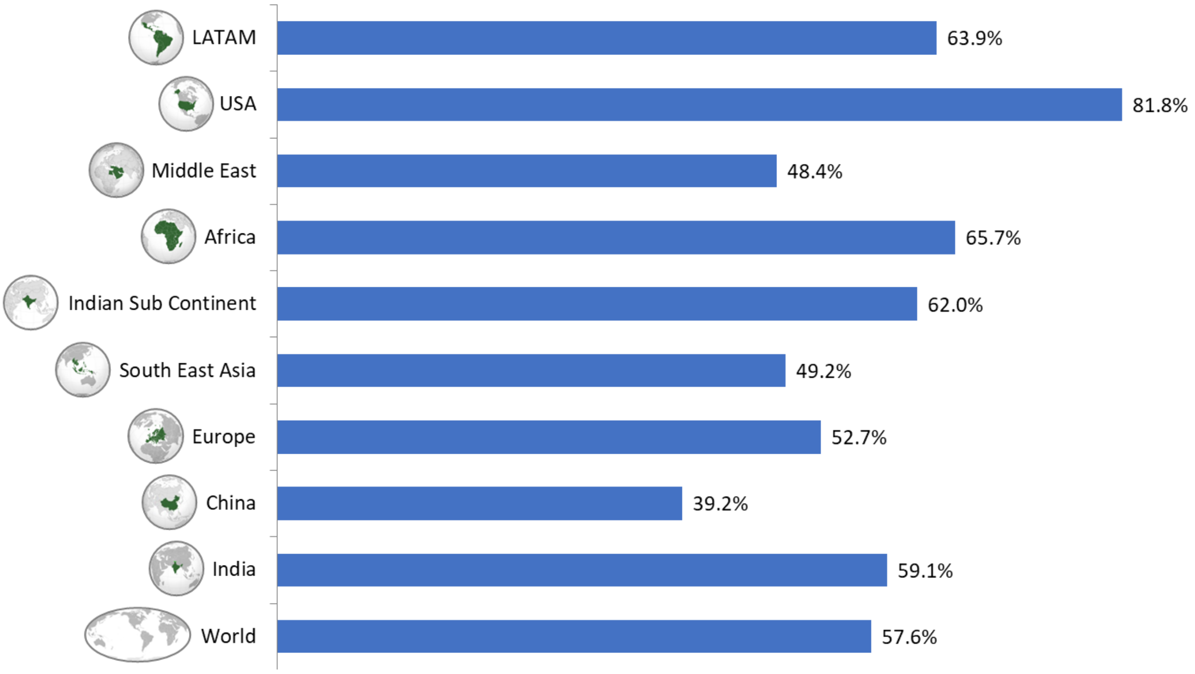
In 2020, India's GDP dipped by 8.0%. Apart from agriculture sector which recorded a positive growth, construction, manufacturing, trade, hotels and other services all experienced significant decline.

Rapid and sustained economic activity in the Indian sub-continent (South Asia) is expected to accelerate regional co-operation especially between India, Bangladesh, Bhutan and Nepal. Most countries in the Indian sub-continent exhibit a robust potential for growth in the short to medium term.

One of the key reasons for the anticipated growth of Indian economy is the country's focus on the manufacturing sector. Indian manufacturing sector's contribution has increased from 16% to over 18% in the past 10 years buoyed by initiatives like the "Make in India" and sector specific initiatives to various manufacturing companies that aim to make India a global manufacturing destination. Similarly, the Government of India has also introduced the PLI scheme for large-scale electronics manufacturing. The scheme proposes production-linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units. Manufacturing has been the backbone for the economic growth registered in China and a similar impact is also anticipated in India over the medium to long term future.

Private Final Consumption Expenditure

Chart 1.2: Private Final Consumption Expenditure of key countries, Global, % of GDP, 2020



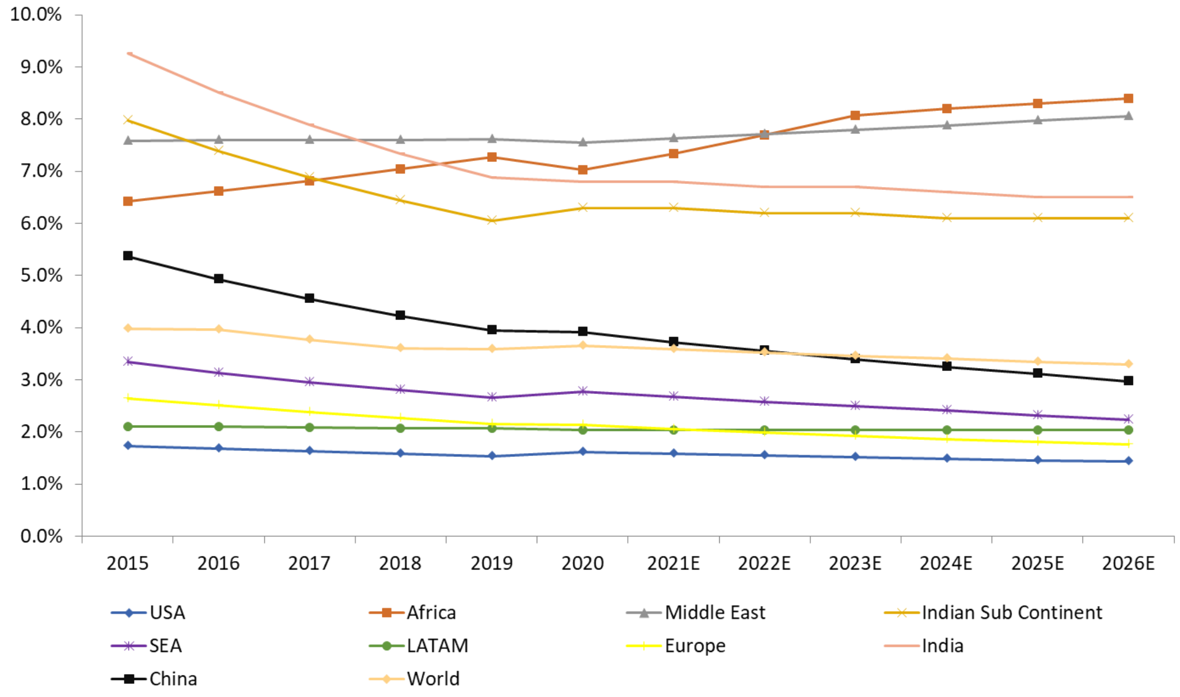
Source: World Bank

Swelling urbanisation, rising economy and increasing affluence has led to rise of consumerism in South East Asia. Unlocking of the economy to allow manufacturing, creation of new employment opportunities and improvement in per capita income levels especially across the Indian sub-continent will be critical in increasing the contribution of final consumption towards GDP.

Trend of Consumer Spending on Handsets and Future Projections as a Percentage of Disposable Income

With rising per capita income level globally, demand for mobile phones has been increasing which is evident from the increased penetration of mobile phones across the different markets and also the growing subscription witnessed across mobile services and data.

Chart 1.3: Spending on Mobile Phones as a % of Disposable Income by key countries, in %, Global, 2015 to 2026E



Source: Frost & Sullivan Analysis

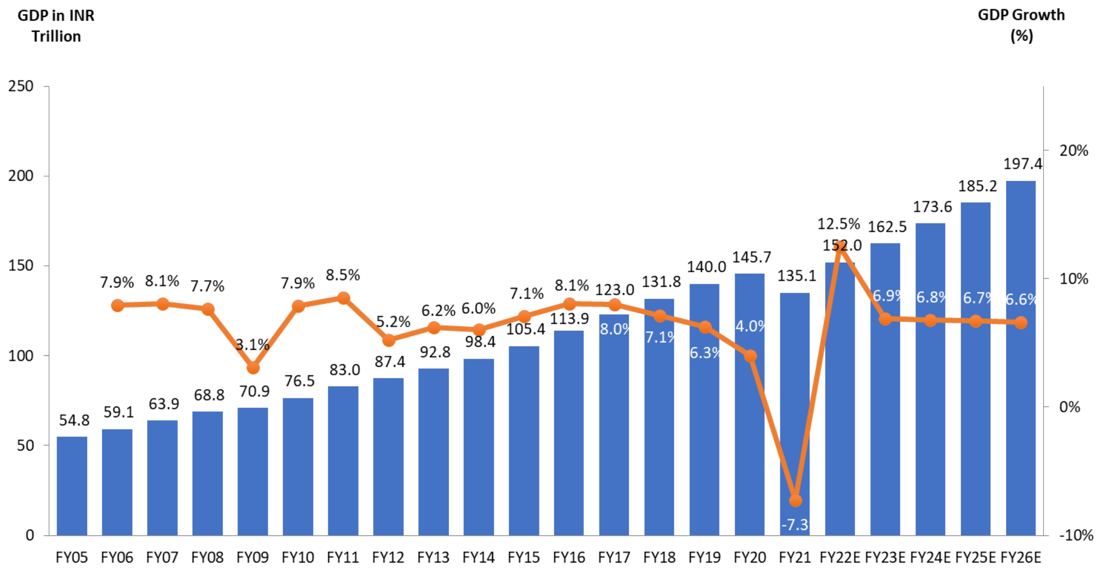
The average spends on mobile phones as a percentage of disposable income remains the lowest across the developed economies in the USA and Europe. This is primarily because the per capita incomes in the developed regions are high as compared to the developing economies. However, in absolute terms, this value is higher than that witnessed across the developing regions. The SEA and LATAM markets remain highly cost conscious markets that prefer competitively priced products as against premium products which result in a lower percentage spend as a function of their disposable incomes.

Spending on mobile phones is high as a ratio of disposable income across geographies. This indicates that the mobile phones have become an essential commodity across the world.

MACROECONOMIC OVERVIEW OF INDIA

Strong signs of recovery visible in Indian economy after a brief period of economic downturn due to Covid-19 pandemic

Chart 2.1: Real GDP and Real GDP growth, Value in ₹ Trillion, Growth in %, India, FY05-FY26E

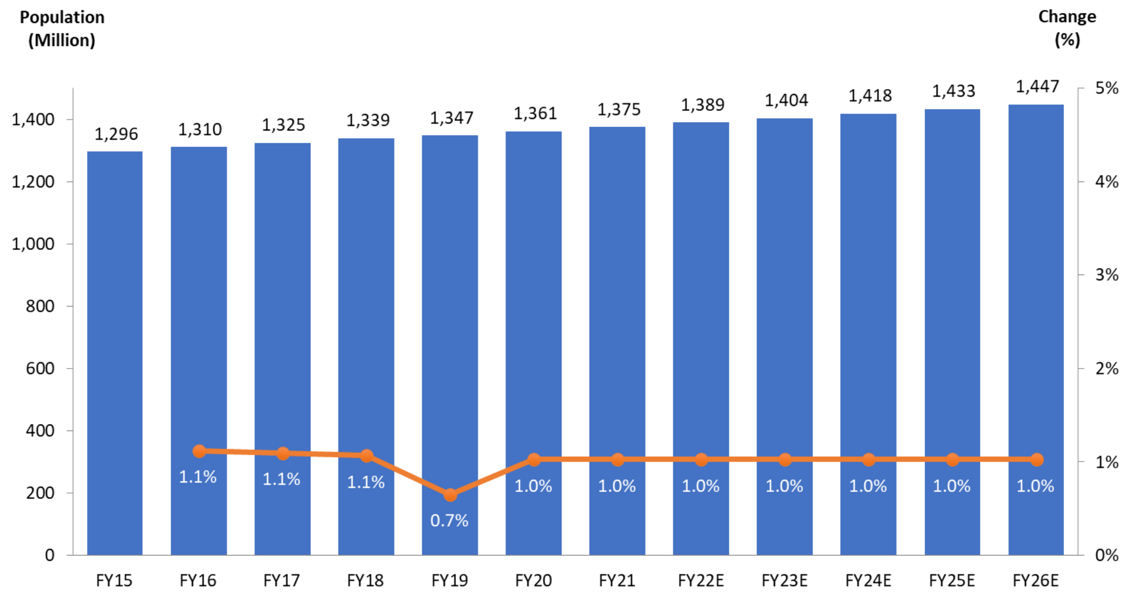


Note: E refers to Estimate *Source: MOSPI*

Population growth of India is expected to remain steady

Approximately 67% of the population belongs to the middle age group belonging to 15-64 years has the largest share of the total population. The younger proportion of population portends well for increase in consumer demand and overall economic growth.

Chart 2.3: India Population Scenario, number of persons in Million, India, FY15-FY26E



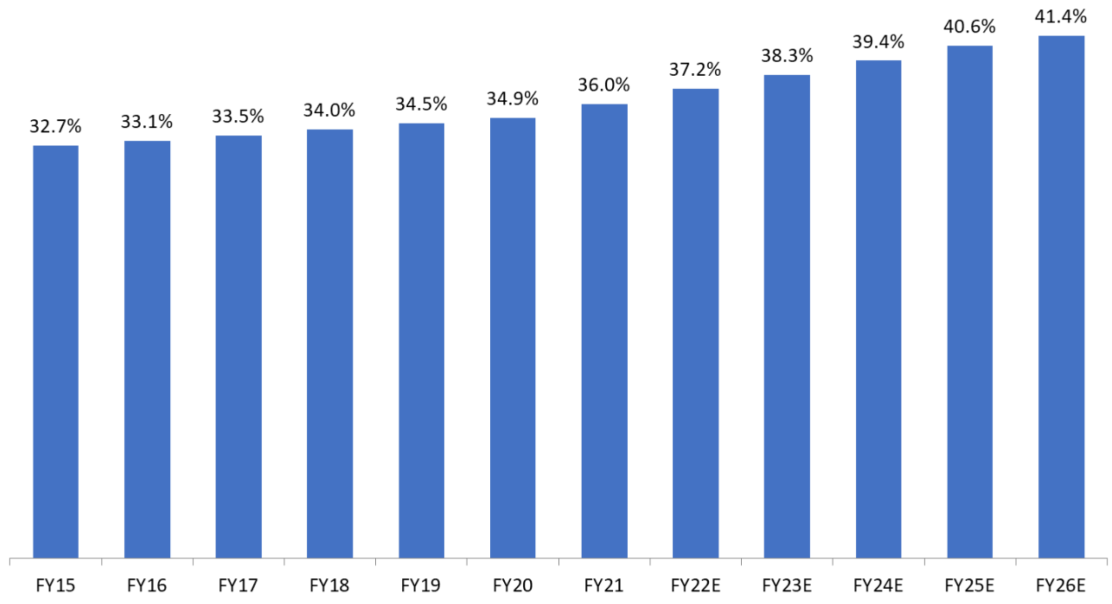
Note: E refers to Estimate
Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections

The current estimated population of India in FY21 is 1,375 million, which is equivalent to approximately 17% of the total world population. India's population is expected to grow at an average of 1.0% between FY21 and FY25. India's Gen Y constitutes a third of the country's population and will join the working-age group, forming 42% of the total working-age population by FY25.

Growth of urban agglomeration has resulted in increased urbanization

India is in the midst of a massive wave of urbanization. There has been a drastic increase in urban towns and cities in the country over the past few years. Since last decade, around 10 million people move to towns and cities each year in search of better economic opportunities.

Chart 2.4: Urbanization in India, in %, India, FY15-FY26E



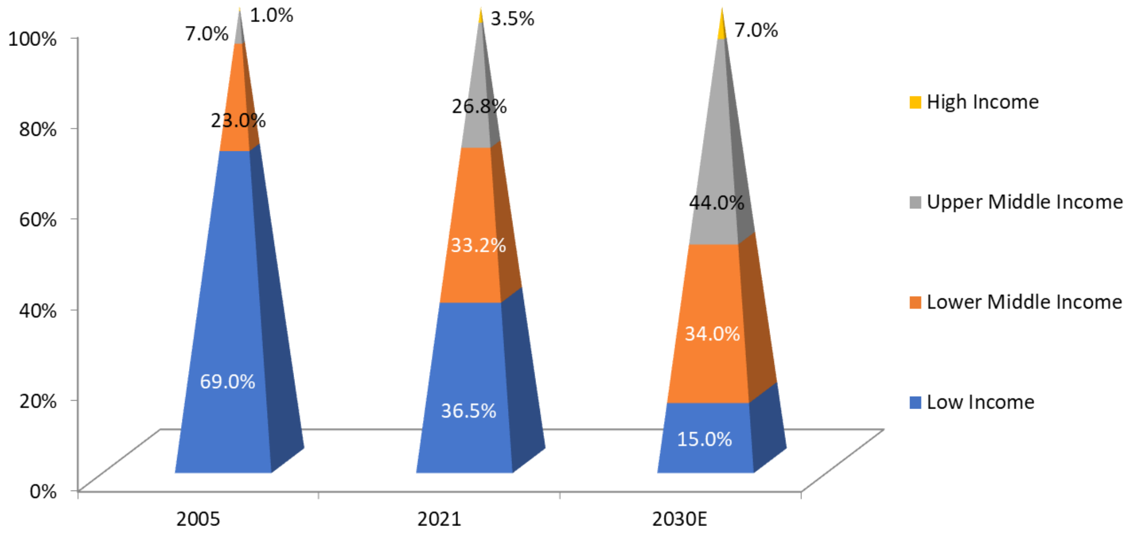
Note: E refers to Estimate *Source: UN Urbanization Prospects*

Middle Class in India

Growing urbanization and rising income levels will lead to a significant shift in consumption patterns. Overall, population migration due to urbanization and rising income level due to improved economic activity would create a broad spectrum in demand for mobile phones in the Indian market.

Consumer pyramid in India basis Income Levels - Past and Future Projections

Chart 2.5: Evolution of Income Levels, in %, India, 2005, 2021 and 2030E



Source: World Economic Forum, Frost & Sullivan

Consumption spending is anticipated to increase from an estimated USD 2 trillion currently to over USD 6 trillion by FY2030 driven largely by higher percentage of lower and upper middle income population categories.

Value for Money Customers

With the employment and income losses associated with COVID-19 induced economic lockdown, increased concerns around healthcare expenditure there is an anticipated shift in discretionary spending across Indian consumers. Frost & Sullivan analysis indicates an increased inclination towards purchase of value for money brands and products for discretionary purposes. The demand for entry level products that offer a better value for money as compared to high end products is expected to recover sooner than the market for luxury and high end products. Growth in these entry level segments in likely to be driven by smaller cities rather than the urban population from India's top tier metro cities. Value for money has been noted as a key sentiment to consumer behaviour in India and this sentiment is expected to be strengthened further as the Indian economy emerges from the negative impact of the economic lockdown.

MOBILE PHONE INDUSTRY IN INDIA

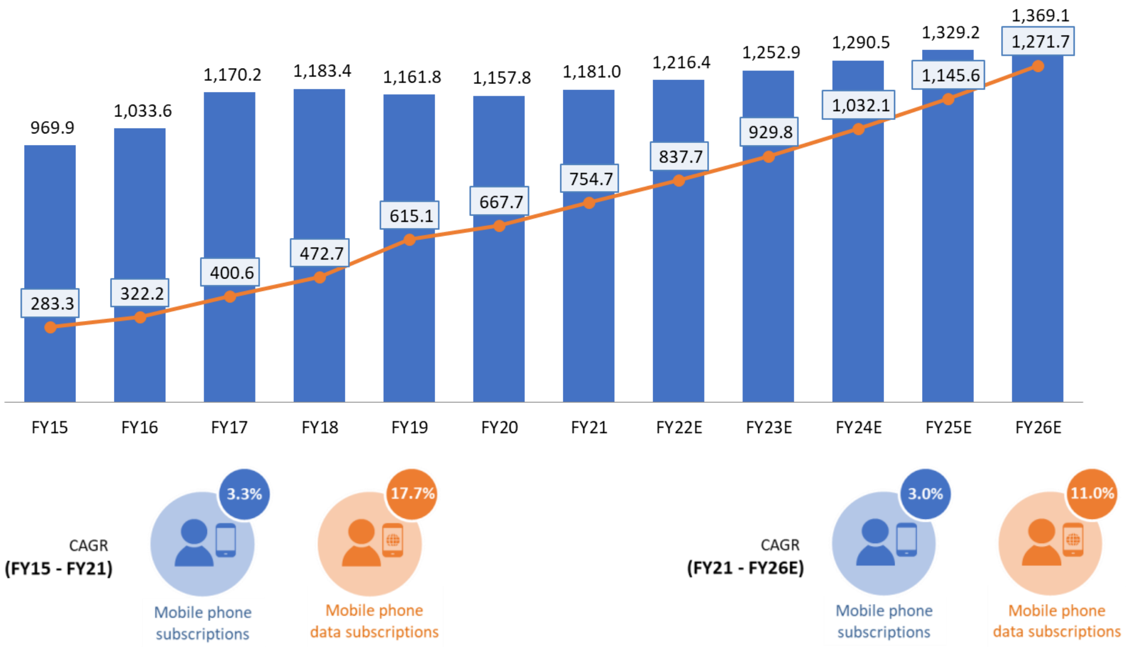
Evolution trends of mobile phones

The mobile handset industry is characterized by rapid technological advances, changes in consumer preferences and frequent introduction of new and enhanced products. Globally, mobile phones were introduced in 1983. However, they were launched in the Indian market only in the year 1995. These mobile phones were used only for calling and texting messages replacing the earlier mode of pagers. In the early 2000's the size of mobile phones became sleek, compared to the bulky models of the past. Also, new features such as Bluetooth technology, colour screen and camera were introduced.

Nokia and Motorola were the market leaders till 2004, until the entry of Samsung and Apple, which took over the market globally. Emergence of many Chinese players in the market from 2007 boosted the overall mobile phones market across the world. Both software and hardware companies were working consistently to add more features and provide an advanced version of mobile phone, moving away from physical keyboards to touchscreens and smart features. All the companies had presence in both budget as well as premium category in contrast to Apple which had presence only in premium category. At present 5G technology is emerging, and the government of India has approved trials for implementing the 5G network. Foldable phones and flexible phones, are still in design stage, are expected to become popular in the next few years.

Influence of low cost 4G network in helping increase the sale of smart feature phones and smartphones

Chart 3.1: Total number of mobile phone and data subscriptions, No. in million, India, FY15-FY26E



Note: FY-14 to FY20: TRAI data published at the end of March; *FY21: TRAI data as published till October 2020

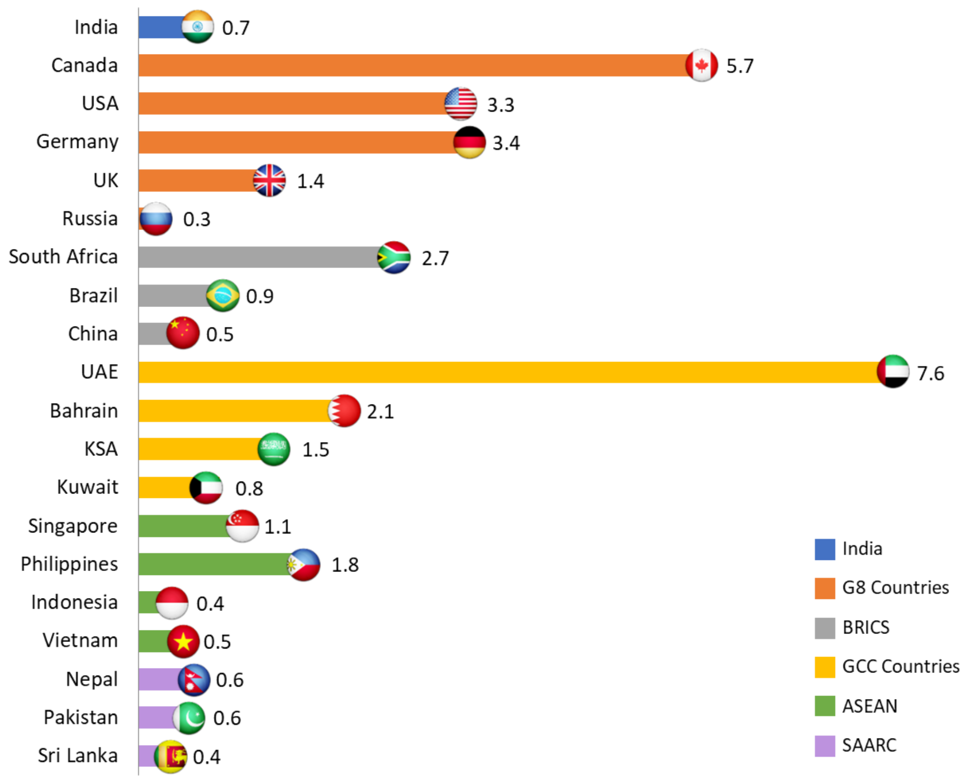
Source: Department of Telecommunications (DoT), Ministry of Telecommunications; Telecom Regulatory Authority of India (TRAI), Cellular Operators Association of India (COAI)

The low cost 4G network has not only increased the subscription base, but also the sale of smartphones and 4G enabled feature phones, which is evident from the domestic sales increasing in these last few years. According to F&S, India's mobile phone subscription market is projected to grow from 1,181 million subscriptions for the financial year 2021 to an estimated 1,369.1 million subscriptions for the financial year 2026 at a CAGR of 3.0%.

In addition to feature phones and smartphones, prospective handset customers had a third option to choose from 'smart feature phones/ 4G enabled feature phones'. These phones provide much of the Internet connectivity of smartphones at a more affordable price point. The development of KaiOS-based smart feature phones has pushed buyers who are in need smartphone connectivity, but cannot afford the high price to make a purchase. Most of the popular banking, messaging, and video streaming apps are offered by these phones, but without the additional hardware and software required to support the more general-purpose apps. This keeps cost at a minimum and attracts more customers.

Comparison of data prices across different countries

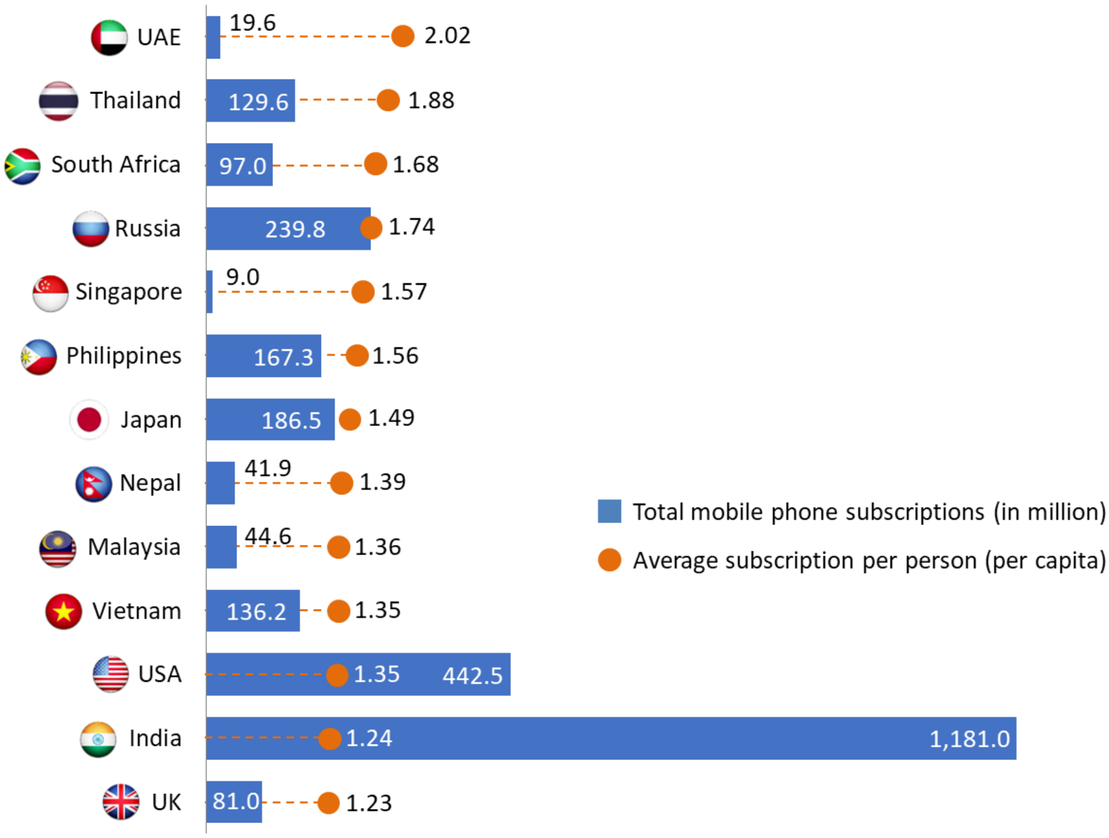
Chart 3.2: Cost comparison of mobile data across key countries, Average price of 1 GB data in USD, Global, 2021



Note: Only key countries from each association/ union is mentioned above *Source: Cable.co.uk*

India is considered to have the cheapest mobile data compared to all the other countries across the world. These low data prices are temporary owing to new entrants, especially Reliance Jio creating a price war in the mobile network service providing data at a low cost and high-speed connectivity, which is followed by its competitors. However, the prices are expected to rise in next few years, providing the mobile handset companies with the necessary profit cushion.

Chart 3.3: Total mobile phone subscriptions and per capita ownership of mobile phones by current users in select countries, Global, 2020

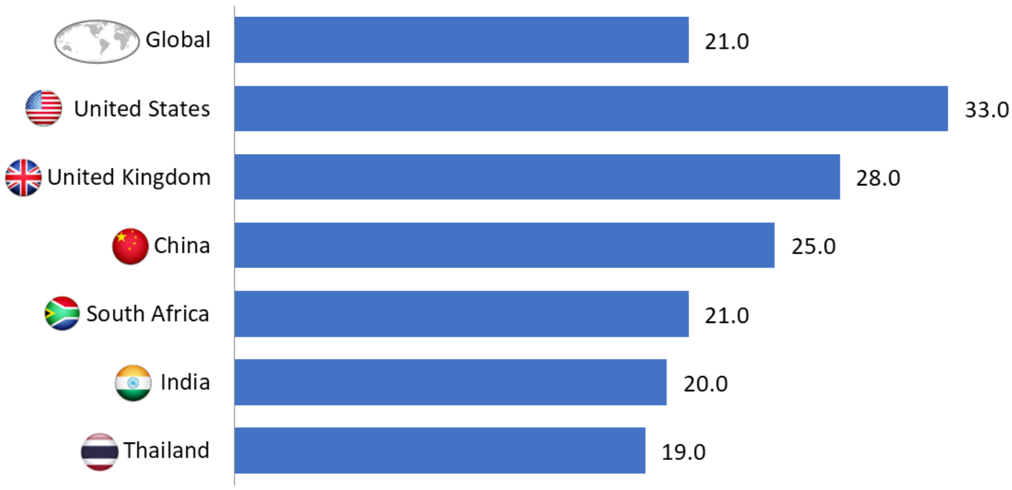


Note: This is an indicative list of countries considering key economies
Source: Index Mundi, Frost & Sullivan Analysis

Average life span of smart phones

The global average replacement cycle for smartphones is 21 months.

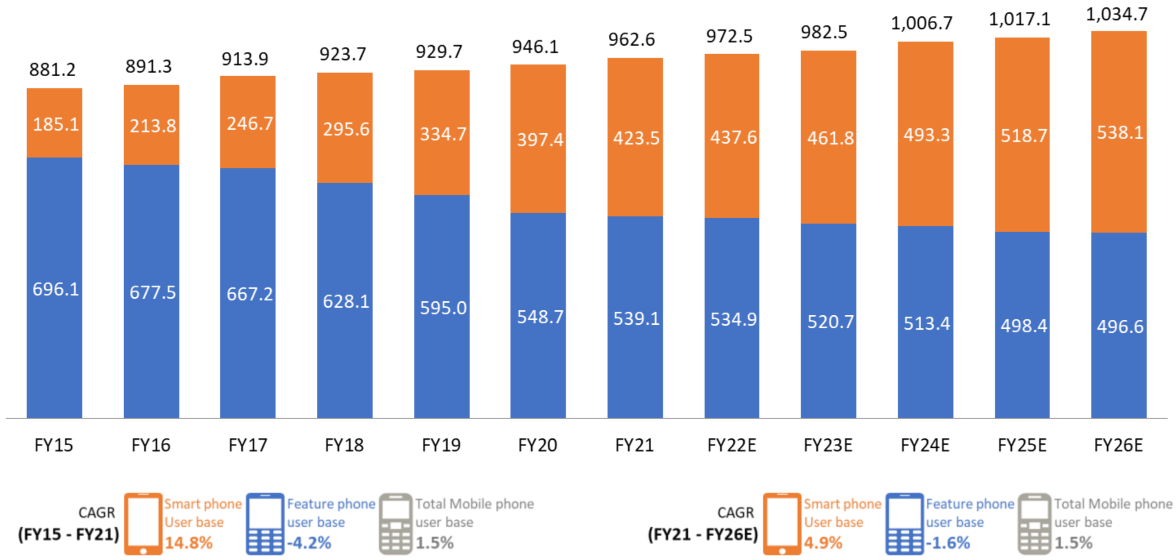
Chart 3.4: Replacement period for smartphones by select countries, Number of months, Global, 2020



Source: Frost & Sullivan Analysis

Overall mobile phone user base of feature phone and smartphone and growth trends in India

Chart 3.5: Share of smart phone vs feature phone user base, volume in million units, India, FY15-FY26E

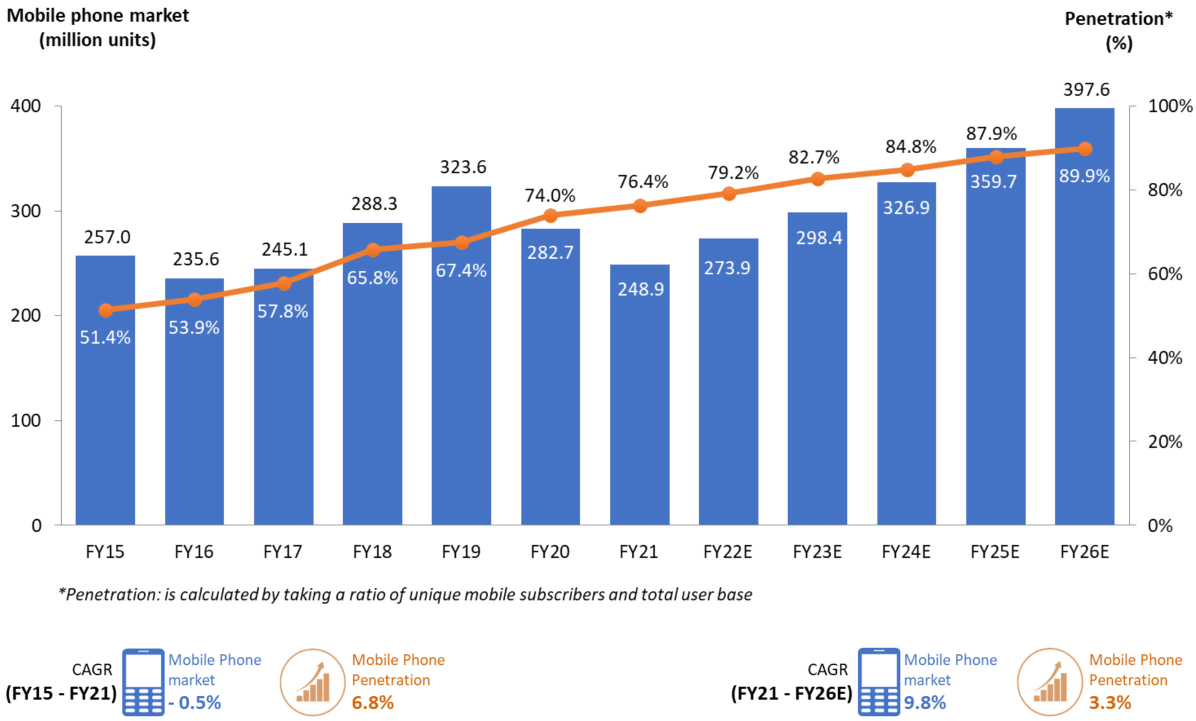


Note: E refers to Estimate *Source: Statista, Frost & Sullivan Analysis*

Overall size of the mobile phone market in India

The current global penetration of mobile phones is around 65% of the total 7.9 billion world population.

Chart 3.7: Mobile phone market, Volume in Million units, Penetration in %, India, FY15-FY26E



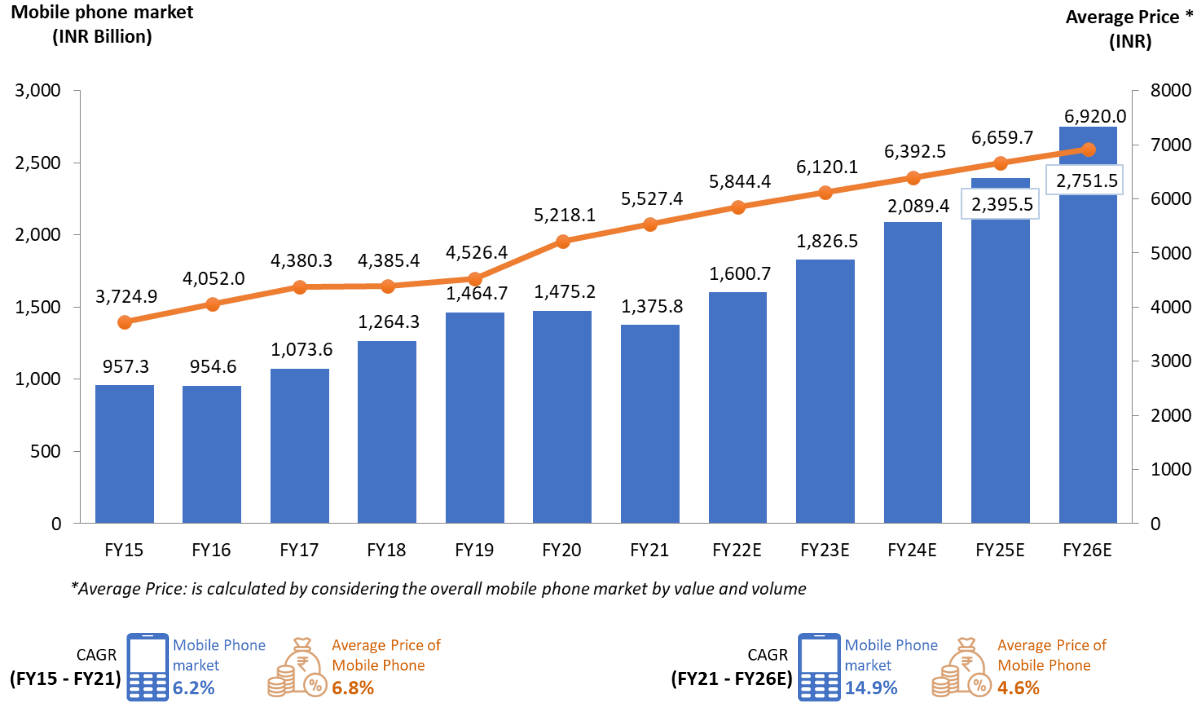
Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

There are more than 770 million internet subscriptions in India in the year 2021, with 55% in urban areas and rest in rural areas. Overall internet penetration in India stands at 52%, with urban net penetration at 104%[1]. This has

[1] Telecom Statistics India, 2019 - Department of Telecommunications, Ministry of Telecommunications.

acted as an enabler for the mobile phones market in India. India is second largest market by volume, just after China.

Chart 3.8: Mobile phone market, Value in ₹ Billion, Average price in ₹, India, FY15-FY26E

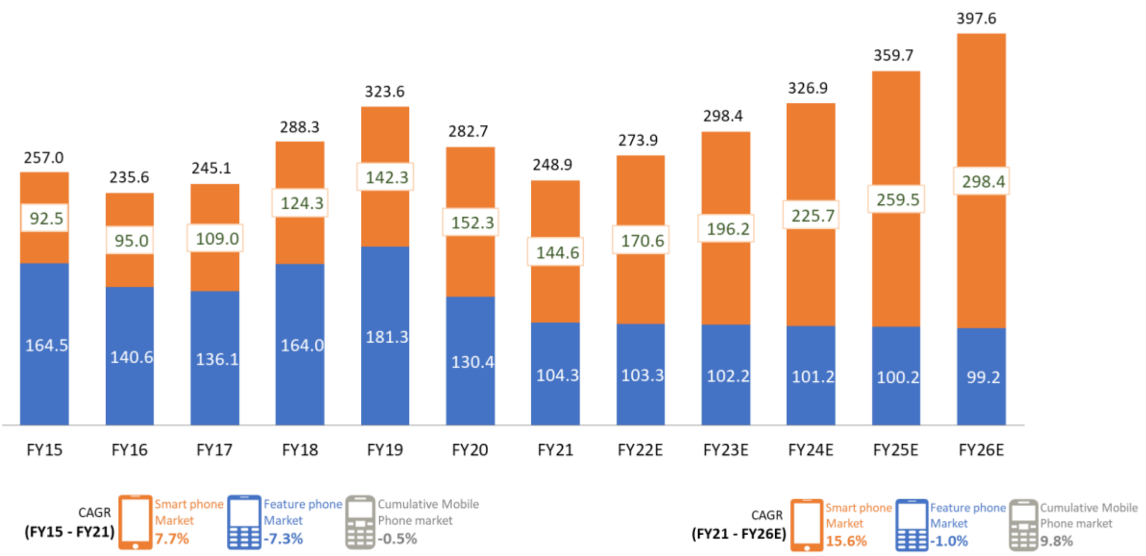


Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

Smart phones have seen fast acceptance in the market but still feature phones account for half of the total volumes sold, although by FY2026, the share of feature phones in volumes terms will fall down to 25% and by value terms to 6%, of the total mobile phones market.

Consumer pyramid mapping - By Type of phone

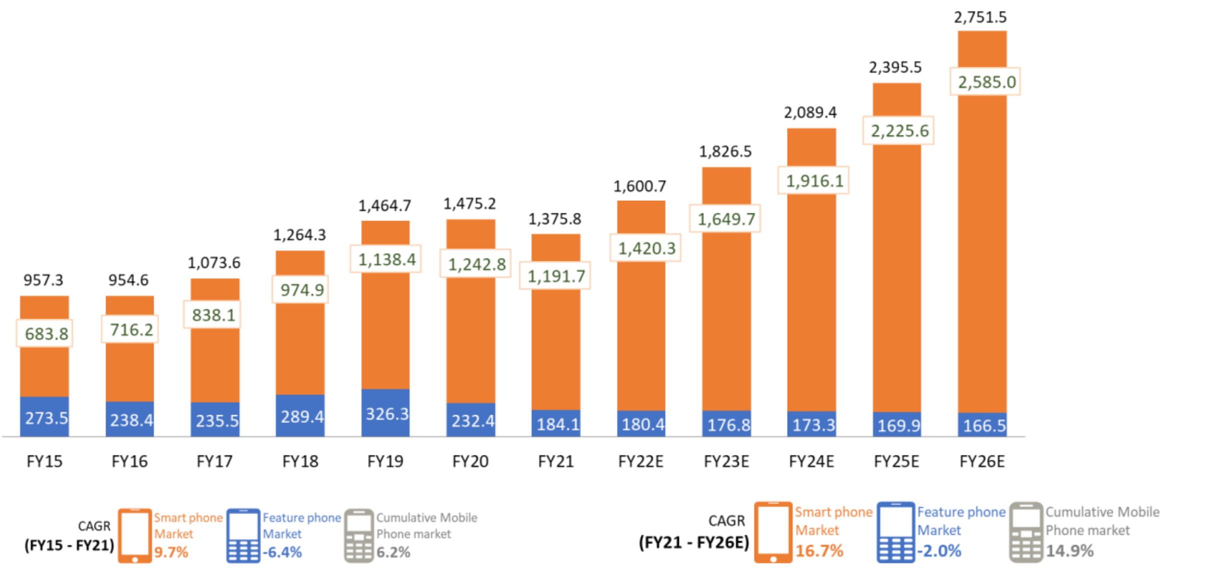
Chart 3.9: Mobile phone market, split by feature phone Vs smart phone, volume in million units, India, FY15-FY26E



Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

The rising popularity of the smartphones can be credited to innovation in features, design, looks, aesthetic appeal. The narrowing price difference between feature- and smart-phones is also an influencer. The rural market will witness slower penetration of Smartphones in comparison to the urban market. Overall sales of feature phones, however, will decrease over the forecast period as smartphones will be sold at lower price points.

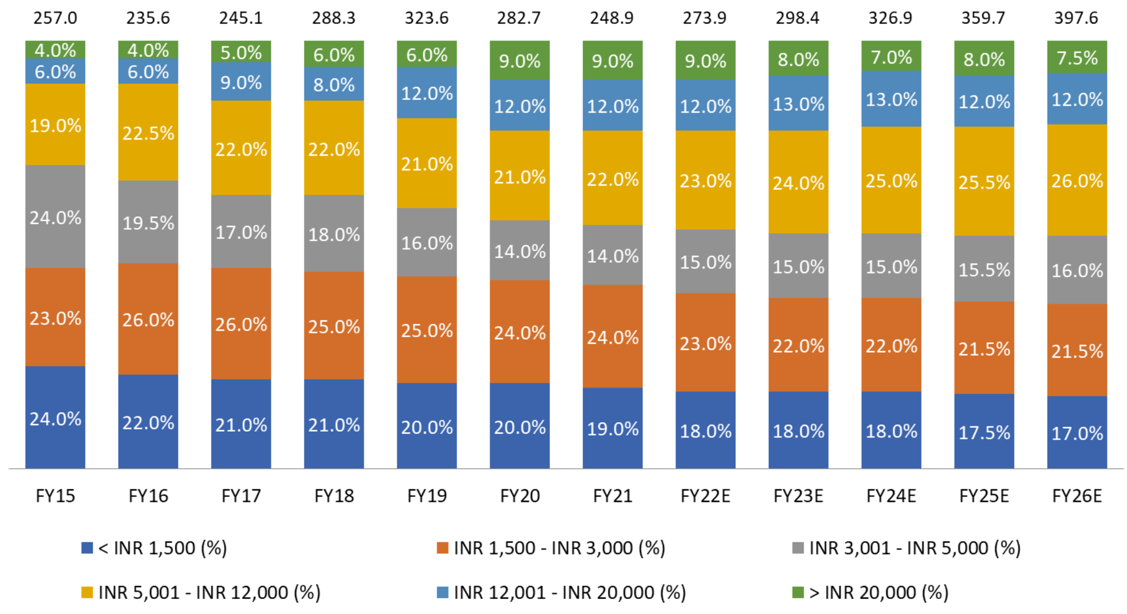
Chart 3.10: Mobile phone market, split by feature phone Vs smart phone, value in ₹ billion, India, FY15-FY26E



Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

Consumer pyramid mapping - by price points

Chart 3.11: Mobile phone market, split by price points, volume in % split, India, FY15-FY26E

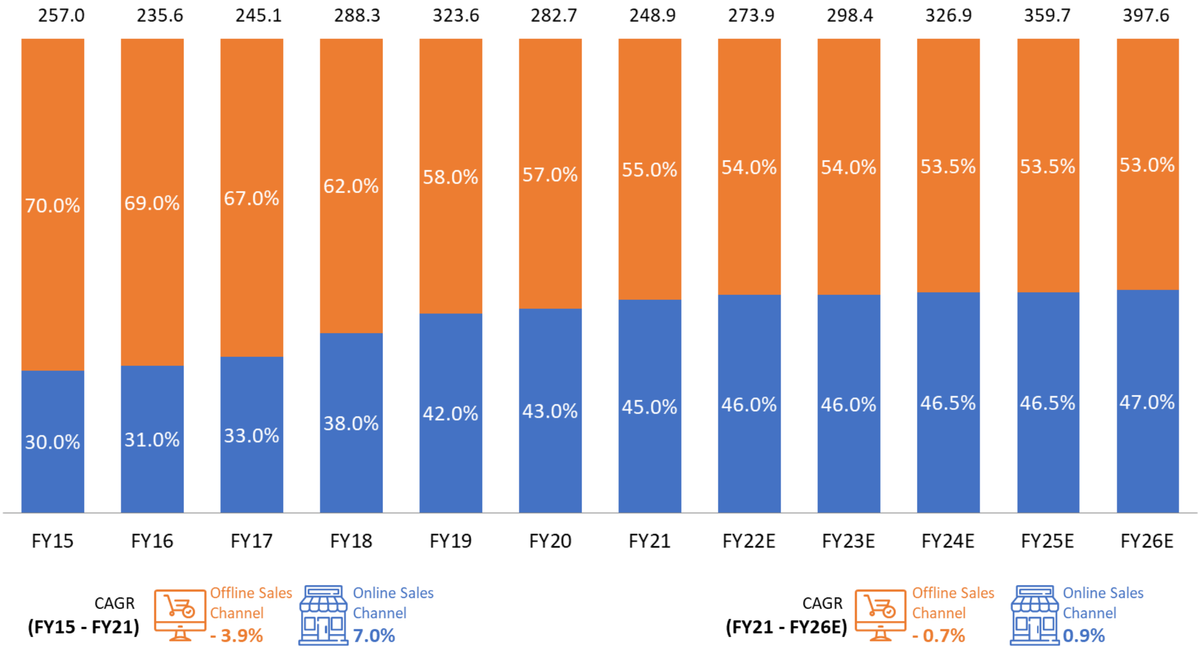


Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

Competitors have been launching new models at multiple price points to attract a diverse section of consumers. Many brands are following strategy of focussing on mass customized for a wide variety of customer segments. The top three brands Samsung, OnePlus and Apple contributed to 85% of the overall premium market. However, 80% of the consumers prefer to buy phone below ₹ 12,000 price range. Online aggressiveness by brands such as

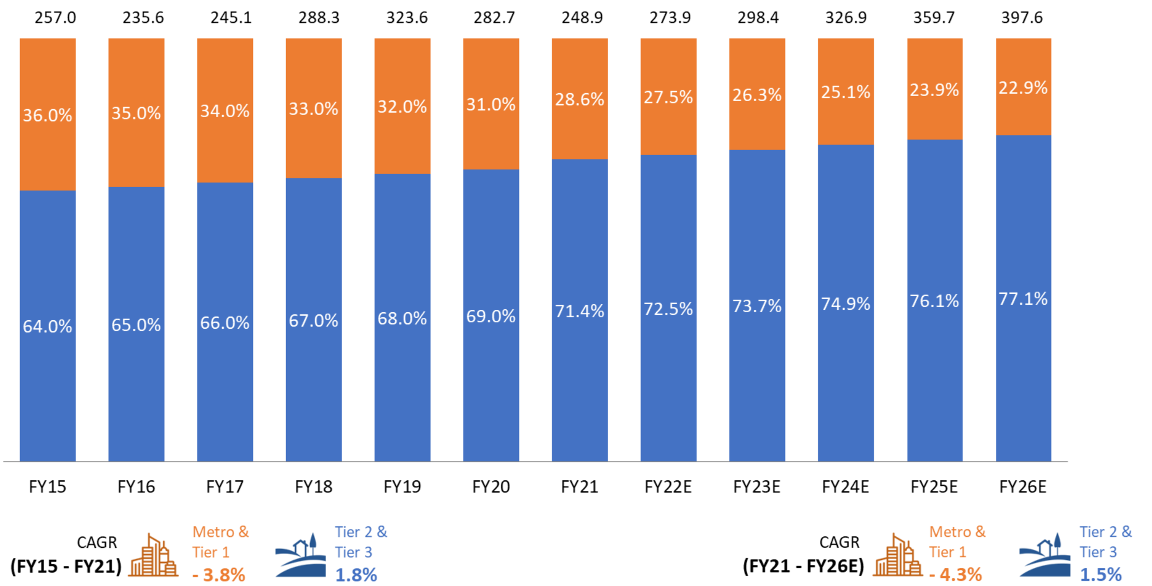
Xiaomi, many options in below - INR 12,000 segment and high-end specifications by all players in this segment are the major reasons for this purchase pattern. Lava being one of the preferred Indian brands is well positioned in the mobile phones below INR 12,000 price range segment. The Indian mobile phone market, for less than ₹ 5,000 (USD 70 equivalent range) market, is projected to grow from approximately 142 million handsets sold for financial year FY21 to approximately 217 million mobile handsets sold for financial year FY26E, growing at a CAGR of 8.8%.

Chart 3.12: Mobile phone Market, Split by Sales Channel - Online Vs Offline, Volume in % split, India, FY15-FY26E



Note: E refers to Estimate Source: MeitY, IDC and Frost & Sullivan Analysis

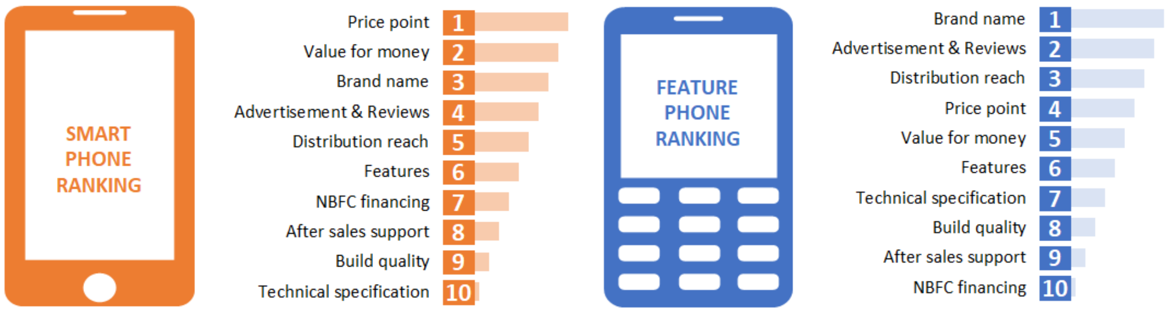
Chart 3.13: Mobile phone market, split by region - Metro & Tier 1 Vs Tier 2 & Tier 3, volume in % split, India, FY15-FY26E



Note: E refers to Estimate *Source: MeitY, IDC and Frost & Sullivan Analysis*

Key factors influencing the purchase of the mobile phone

Chart 3.14: Key factors influencing purchase of mobile phones, feature phone and smartphone, India, FY21

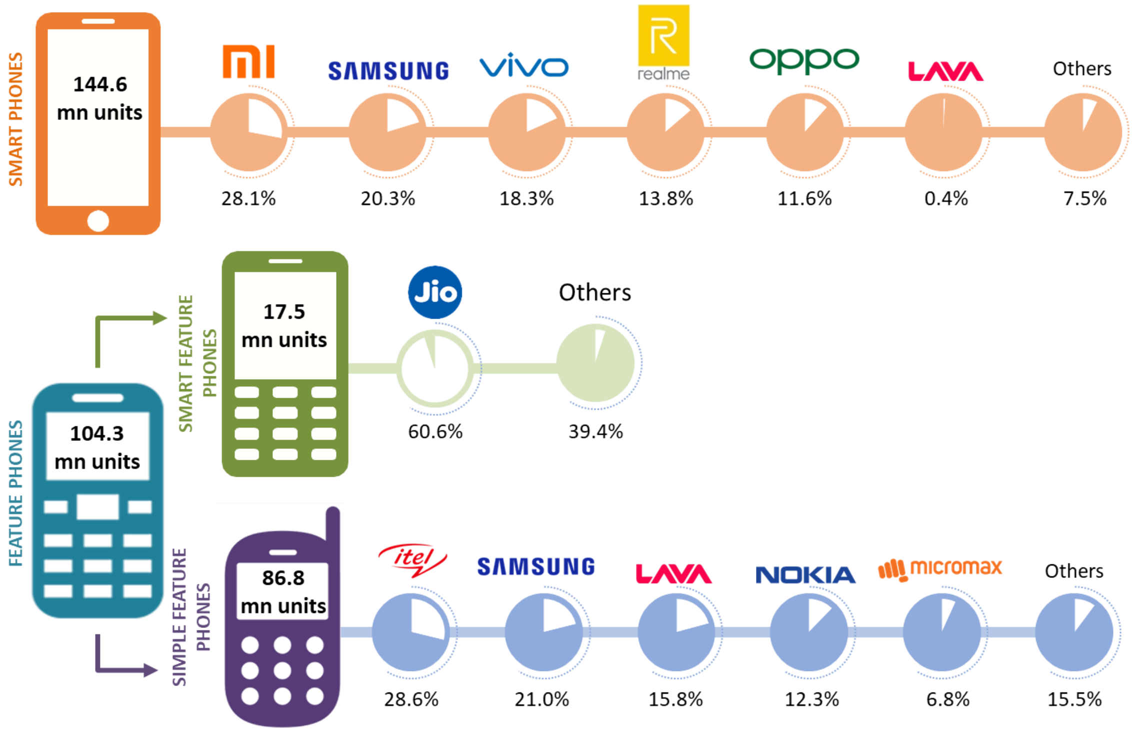


Source: Frost & Sullivan Analysis

According to Frost & Sullivan, sizeable number of users will shift from feature phone to entry level smart phones in India due to availability of better features at incremental cost, rising affordability, increase in discretionary spending, availability of uninterrupted mobile data connectivity at low cost and option to use basic mobile apps. Also, changes in demographic factors such as large and growing vibrant young population with increasing mobile ownership, significance of technology among tech savvy users and increasing penetration in the rural market are other growth enablers.

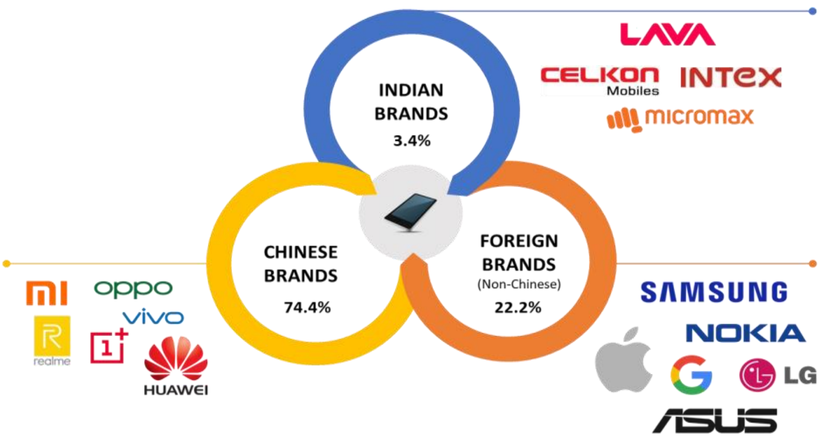
Competitive Landscape

Chart 3.15: Market share of Smart phones and Feature phones by competition, Volume split by %, India, FY21



Source: Frost & Sullivan Analysis

Chart 3.16: Key brands present in smartphones market, volume split by %, India, FY21



Source: Frost & Sullivan Analysis

In terms of origin, Chinese brands have the largest share compared to Indian and foreign brands. However, the majority of these players have their own production facilities in India. Going forward, Indian players are confident on growth of the mobile phone market in Tier II and III cities, as well as the rural sector, where growth is projected to be significant.

Chart 3.17: Key brands present in feature phones market, Volume split by %, India, FY21

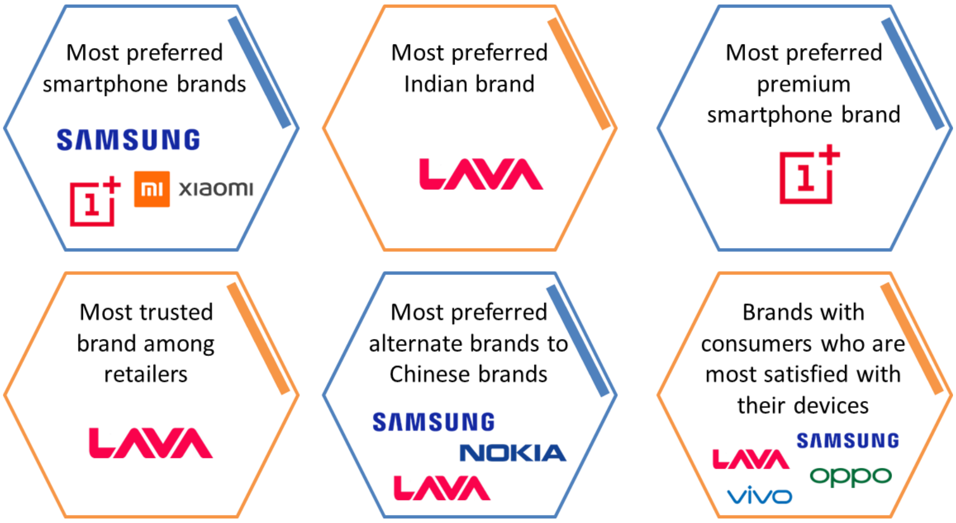
Source: Frost & Sullivan Analysis

Despite stiff competition, Lava stands out among Indian companies in terms of direct presence and market share.

Brand loyalty concept in Indian market

Indian customers by and large are not brand loyal and they are more focussed on value for money. Brand loyalty is seen primarily in premium mobile phone categories. However, for low to mid budget phones it is mere value for money.

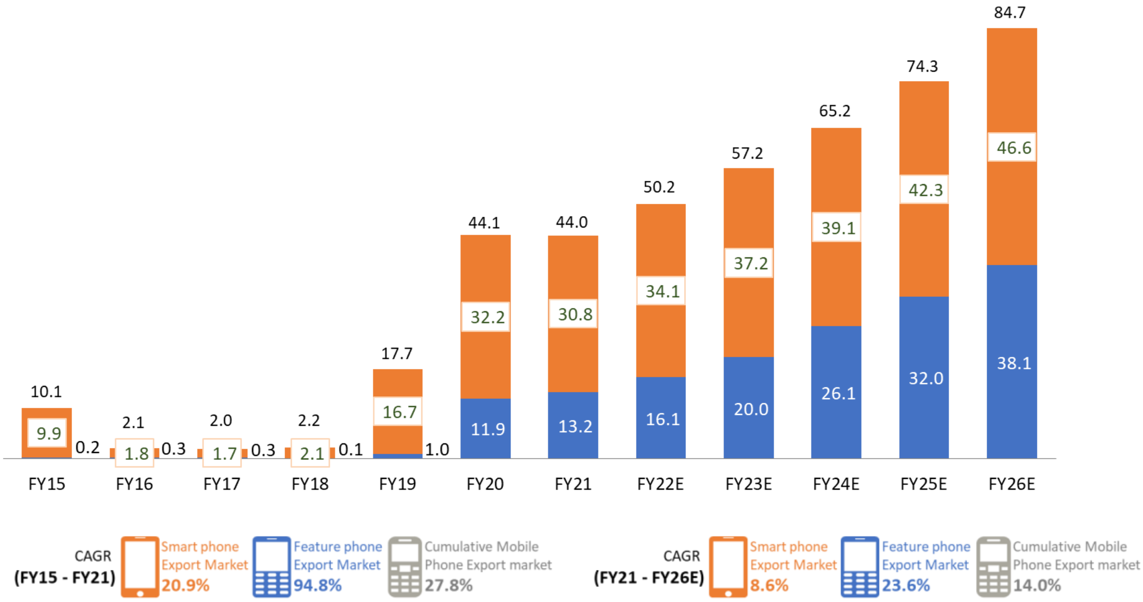
3.18: Customers opinion on smartphone brands, India, FY21



Source: CMR Research, Frost & Sullivan Analysis

Mobile phone exports market

Chart 3.19: Mobile phone export market, Volume in Million units, India, FY15-FY26E



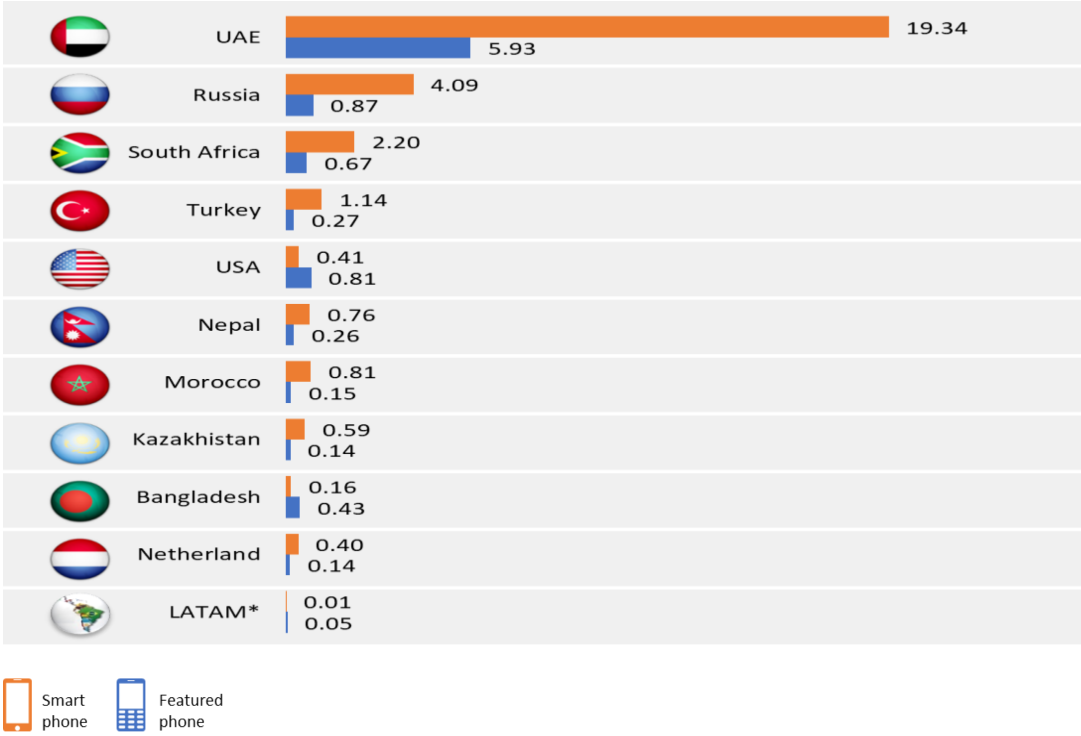
HS Code: 85171210 (push button phone), 85171290 (others)

Source: Export Import Data Bank, Ministry of Commerce

India is expected to achieve a breakthrough and become a net exporter of mobile phones by 2025 and consolidate this trend in the future. Numerous investment announcements are made by global smartphone manufactures post growing Government of India support to boost the domestic manufacturing ecosystem through various initiatives and schemes. As more players are setting up manufacturing units in India post growing Government of India support through various initiatives and schemes, the production is expected to rise and hence the exports.

India has attracted interest from companies such global giant Samsung and Chinese OEMs in the mobile phone segment driven by the right set of incentives for manufacturing. The large domestic market, which was underpenetrated for long, has provided an opportunity to these players to address local demand as well as set-up base.

Chart 3.20: Key countries of exports from India, Volume in Million units, India, FY20



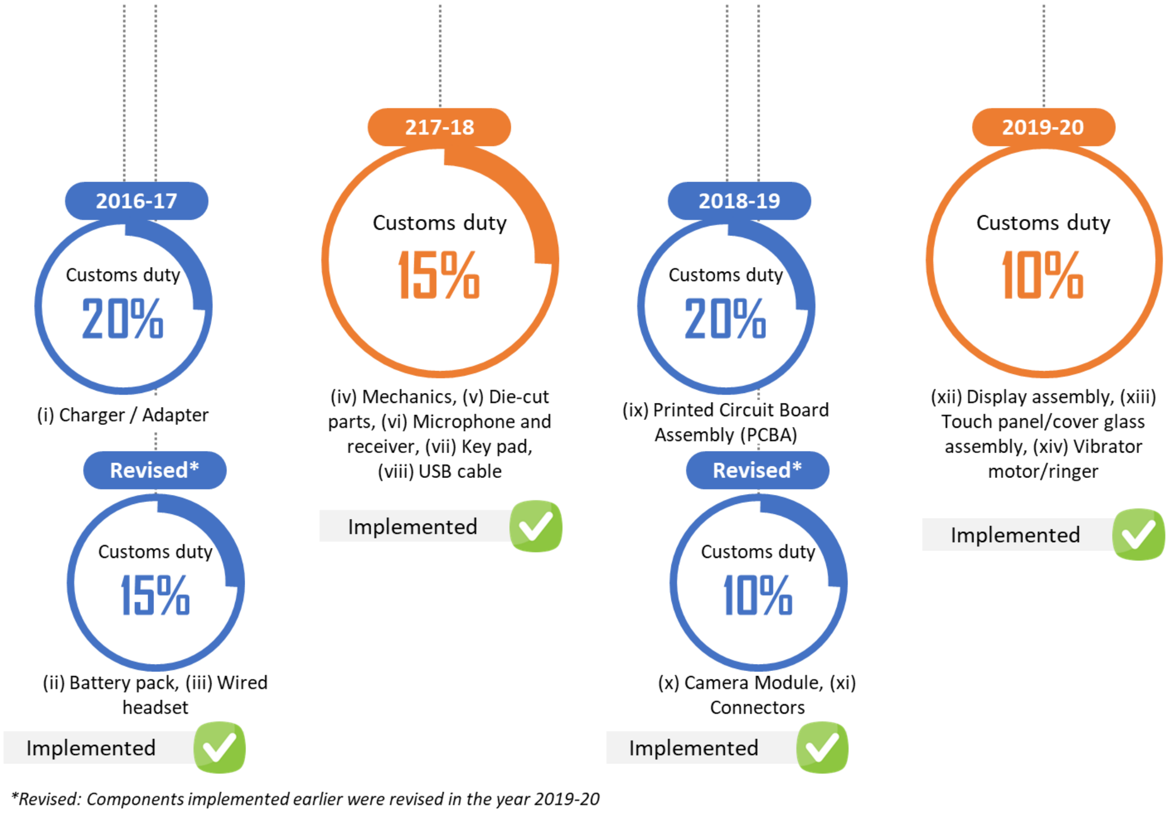
Note: LATAM includes countries such as Argentina, Chile, Mexico, Peru, Brazil, Colombia and others*
Source: Import Export Data Bank; Ministry of Commerce

India has a low export market in Latin America (LATAM) countries, but the opportunities are immense, especially in the feature phones segment. LATAM market has seen a high adoption rate of mobile phones in the last few years. In early 2000's the adoption was only around 5%, while in 2020 this has increased to nearly 70%. The competitive landscape in LATAM region is primarily determined by the varied preference of customers and local regulations. Unlike developed regions such as the Europe and North America, feature phones are an important segment in this region.

Localization of components vs. imports

In Mobile Phones segment, components like battery, chargers, cables, packaging, headphones, housing and casing and design part feature high on possibility of localisation and therefore their complete localization is expected to be on high priority. Components like display, camera, flex and mechanics also have a similar focus by competitors. Processors, flash memory, RF components, sensors and fingerprint module feature low on possibility of localisation.

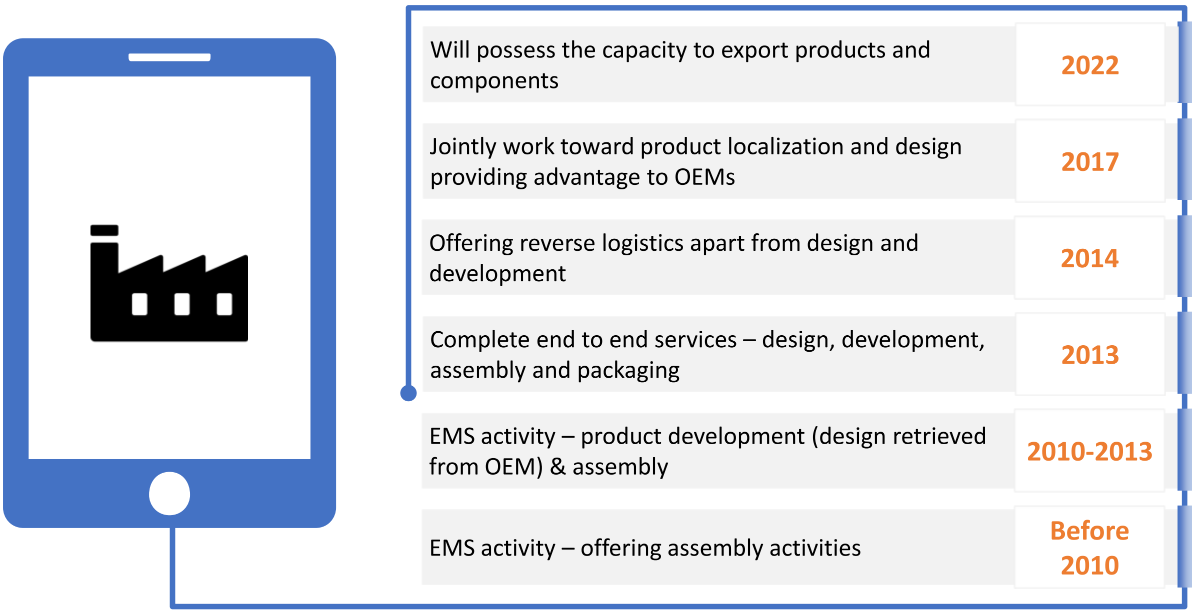
Chart 3.21: Implementation status of PMP for Cellular Mobile Handsets and parts thereof, India, 2021



Source: Ministry of Commerce, Gazette of India

Contract manufacturing opportunity available to Indian players in mobile phones

Chart 3.22: Contract Manufacturing/EMS activity in Mobile phone manufacturing, India, 2020



Source: Frost & Sullivan Analysis

The contribution by EMS/ODM in the mobile phone segment is expected to increase tremendously in the coming years with the influx of many Global majors setting-up local manufacturing capabilities. Companies like Foxconn, Flextronics, and Dixon have already started contract manufacturing for some leading companies like Gionee, Lenovo, Motorola, Xiaomi, Oppo, Vivo, etc. Local EMS capabilities in terms of product assembly, packaging and some companies like Dixon offering Reverse Logistics for Mobile phones is an attractive proposition for OEMs to consider EMS/ODM for local assembly.

Key risks for mobile phone market in India

Under-developed ecosystem resulting in reliance on imports: Currently the value chain for smartphone in domestic manufacturing is underdeveloped.

Competitive pricing: Chinese brands have swept the Indian mobile phone market with their competitive prices.

Technology shift: India is still in the testing phase of 5G technology, which needs to be paced with the global market.

IPR related weakness: According to the Global Innovation Index (GII) 2020, India is rated 48th out of 131 innovative nations. India spent just 0.65% of its gross domestic product (GDP) in 2020 on R&D. Meanwhile, Japan, the US and China spent 3.73%, 2.94% and 2.40%, respectively, in 2020[2].

China+1 Strategy – Advantage to Indian Domestic Manufacturing Ecosystem

The on-going US-China trade war has created an uncertain environment for handsets markets. In the light of US-China tariff war, India should make efforts to position itself as an alternate manufacturing destination. All investments in China with prime focus on the US market may seek relocation and India would definitely be one of the options. There is a need to move aggressively to woo such investors because other countries like Vietnam pose a challenge to India. Tax holidays, Capital subsidies and re-imbursements on investments should be looked at to attract companies to choose India as their alternate manufacturing destination.

India's digital needs in rural areas

Across developing countries, the consumption growth is primarily dependent on rural area. In India, rural areas are expected to be the consumption capitals which are growing at 4.3 times compared to urban areas which are growing at 3.5 times the global average[3]. The rural economy continues to be an informal one, largely cash-oriented with unstructured cash flows. However, it is getting increasingly more diversified, with the non-agricultural sector contributing to about two-thirds of household incomes.

Adoption of mobile phones subscribers in rural India is around 45.5% which is growing at 6.8% and expected to grow at a faster rate in the next 5 years owing to various government initiatives in 'Digital India'. With this particular vision, government has launched 'Digital Village' campaign. The aim of the project is to support techno economic viability of digital technology, projects for productive applications in village area livelihoods; standardize the technology packages for future applications; create awareness and capacity building activities on Information Technology systems and create employment opportunities for the youth by promoting the IT/ITES Industry. Mobile phones companies like Lava International have shown keenness to contribute to this growth. It has launched its own payments app 'Lava Pay' in the month of March 2020 claiming to be the world's first digital payments app that does not require internet connectivity, which is very useful in rural and remote locations. It is pre-installed in the phone models such as 'Lava Hero'. The app with a simple and unique UI for the ease of transaction and is in accordance with the 'Digital India' program.

COMPETITIVE EDGE OF INDIA IN THE MOBILE MANUFACTURING MARKET

Manufacturing value chain of mobile phones

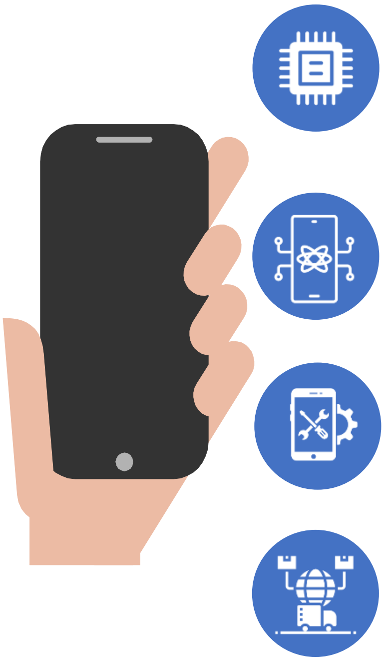
1. The application ecosystem is expected to act as a key differentiator, and telecom service providers are opening application stores to attract end-customers.

Chart 4.1: Value chain of mobile phone manufacturing, India, FY21

OS Vendors

- OS vendors are key value chain members in the smartphone market.
- There are only a few OS developers worldwide providing smartphone

[2] DST, Ministry of Science and Technology; OECD Organisation for Economic Co-operation and Development
[3] World Economic Forum



OS.

Chipset Manufacturers

- Chipset forms another important value chain component in the smartphone market. Models of chipset are EX-Qualcomm, Ex-Infineon and Ex-NXP

Mobile Application Developers

- Mobile application's compatibility with smart phones is the necessary factor for success of app.
- There are different participants in the entire smartphone value chain developing platform - dependent/independent applications.
- The cost to the handset manufacturer for these preloaded applications is in the range of 3-4%.

OEMs/EDS/ODM/Contract Manufacturers

- Manufacturing of mobile phones is either through OEM/ ODM and EMS/ Contract manufacturing.

Distribution Channels

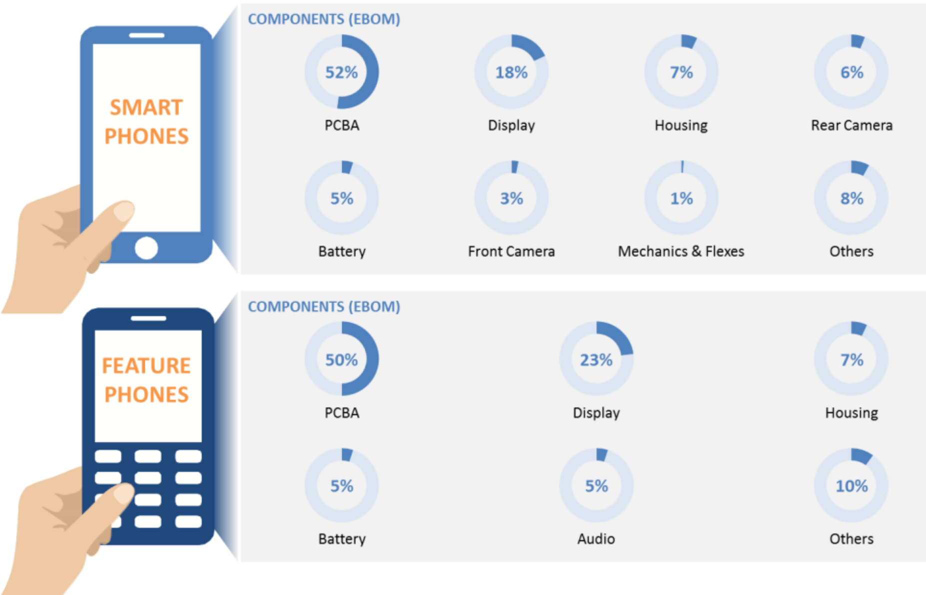
- There are three tiers of mobile device distribution in India -from manufacturers to super and zonal distributors and finally to retailers.
- The margins offered by manufacturers to channel partners are different for global brands and Indian manufacturers.
- Global participants generally pay less margin in comparison to local manufacturers

Chart 4.2 Three types of business models currently exist in mobile handset manufacturing in India, FY21

FULLY INTEGRATED MODEL	SEMI-INTEGRATED MODEL	OEM MODEL
Wherein an individual company designs, manufactures, assembles sells and provides after sales service support for the mobile phones. (Samsung, Vivo, Oppo are having integrated manufacturing facility)	Here the company performs only few operations that are involved in manufacturing of a mobile phone. Most of the companies that follow this model prefer to design the product and let contract manufacturers manufacture the product. The after sales service and repairs is carried out by the company itself (Foxconn and Wistron are contract manufacturers of Apple)	The companies that follow this model just import the product manufactured in countries like China, Taiwan, Japan, etc. and sell it under the brand name of Indian counterpart (One Plus, premium models of Apple are directly imported)

Key components which go into a feature phone and smartphones and the contribution of these to the overall value of phone

Chart 4.3: Key components and their EBoM, India, FY21

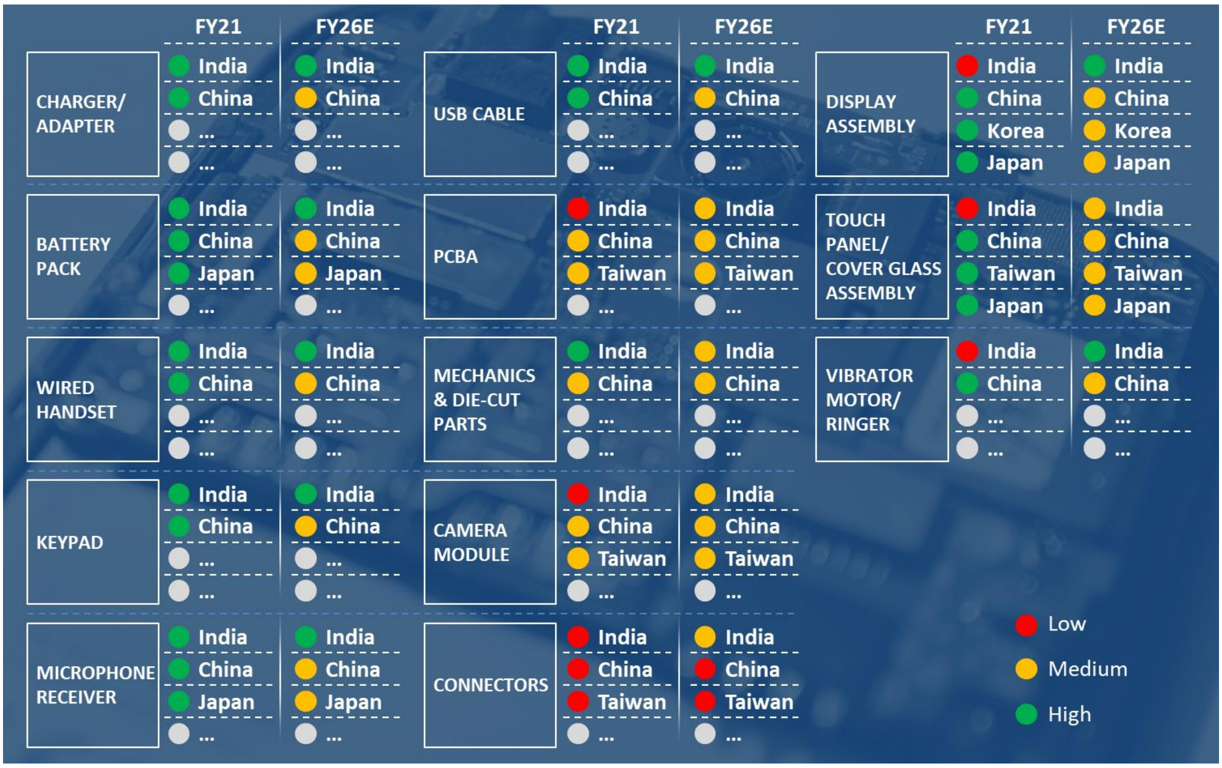


Note: Above segmentation is cost% of the total mobile cost *Source: Frost & Sullivan Analysis*

India relies on imported parts from China, Taiwan, Korea and Japan for the assembly, because of the lack of an ecosystem of component manufacturers.

Handset components having high dependency on non - India region for sourcing and components have high potential for sourcing in India

Chart 4.4: Key countries of component sourcing and level of local sourcing in the future, India, FY21, FY26E



Source: Frost & Sullivan Analysis

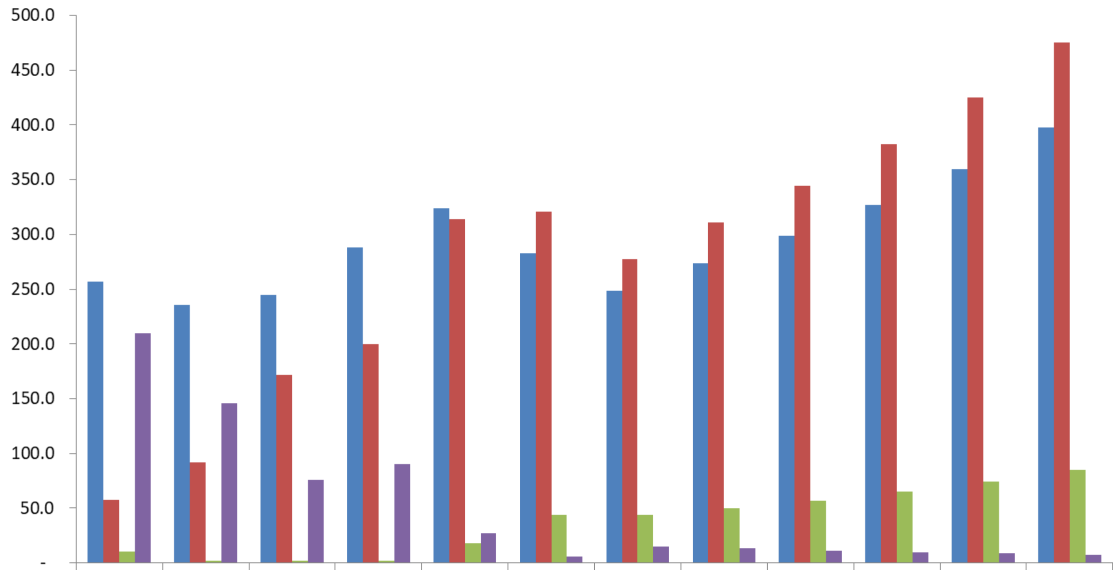
Component manufacturing set-up requires heavy investment. China and Taiwan are considered as major hubs for manufacturing of mobile components and act as key suppliers globally. PMP (Phased Manufacturing Program) is one such government initiative which is an enabler to achieve localization target in next few years.

Due to low cost of imports and unavailability of components domestically, mobile phones source a sizeable portion of electronic components through imports from China, Taiwan, Korea and Japan. Plastic components are primarily driven by international prices, and Indian manufacturers do not face any notable disadvantage on this count. With its large number of mobile manufacturing units anticipated to undertake greater value addition; the component cost is likely to go down over the next 3 to 4 years.

In 2019, India surpassed Vietnam to become the second largest mobile phone manufacturer by volume, only next to China. With the government's push for self-reliance in the mobile phone and electronic industry through 'Atmanirbhar Bharat' program, the mobile phone manufacturing ecosystem is set to become a destination of interest for global component supply and the expand the manufacturing base in India.

Breakup of sales in India both volume and value wise on locally produced and imported phones

Chart 4.5: Mobile phones sales break up Domestic market, Production, Exports and Imports, Volume in million units, India, FY15-FY26E

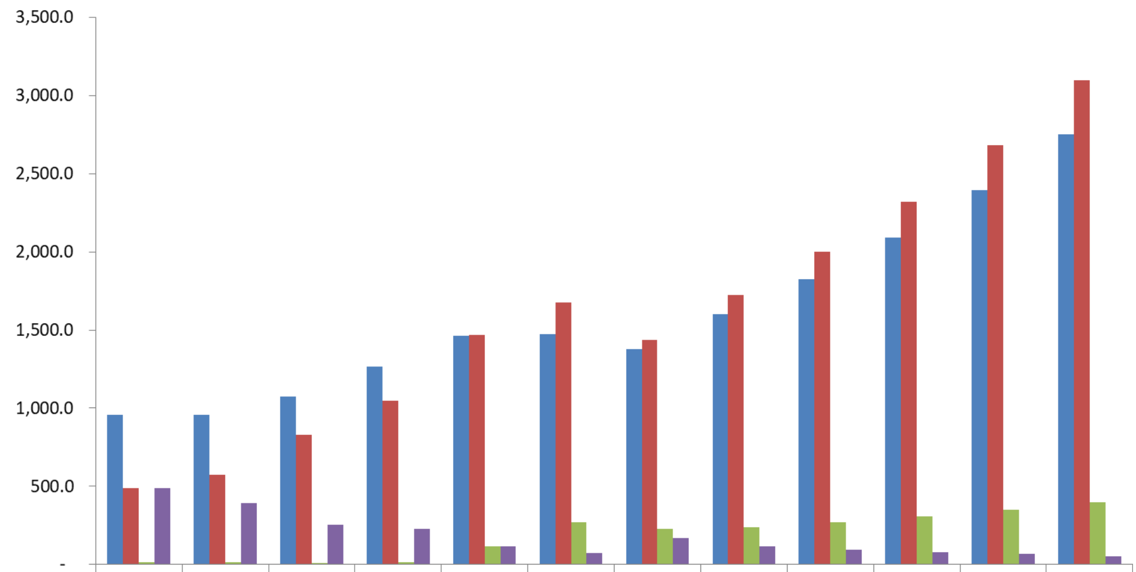


	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E
Domestic Market	257.0	235.6	245.1	288.3	323.6	282.7	248.9	273.9	298.4	326.9	359.7	397.6
Production	57.4	92.0	171.4	200.0	314.3	320.8	277.8	310.9	344.2	382.1	425.4	474.8
Exports	10.1	2.1	2.0	2.2	17.7	44.1	44.0	50.2	57.2	65.2	74.3	84.7
Imports	209.7	145.7	75.8	90.5	27.0	6.0	15.1	13.1	11.4	9.9	8.6	7.5

Source: Ministry of Electronics and Information Technology (MeitY), Ministry of Commerce (Export-Import Bank)

India is currently able to meet its domestic demand to an extent. However, there is import of mobile phones which contributes to around 6% of the total demand. Imports of both feature phones and smartphones have declined significantly from FY15 to FY21. The cumulative decline in imports account to -35.5% YoY by value.

Chart 4.6: Mobile phones sales break up Domestic market, Production, Exports and Imports, Value in ₹ billion, India, FY15-FY26E



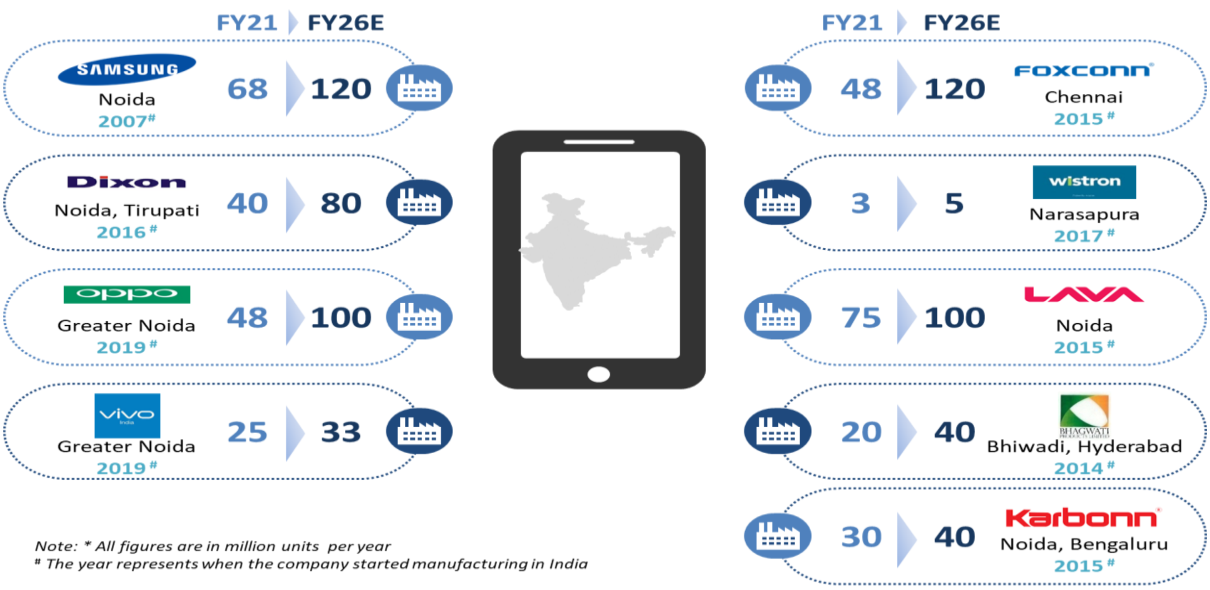
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E
Domestic Market	957.3	954.6	1,073.6	1,264.3	1,464.7	1,475.2	1,375.8	1,600.7	1,826.5	2,089.4	2,395.5	2,751.5
Production	486.9	575.4	831.0	1,050.1	1,465.7	1,673.4	1,438.0	1,724.5	2,002.9	2,317.5	2,679.7	3,097.3
Exports	15.7	14.8	11.5	13.7	114.0	272.2	228.7	239.3	272.4	307.6	350.0	399.8
Imports	486.1	394.0	254.1	227.9	113.0	74.0	166.4	115.5	96.0	79.6	65.7	54.0

Source: Ministry of Electronics and Information Technology (MeitY), Ministry of Commerce (Export-Import Bank)

Key mobile manufacturers in India

India has gradually developed its mobile phone manufacturing capability. Since 2014, India has had addition of more than 250 manufacturing units which includes facilities of Samsung, Xiaomi, Vivo, Micromax, Lava International, Intex Technologies, Celkon Mobiles, Flextronics and others.

Chart 4.7: Mobile phones production capacity of key manufacturers, Volume in million units per year, India, FY21 and FY 26E



Source: Frost & Sullivan Analysis

All major players are planning to invest in mobile phones production in India. To name a few, Samsung has invested nearly INR 20 Bn in the last 3-4 years for setting up the largest mobile manufacturing plant in India. It is planning to further invest around INR 50 Bn on smartphone display manufacturing. Dixon Technologies, which acts as an EMS player, is setting up its 11th manufacturing plant in Noida for assembling of mobile phones, which is slated for opening in January 2021 with an investment of around INR 0.75 Bn. Oppo mobiles has already invested around INR 22 Bn for setting up its plant in Greater Noida along with expansion of few production lines.

The PLI scheme has also paved way for TATA group, one of the conglomerates in India to enter into the mobile phone industry. The company is planning to invest nearly INR 110 Billion to set up a mobile phone and component manufacturing industry in India. Its subsidiary TATA Electronics is already allotted around 500 acres of land in Tamil Nadu for setting up the plant. Tata Group plans to capitalize on this opportunity to woo mobile makers such as Apple to alternative production sites in India as they seek to diversify out of China.

Chart 4.8: Capability mapping of domestic manufacturing, India, FY21

	PCBA Design	SMT Assembly	Testing	Captive components	After Sales Service
Samsung India	✓	✓	✓	✗	✓
Dixon Technologies	✓	✓	✓	✗	✓
Oppo Mobiles	✗	✗	✓	✓	✓
Vivo Mobile	✗	✗	✓	✗	✓
Foxconn Hon Hai	✗	✓	✗	✓	✓
Wistron Infocomm	✓	✗	✓	✗	✓
Lava International	✓	✓	✓	✓	✓
Bhagwati (Micromax)	✗	✓	✗	✗	✓

Source: Frost & Sullivan Analysis

Policy initiatives to drive local manufacturing

The Government in India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Some of the key initiatives/ schemes/ programs introduced by the government in boosting the mobile phone market and related manufacturing industry in India include:

Make in India: As per the scheme, government released special funds to boost the local manufacturing of mobile phones and electronic components. It has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector.

Merchandise Exports from India Scheme (MEIS): As per this scheme the government of India provides benefits up to 4% depending on the country of exports and the products.

Product Linked Incentive (PLI) Scheme: The scheme was announced in the years 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. As per the scheme, a total production of INR 11,500 Billion is expected including INR 7,000 Billion exports in the next five years. As per the 2021-22 budgets, under the PLI scheme the government has allotted INR 355 Billion for Mobile Manufacturing and Specified Electronic Components, which is much higher than any other scheme.

Schemes for Promotion Of Manufacturing Of Electronic Components And Semiconductors (SPECS): Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition and promote employment opportunities in this sector. Incentives of up to INR 32.85 Bn will be awarded under the Scheme over a period of 8 years.

Modified Electronics Manufacturing Clusters Scheme (EMC 2.0): It is aimed to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. Financial Incentives of up to INR 37.62 Bn will be disbursed over a period of 8 years.

External factors aiding the perception of manufacturers moving away from China

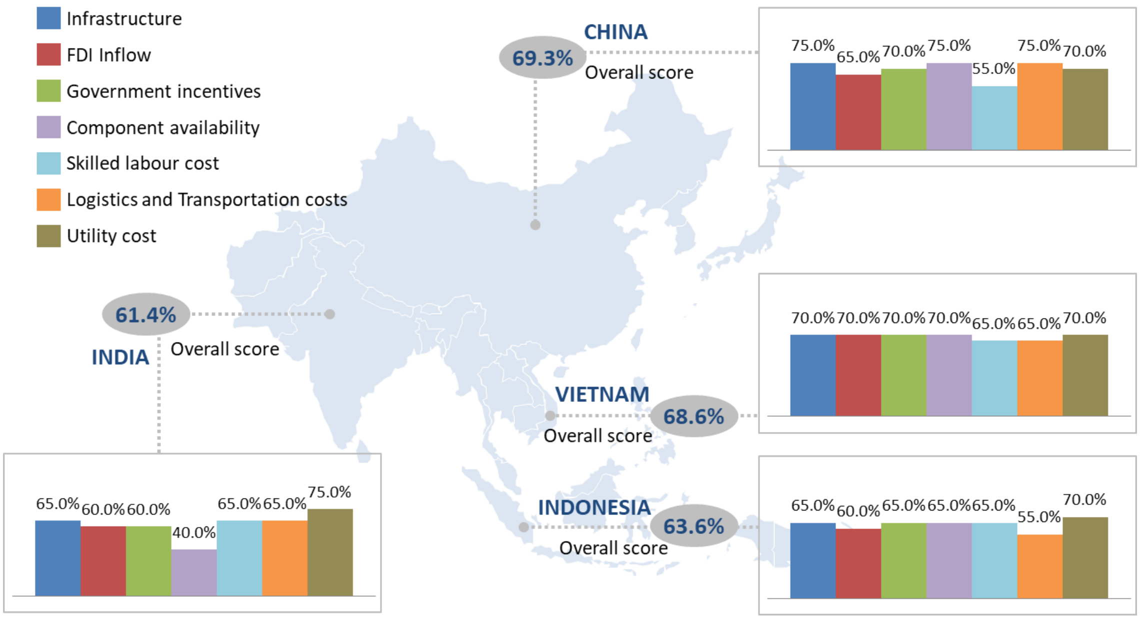
US-China Trade War: The trade war between the United States and China, which began in 2018, has had a big influence on the market, since import duties on Chinese goods have been increased by USA. Vietnam has benefitted the most, with 7.9% of its 2019 GDP coming from import substitutions by the United States and China. Electronics manufacturers are preparing to shift more production to SEA.

COVID-19 pandemic and fear of its reoccurrence: Such high dependency on imports with some critical components being produced in China is expected to have significant impact in the future if there is reoccurrence of any similar outbreak. Hence, OEMs in India are planning to source components from other countries and to follow 'China + 1' strategy.

Rising labour cost in China: The average cost of manufacturing labour per day is USD 6.9 in India and USD 11.0 in China, which bodes well in the favour of manufacturing in India.

Competitive advantage of India manufacturing

Chart 4.9: Comparison of manufacturing scenario of mobile phones in India vs other countries, India, FY21



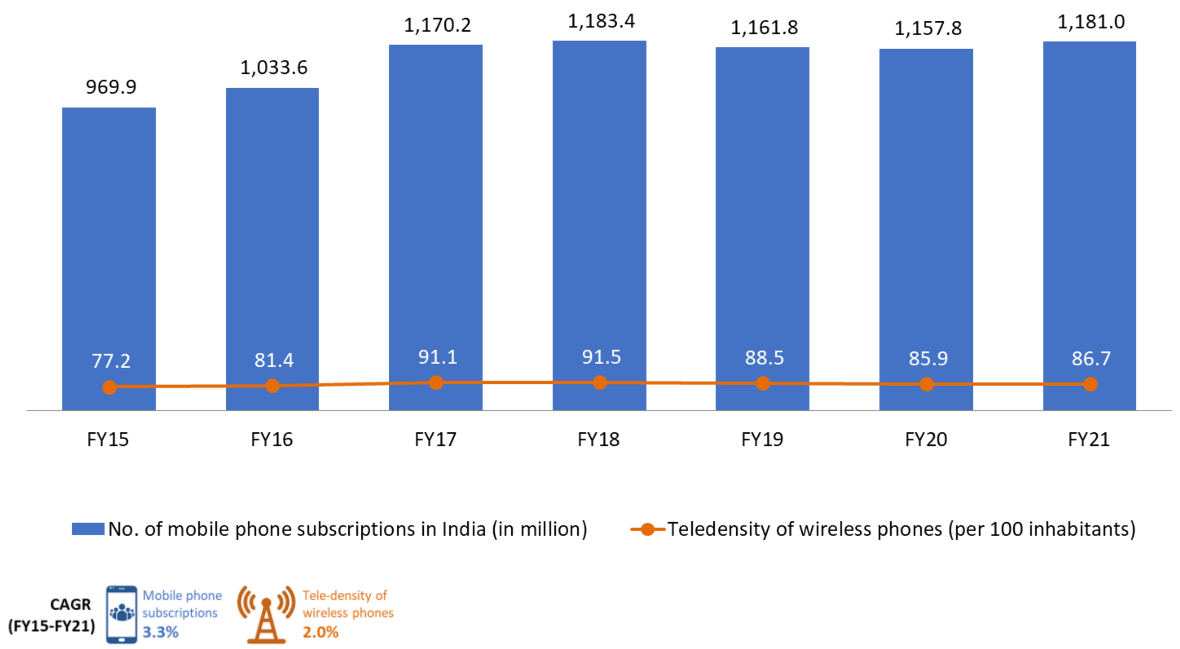
Note: Overall/Cumulative score is calculated after taking weightages for individual scores into consideration

Source: Frost & Sullivan Analysis

Large addressable market

India's demographic profile has undergone characteristic evolution, which is highly beneficial to the mobile phone adoption. Gen Y, working-age population and the middle-class income group have evolved to be the most influential segments of the population triggering new technological and economic trends. The tele-density clearly indicates the penetration rate of the mobile in an economy and which is catching the attraction of the manufacturers and component suppliers in country.

Chart 4.10: Number of mobile phone subscriptions and tele-density of wireless phones, Subscribers in million, India, FY15 to FY21



Source: Telecom Regulatory Authority of India, Frost & Sullivan Analysis

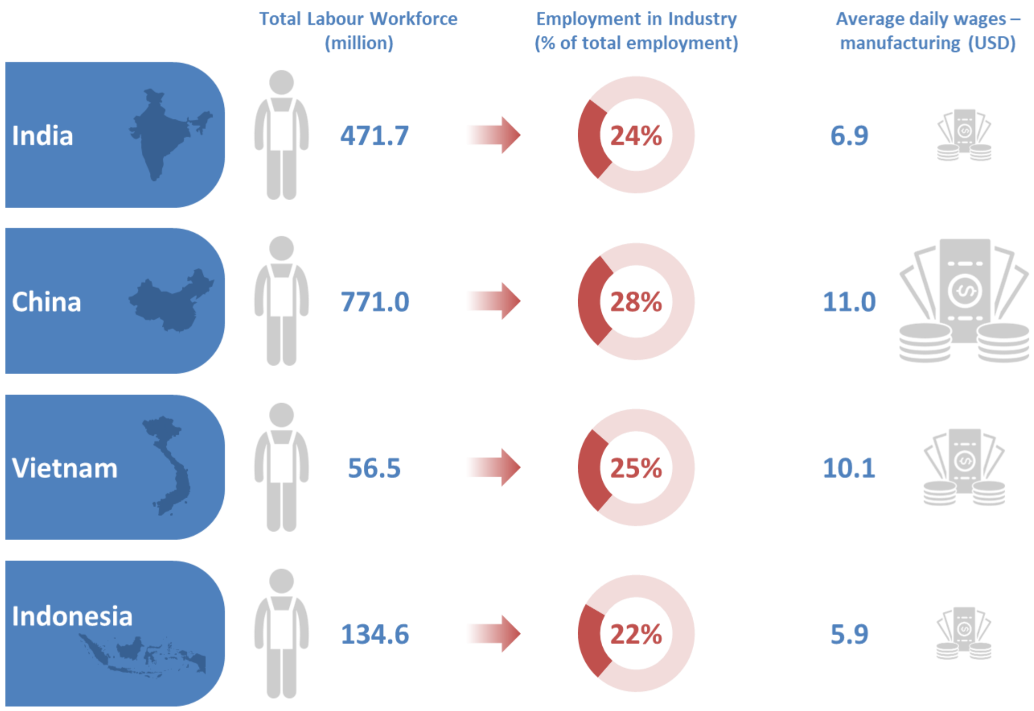
Land reforms

Since last few decades, both Central and State governments were continuously facing challenges on land reforms, especially on final approval of land acquisition, which has created a hindrance for manufacturers who are planning to invest in India. Hence land reforms were initiated by the government. This was right from providing land at a subsidised rate to offering the manufacturers variable investment subsidy and VAT exemption.

Labour

India has potential to be a global manufacturing powerhouse, especially with the availability of large skilled labour force. With high availability of manpower, it is expected to remain highly competitive on labour costs.

Chart 4.11: Labour market comparison at country level, India Vs Select Countries, 2020



Source: Trading economic, Frost & Sullivan Analysis

Capital costs

Various concessions are provided by the central government on capital costs as per National Capital Goods policy as well as PLI scheme. (a) Capital subsidy up to 20-25% for 10 years on capex (b) Reimbursement of CVD/excise for capital equipment in non-SEZ units (c) Incentives available for 10 years from the date of approval (d) Subsidy of 50-75% – up to USD 10 Million per 100 acres of land. Some State Governments also provides incentives, such as Andhra Pradesh, Maharashtra and Uttar Pradesh.

Global addressable market for Indian exporters and the right to win for Indian manufacturers

Chart 4.12: Comparison on export of Mobile phones, Value in USD billion, Global Vs India, 2015 – 2020

Source: ITC (International Trade Center) (Trade map)

The total global export market is estimated at USD 248 billion in 2020 and around 200 countries import mobile phones across the world[4]. India's export market with a contribution of USD 3.1 billion contributing to 1.26% of the total global market by value is next only to China and Vietnam. Globally, top five companies (Samsung, Apple, Huawei, Oppo and Vivo) account for nearly 80% of the total revenues in 2020. All these companies are currently having presence in India with their assembly units, but the base of these companies is still in China and Vietnam, which is expected to shift to India in the years to come.

With the help of various government initiatives and more companies setting up their manufacturing units, India is witnessing an enormous growth in the export market. UAE, Russia, South Africa, Turkey, Netherland and USA are the key export destinations. India has a potential to export around USD 100 billion value of mobile phones and USD 40 billion value of components by the year 2025[5].

Global manufacturers and vendors shifting base to India

Samsung closed its mobile phone manufacturing facilities in Shenzhen and Tianjin last year while expanding investments into Vietnam and also opened the world's largest mobile factory in India as part of "Make in India"

[4] ITC (International Trade Centre) - Trade statistics for international business development
[5] ICEA (India Cellular and Electronics Association)

initiative.

Apple is currently having presence in the Indian market through its contract manufacturers - Wistron and Foxconn. The company is planning to shift almost one-fifth of its production capacity from China to India. This is primarily due to the COVID-19 pandemic and increasing labour cost. Foxconn, one of the key partners for Apple has planned to invest nearly USD 1 million in the Chennai production facility in India.

Lava has gradually shifted its manufacturing base from China to India. In addition, the Government of India's PLI scheme has earned a cost advantage for establishing its base in India.

Scope for contract manufacturing

Select companies in India active in contract manufacturing include Flex, Foxconn, Jabil, Rising Star, Dixon and Wistron. Beyond manufacturing, these contract manufacturers offer a whole gamut of services from logistics, repair, servicing etc.

Higher volume outsourcing will enable contract manufacturers to set-up a component ecosystem locally. India has a competitive edge in design services, since most such work is outsourced to other cost-effective destinations. India also has high maturity levels in packaging, distribution, repair, sales and marketing functions to meet geographical standards and cater to local requirements.

Scope of design opportunities for enterprise customized solution

Enterprise customized solutions is an upcoming aligned opportunity emerging in the mobile handsets market in India. Apart from OEMs opting for such enterprise solutions which act as a parallel stream of revenue, it also helps to build an ecosystem of R&D and manufacturing in India. Below are some of the examples of key players having enterprise customized solutions:

Lava International: In September 2019, Lava has received an order from General Electric for a customised solution to produce hand-held medical equipment. These specialised devices include a portable ultrasound system that assists medical personnel in identifying, diagnosing, monitoring, and providing prompt treatment even in remote locations or in the event of an emergency.

In 2019, the company arranged a 2 years contract with TCL (one of the world’s largest consumer electronics firm in China), to manufacture 3.6 million mobile phones per year as per TCL specifications.

In 2020, Lava signed a 3 year contract with AT&T (world’s largest telecommunication company in US), to supply ultra-low cost smartphones and the products to be branded as AT&T or Cricket Wireless.

In 2020, the company signed a contract with HMD (Finnish mobile phone Company) to manufacture mobile phones as per HMD specifications.

Samsung Electronics: In order to practice the social distancing norms, amid the COVID-19 pandemic, Samsung launched new range of outdoor display and video conferencing solutions in October 2020. This customized solution is in collaboration with CISCO Webex and Logitech. Apart from video conferencing, these customized devices can be used in crowd monitoring, body temperature assessment and mask detection.

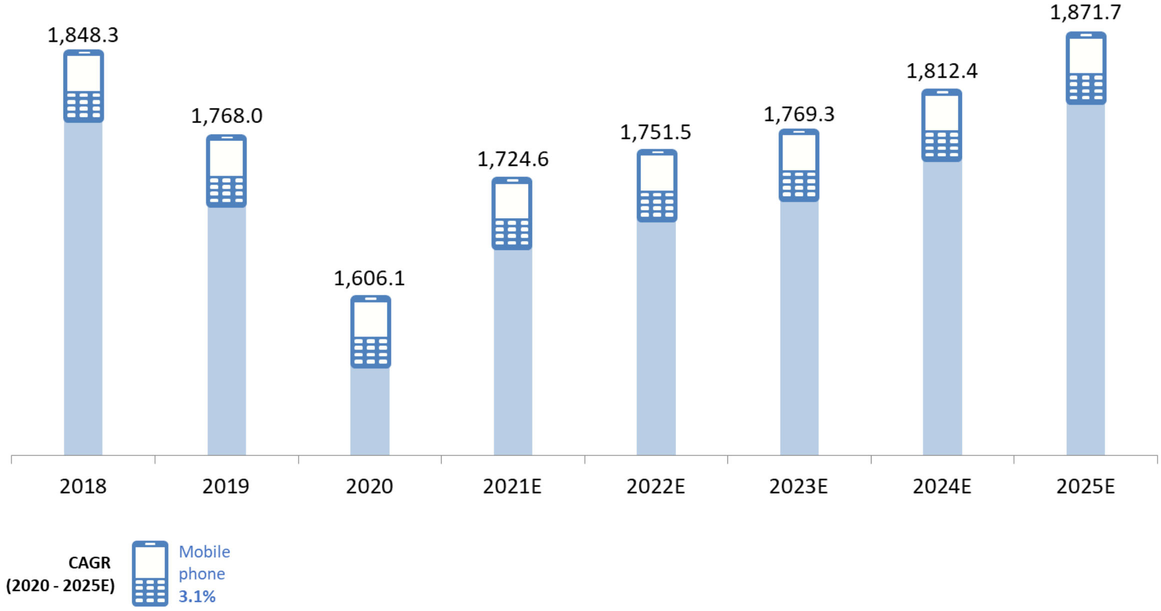
Vivo: In May 2020, Vivo has introduced a customized enterprise solution in China, especially for police officers, wherein the phone is directly connected to a public security intranet, which helps to show the position of the police officer and notifies the command centre to assemble / arrange police at a specified location.

GLOBAL MOBILE PHONE MARKET

Overview of the global mobile phone market

Although the market is expected to saturate in some of the developed economies, the potential new markets across Africa, Asia and LATAM provide a highly promising prospect for mobile phone manufacturers across the globe. Frost & Sullivan anticipates these regions to be the future growth engines for the global mobile phone market with a growing appetite for entry, low and medium range smart phones.

Chart 5.1: Mobile Phone Market, Volume in Million Units, Global, 2018-2025E

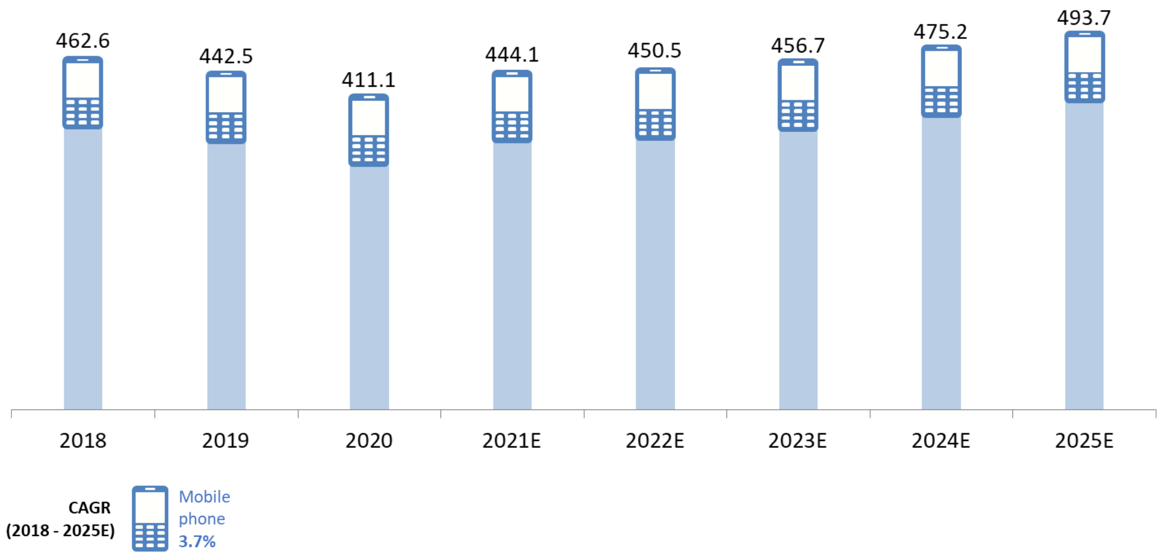


Note: E refers to Estimate; All values in Million units *Source: Frost & Sullivan Analysis*

Global Mobile Phone Market by Value

Frost & Sullivan estimates the low to mid-range segment to be the key driver for the smartphone market as products in this pricing segment have been known to offer a better value for money.

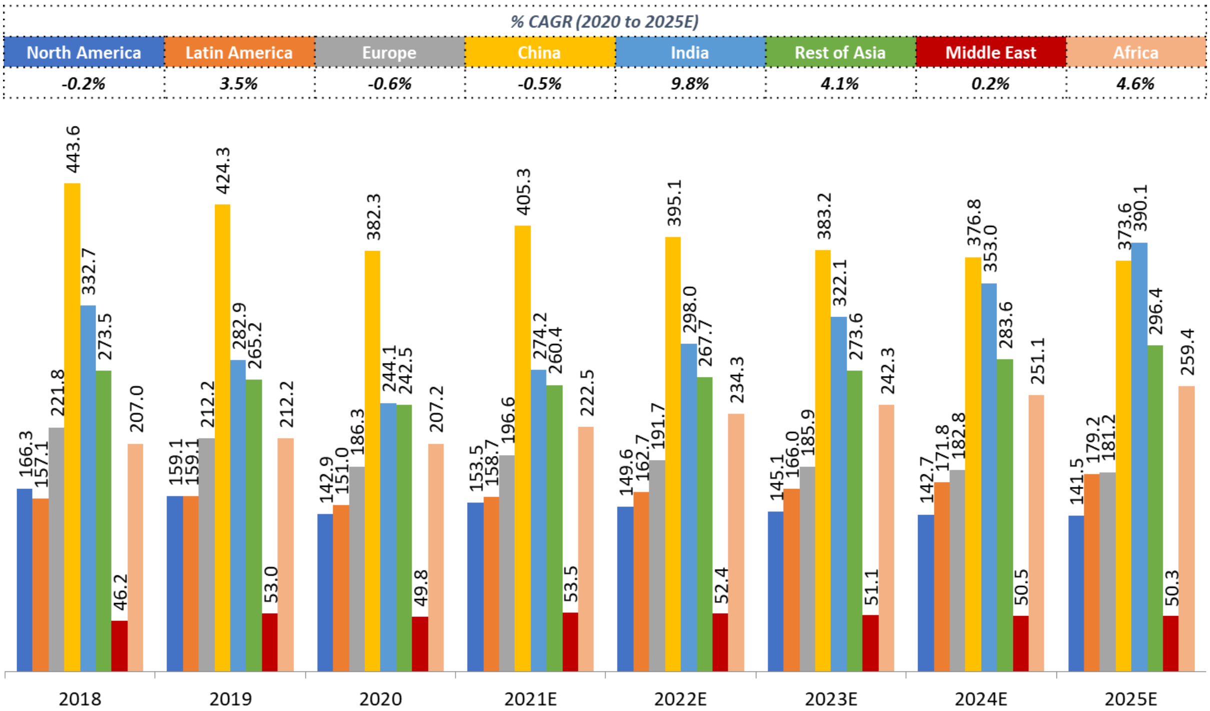
Chart 5.2: Mobile Phone Market, Value in USD Billion, Global, 2018-2025E



Note: E refers to Estimate; All values in USD Billion *Source: Frost & Sullivan Analysis*

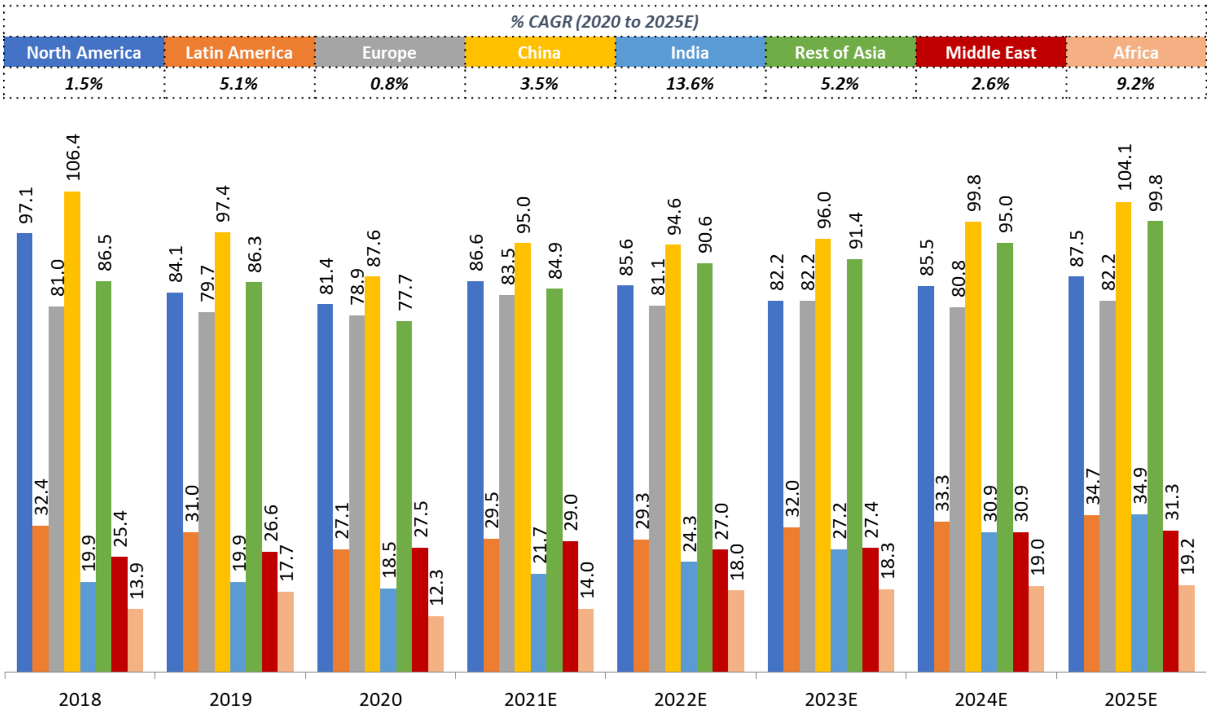
Market Size Divided by Geographies

Chart 5.3: Mobile Phone Market by Region, Volume in Million Units, Global, 2018-2025E



Note: E refers to Estimate; All values in Million units *Source: Frost & Sullivan Analysis*

Chart 5.4: Mobile Phone Market by Region, Value in USD Billion, Global, 2018-2025E

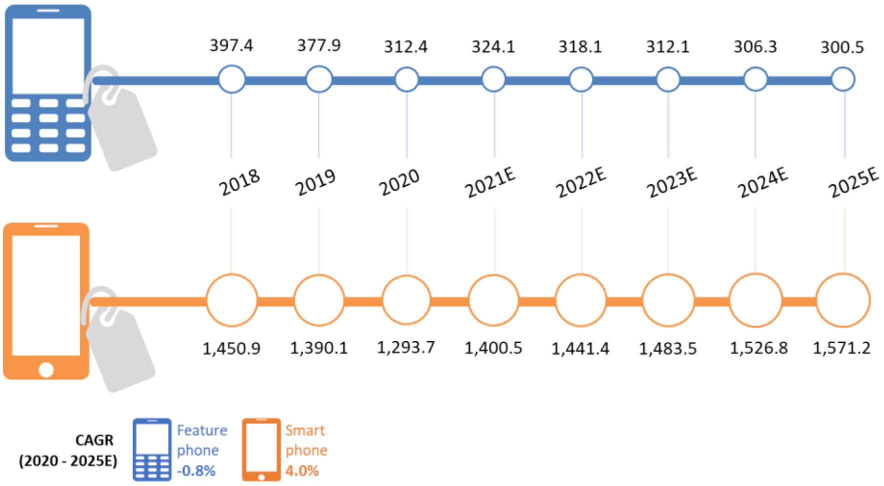


Note: E refers to Estimate; All values in USD Billion *Source: Frost & Sullivan Analysis*

In the target regions, the Indian Subcontinent and Africa are the key markets that offer future potential for growth. The continuously growing population, improving economic and living standards would further enhance mobile and smartphone penetration across the Indian Subcontinent and Africa that can be tapped by major mobile phone manufacturers that offer the best value for money on their devices.

Market Size by Type of Phone

Chart 5.7: Mobile Phone Market by Phone Type, Volume in Million Units, Global, 2018-2025E



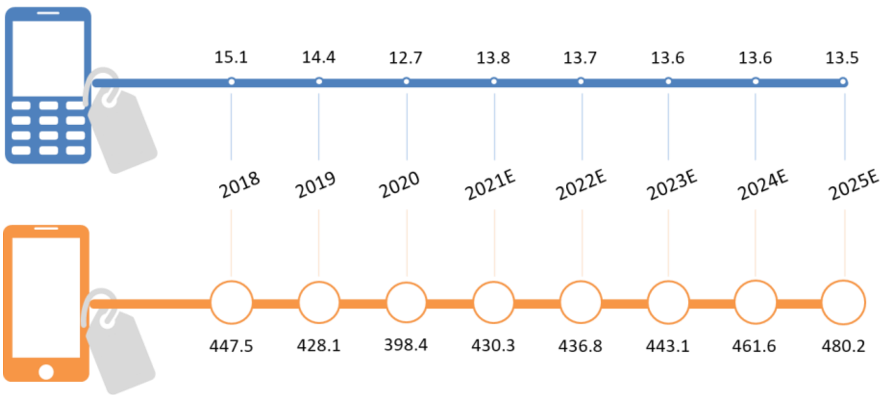
Source: Frost & Sullivan Analysis

Although the demand for Feature Phones globally is likely to be -0.8% from 2020 to 2025, there are some demand drivers which may push the growth rate to positive. Feature phones offer greater security in messages related to financial transaction where OTPs are received over phones. Due to increasing financial frauds occurring because of hacking of mobile phones, some people have already started keeping a separate feature phone and a dedicated SIM for financial purposes. Also, since the radiation is far less in Feature phones in comparison to Smart Phones, health conscious people or those that are instructed by Doctors may replace their Smart phones with feature phones. Additionally, when 5G networks are introduced and implemented fully, there could be a scenario where lot of people who access internet via alternate platforms like laptops, tablets etc., may prefer to have feature phones to avoid concerns arising out of radiation exposure. Many families prefer buying a feature phone as the first purchase for their children for their preference of children not getting exposed to internet content too early.

One of the key factors that is expected to be critical for the growth of the market in the Feature Phone segment would be the value that a particular brand or model is able to provide for the spend that the consumer is incurring on its purchase.

In terms of value, the feature phone market is set to see a decline of -1.4% CAGR, compared to smartphones which is expected to show a growth of 3.8%. Following the pandemic downturn, there is considerable demand in emerging economies for mid-range and low-end 4G phones.

Chart 5.8: Mobile Phone Market by Phone Type, Value in USD Billion, Global, 2018-2025E

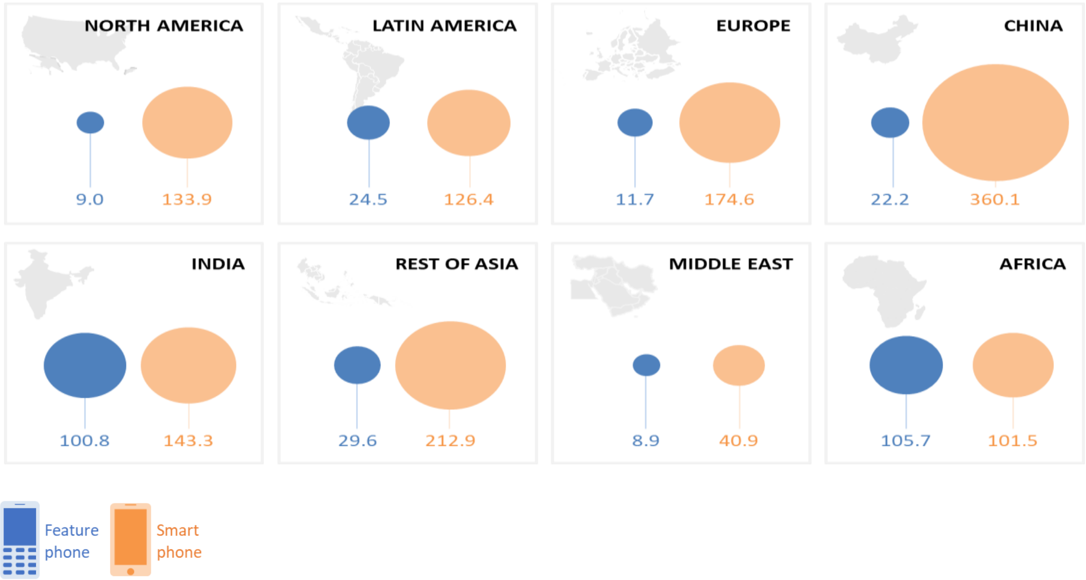


Source: Frost & Sullivan Analysis

Market Segmentation by Type of Phone and Region

Together, MEA and India account for over 68% of the global feature phone demand. Smartphone penetration in India is expected to increase from the current levels with first time mobile phone users also expected to prefer entry level smartphones over feature phones during the forecast period.

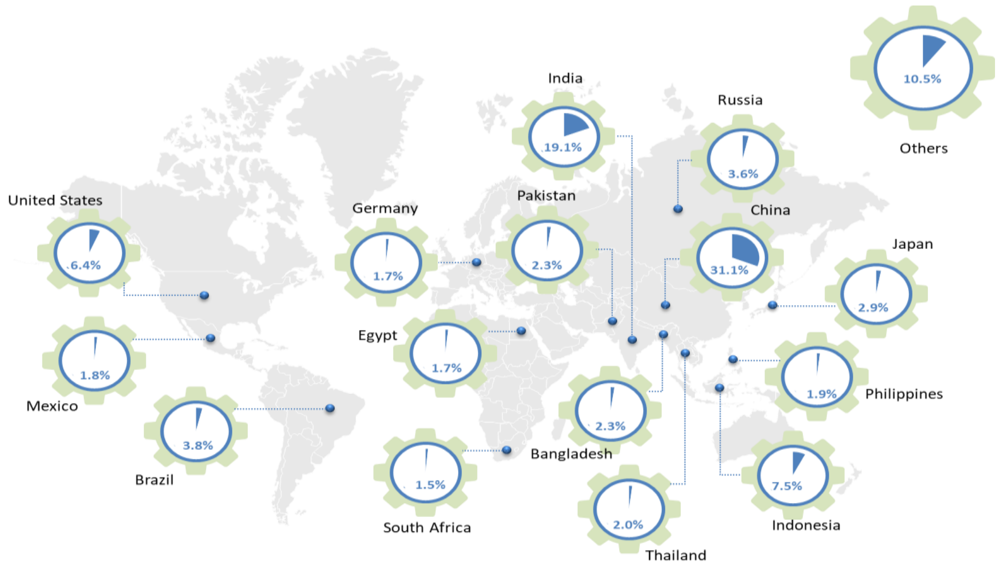
Chart 5.9: Mobile Phone Market by Phone Type and Region, Volume in Million Units, Global, 2020



Source: Frost & Sullivan Analysis

Mobile Phone Manufacturing by Country of Origin

Chart 5.10: Mobile Phone Market Share by Country of Production, Volume split in %, Global, 2020

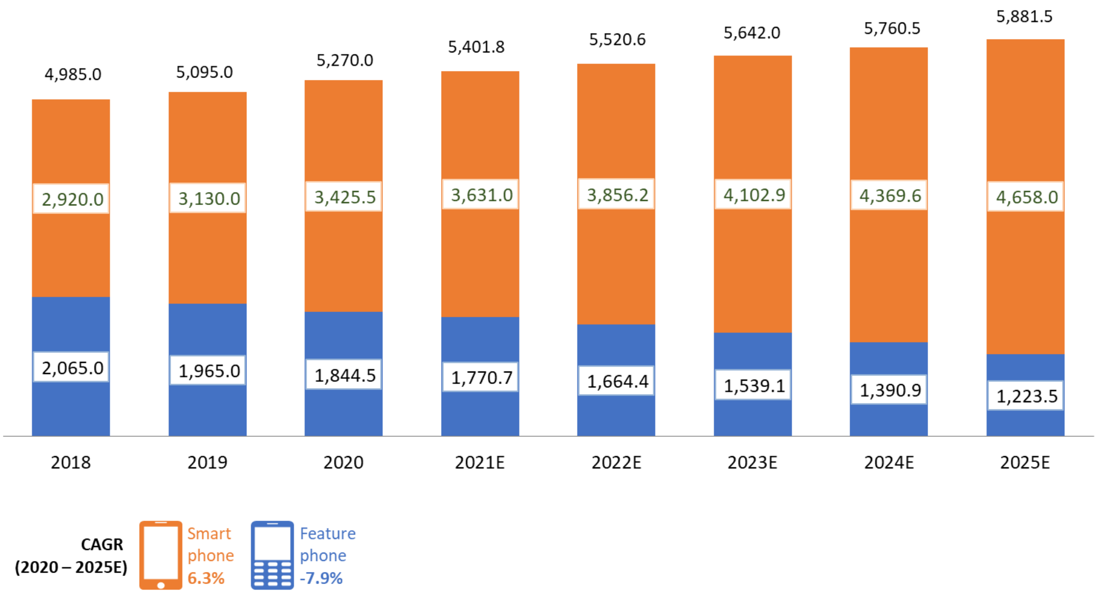


Source: Frost & Sullivan Analysis

Global User Base for Feature Phones and Smart Phones

Frost & Sullivan analysis of the global mobile phone market has indicated an overall user base of 5.27 billion mobile phone users globally in 2020. Of the total user base, the smart phone user bases comprises 65% while that for feature phones is estimated at 35% of the total mobile phone user base.

Chart 5.11: Mobile Phone User Base, in Million Units, Global, 2018 to 2025E



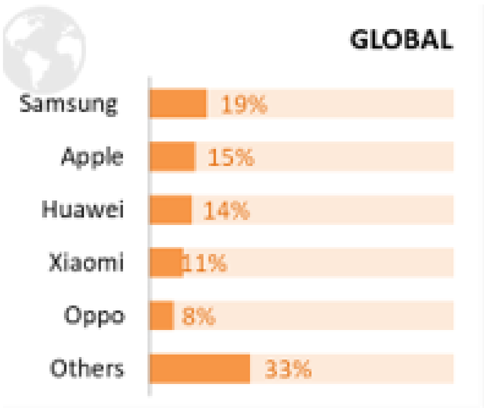
Source: GSMA Intelligence, Frost & Sullivan Analysis

Global and Regional Smartphone Market Share

Samsung continues to dominate the global market for smartphones accounting for an estimated 19% of the total smartphone shipments globally.

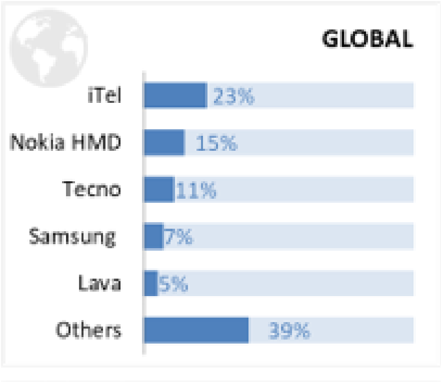
When compared to smartphones, the global market for feature phones is highly fragmented with regional preferences and local manufacturers having a significant share in their respective domestic markets.

Chart 5.12: Smart Phone Market Share by Player, Volume in % Shipment, Global, 2020



Source: Frost & Sullivan Analysis

Chart 5.13: Feature Phone Market Share by Player, Volume in % Shipment, Global, 2020



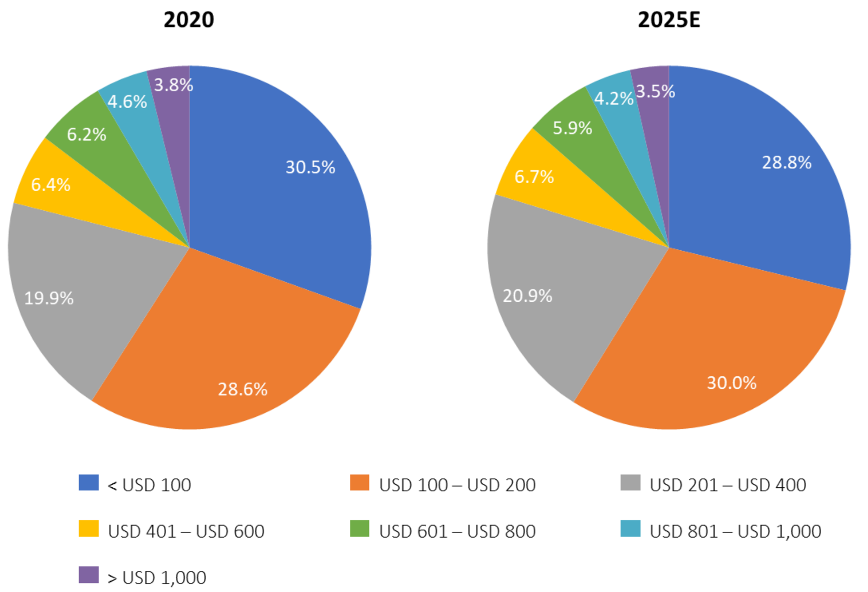
Source: Frost & Sullivan Analysis

Price Points

Chart 5.14: Average Smart Phone Price by Price Bands, Value in USD, Global, 2020

Source: Frost & Sullivan Analysis

Chart 5.15: Mobile Phone Market Share by Price Bands, Volume in % Shipments, Global, 2020, 2025E



Source: Frost & Sullivan Analysis

The global mobile phone market is dominated by products with prices ranging from <USD100 to USD400. Together, mobile phones marketed in this price bracket accounted for 79% of the total mobile phone market

globally. This price segment is expected to continue its dominance in the overall market in future with estimates predicting mobile phones <USD400 to account for 81% of the market. Another segment that is expected to witness growth is the medium to high end smart phones that retail anywhere between USD 400 to USD 600.

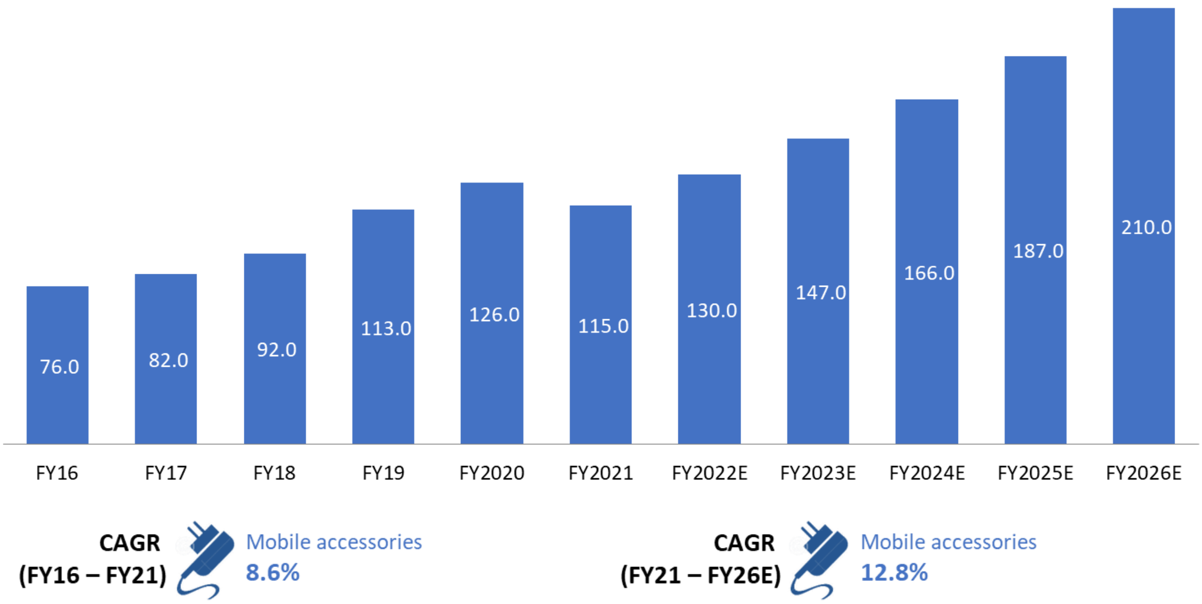
With growing internet penetration, improving disposable income levels across developing economies and availability of financing mechanisms for purchase of smart phones, devices priced between USD 100 to USD 200 are expected to witness the highest demand and also occupy the largest share of the market in 2024.

ACCESSORIES MARKET FOR MOBILE PHONES

Indian Mobile Phone Accessories Market

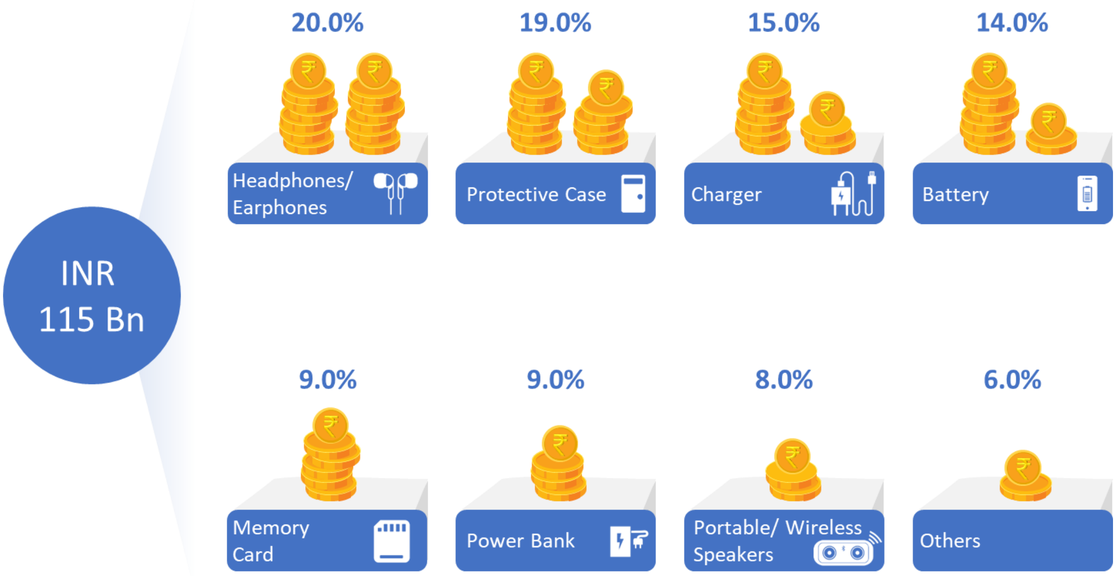
Mobile accessories include products like headsets, earphones, mobile covers, dongles, chargers, memory cards, batteries, power banks, wireless speakers, mobile stands and other portable accessories.

Chart 6.1: Mobile Phone Accessories Market, Value in ₹ Billion, India, FY16 to FY26E



Source: Frost & Sullivan Analysis

Chart 6.2: Mobile Phone Accessories Market by Product, Value in % Revenue, India, FY21



Source: Frost & Sullivan Analysis

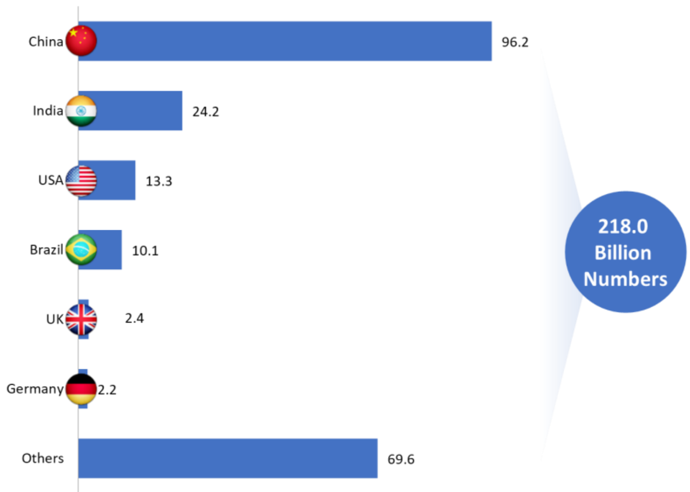
Mobile accessories in the country are provided by companies such as Xiaomi, Samsung Electronics, Beats Audio (Apple Inc.) and BBK Electronics for brands such as OnePlus, Realme, Oppo and Vivo. In addition, global players such as Bose Corporation, Sony, Sennheiser, Philips, Panasonic, Skullcandy, Jabra Corporation, and Audio Technica etc. have a customer base especially across the audio product portfolio. Boat, Syska, Mivi and Portronics are some of the brands that have been gaining traction in the Indian market for their value for money product offerings and range.

In addition to the presence of global brands in the country catering to the mobile accessories market, several Indian manufacturers such as Barwa Moblink, Conekt Gadgets, GoNoise, Hamee India, Intartic Engineering, J Star Mobile Accessories, JPW Mobile Accessories, Mucho International, Pebble and Spigen are also expanding their product portfolio and offerings to cater to the growing mobile accessories market in the country.

SOFTWARE MARKET FOR MOBILE PHONES

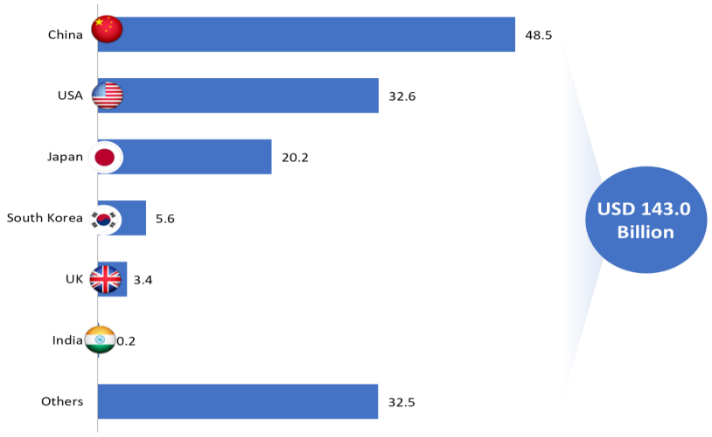
Indian Mobile Applications Market

Chart 7.1: Comparison of mobile application downloads by leading countries, Numbers in Billion Downloads, Global, 2020



Source: App Annie State of Mobile 2021, Frost & Sullivan Analysis

Chart 7.2: Comparison of spend on Mobile Applications by select countries, Revenue in USD Billion, Global, 2020

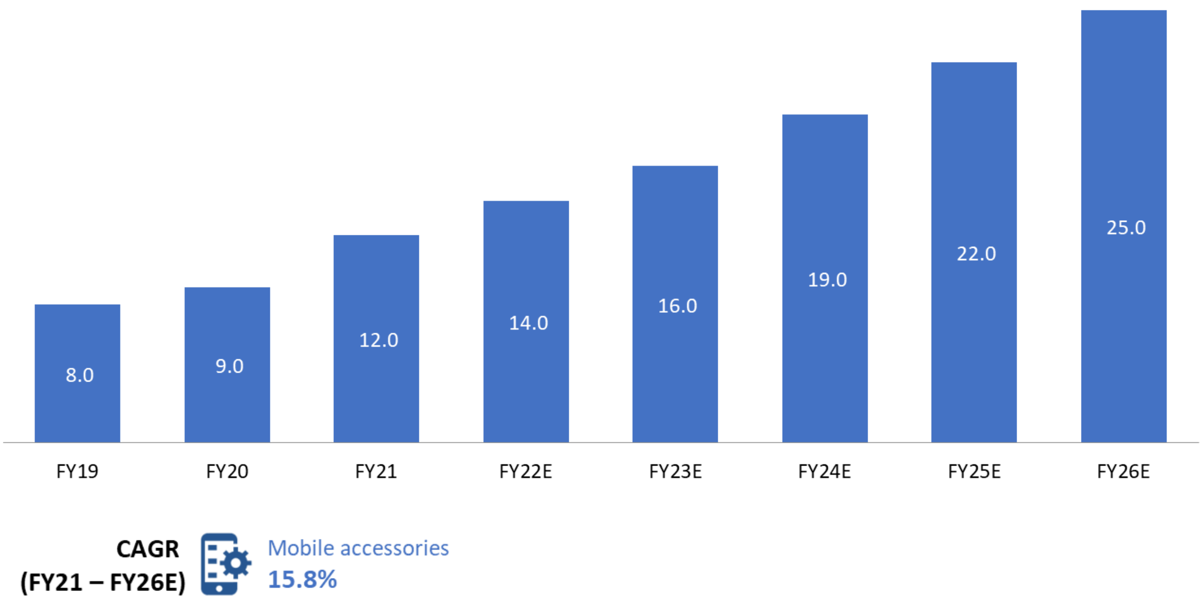


Source: App Annie State of Mobile 2021, Frost & Sullivan Analysis

In 2020, mobile phones users in India have been estimated to download an estimated 24.2 billion apps with forecasts predicting this number to increase to over 45 billion downloads by 2025. This growth makes India one of the fastest growing app markets in the world which has surged primarily due to the availability of affordable 4G data and competitively priced Chinese smartphones in the Indian market.

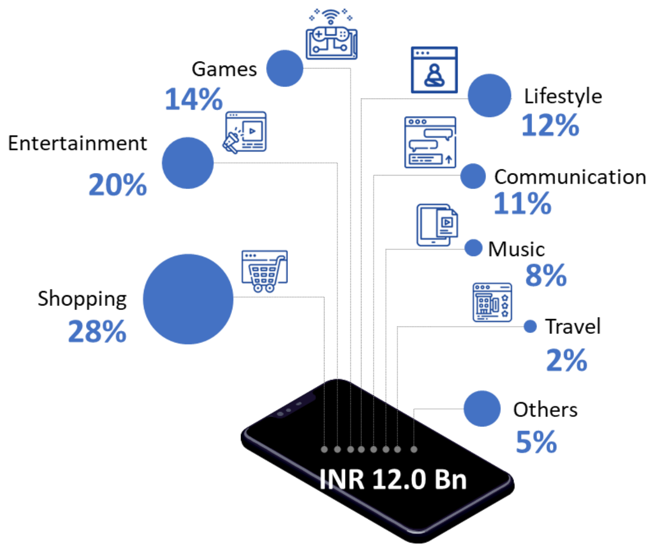
In the last few years, India has witnessed considerable spending and revenue generation from mobile apps. India has emerged as the second fastest growth market in terms of the time spent by mobile phone users on shopping apps, just behind Indonesia. However the mobile app economy is still in its nascent stages in the country when compared to some of the other leading countries like China and USA.

Chart 7.3: India Mobile Applications Revenue Growth, Value in ₹ Billion, India, FY19 to FY26E



Source: App Annie State of Mobile 2021, Frost & Sullivan Analysis

Chart 7.4: Mobile Phone App Development Market by App Type, in % Installed Base Share, India, FY21



Source: Frost & Sullivan Analysis

With growing internet penetration, availability of affordable smart phones and growing mobile economy, the apps market in the country is expected to witness robust growth where revenues from mobile apps are anticipated to grow at a CAGR of over 15.8% between FY2021 and FY2026. India has emerged as key market for app developer and marketers where the addressable opportunity through an expanding consumer base remains large.

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 26 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 28, 239 and 306, 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.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for fiscal years 2019, 2020 and 2021 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 239. Additionally, please refer to "Definitions and Abbreviations" on page 2 for certain terms used in this section.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Lava International Limited on a standalone basis, and references to the "Group", "we", "us", "our", are to Lava International Limited, its Subsidiaries and Joint Venture on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Mobile Phones Industry Report in India" dated September 2021 (the "**F&S Report**") prepared and released by Frost & Sullivan and commissioned and paid for by our Company specifically for the purpose of the Offer. 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 this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue) that has been left out or changed in any manner. Unless otherwise indicated, 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 more information, see "Risk Factors – Internal Risks – We have commissioned and paid for a report from Frost & Sullivan which have been used for industry related data in this Draft Red Herring Prospectus." on page 55. Also see, "Certain Conventions, Use of Financial information and Market Data and Currency of Presentation – Industry and Market Data" on page 24.*

OVERVIEW

We are a leading end-to-end focused mobile handset and mobile handset solutions company based in India, with operations in a number of countries. According to F&S, we are the third largest feature phone company in India with a market share of 13.4%, in terms of sales volume in the financial year 2021. We have presence in many emerging markets, such as Thailand, Sri Lanka, the Middle East, Bangladesh, Mexico, Indonesia and Nepal. According to F&S, we are the fifth largest feature phone company with a market share of 5.0% in the world, in terms of sales volume in the calendar year 2020, and the fifth, third and sixth largest feature phone company, respectively, in North America, Asia and the MEA region, in terms of sales volume in the calendar year 2020. According to F&S, we had a market share of 10.2% in the less than US$ 70 equivalent range market in India, in terms of sales volume in the financial year 2021. We generated revenue from operations of ₹55,128.74 million, of which approximately 29.33% was derived from the Indian market and approximately 70.67% was derived from the international markets for the financial year 2021.

We design, manufacture, market, distribute and service mobile handsets, tablets and other electronics accessories under our own "LAVA" and "XOLO" brands, and provide value added software services. We also offer mobile handsets solutions to original equipment manufacturers ("**OEMs**") ranging from sourcing, design, manufacturing, quality testing, embedding software and distribution. In the past, we have customized and manufactured white-label mobile handsets for leading multi-national companies such as HMD, Bhagwati Products Limited and TCL. We have also designed smartphones powered with medical ultrasound application for GE Healthcare. Recently, we have successfully signed (i) a partnership license agreement with Lenovo, which entitles us to distribute mobile handsets manufactured by us under the MOTOROLA brand in India and overseas and (ii) a multi-year contract with HMD for an end-to-end design, manufacturing, supply chain and distribution of mobile handsets under the Nokia brand in India and overseas.

Our ability to conceptualize, design and develop features, functions, applications and services tailored to the needs of our target customers has been a key factor for our success. Our research and development division is organized into software design, industrial design, mechanical design, hardware design, component selection, performance optimization and user interface and use experience teams, which comprised 83 personnel based in India, of whom 73 are trained engineers, as of July 31, 2021. Leveraging our in-house research and development capabilities, we have been able to introduce new products, scale up our product development output and deliver a broad range of products with enhanced functions and features. Over the years, we have successfully developed (i) software such as "Star OS" and "Hive OS", (ii) mobile handset such as Prime X (the first "designed in India" feature phone), Z1 (the first "designed in India" smartphone) and myZ (the first smartphone in the world which can be customized by customers), and (iii) mobile applications such as Lava Pay, Lava Pulse with Heart Rate and Blood Pressure Monitor, and Lava Pulse 1 with thermometer functionality. In addition, we also have strong cooperation relationship with several companies on research and development of devices, operating systems and applications.

We manufacture and assemble our mobile handsets at our own manufacturing facility located in Noida, India (the "Noida Facility"), using surface-mount technology ("**SMT**") which is a leading technology in mobile handset manufacturing. As of August 31, 2021, we had four SMT lines and 12 assembly lines operated by 3,105 workers, with a production capacity of 42.52 million Feature Phone Equivalent handsets per annum. Our manufacturing facility has been certified with quality management systems, manufacturing execution system and environmental management systems for compliance with ISO9001: 2015 and ISO14001 and OHSAS45001 for occupational health and safety. Further, we own a significant portfolio of intellectual property rights, including 98 trademark registrations in India, 12 trademarks overseas and three registered copyrights.

We are committed to our mission, "provide customer delight through empathy, in a pre-emptive/one stop solution, with guaranteed quality, at the most efficient cost". Our service offerings include one year replacement warranty for feature phones, extended warranty for all phones, screen damage protection for smartphones, two years handset warranty and a discount on out-of-warranty parts. As of July 31, 2021, we had 705 service centers and 60 service on wheels across India, an outsourced repair facility with 95 technicians and a call center that operates seven days a week offering customer support in ten different languages. We have demonstrated the efficiency to resolve the customer queries on the first call for approximately 99.15% customer calls with respect to our products during their respective warranty periods. As a result of our customer service efforts, we were awarded Stevie Award for "Most Valuable Response by a Customer Service Team" for our nomination "Service on Wheels: Making it Easier in Difficult times" in 2021, "Gold in SUVS award 2020" for our initiative service on wheels and Golden Peacock 2018 for "Money Back Challenge" powered by "Instant Consumer Refund" Mechanism.

We have established an extensive distribution network with a wide geographical reach in India through four channels of distribution: (i) general trade, (ii) online/e-commerce, (iii) organized/modern trade and (iv) B2B channel. We primarily sell our products through the general trade channel, where we supply our products directly to our distributors and retailers who in turn sell our products to the end-customers. Our domestic network consisted of 893 active distributors and 116,339 active retailers as of July 31, 2021, which provides us with significant depth and breadth of product distribution in India's largest cities as well as in tier 2 and tier 3 cities and enables us to roll out new products more quickly. Our products are also sold through e-marketplaces such as Flipkart and our Lava e-store on www.lavamobiles.com, and modern trade retail stores such as Poorvika Mobiles Private Limited, Sangeetha Mobiles Private Limited, Vijay Sales India Private Limited, B New Mobiles Private Limited, Big C Mobiles Private Limited, Lot Mobiles Private Limited, Sri Lakshmi Enterprises, Appario Retail Private Limited and other hypermarket stores. Our B2B customers include a telecommunication operator, government departments and other institutions. We have been awarded as the "most trusted brand among Indian retailers" by CMR Research, owing to regular payments to retailers, price differentiation compared to other brands and process transparency in settlements.

We sell mobile handsets, tablets and other electronic accessories internationally through strategic collaborations with domestic telecommunications companies and local distributors and retailers. For example, in the past, we had collaborated with communication companies and local distributors such as Grameen Distribution Ltd in Bangladesh, Ambe Mobiles Pvt. Ltd. in Nepal and Golden Horse Foodstuff Company, El Khlood for Trade and Commercial Agencies, Al Basha for Trading and Almarwa for Trading in Egypt.

Our extensive distribution network is supported by our supply chain operation experience and empowered by our information technology capabilities. To achieve end-to-end automation, we have integrated SAP system and "My Lava" application. Our SAP system has different modules including financial accounting, raw material management, sale and distribution, production planning and marketing customised for our operating needs. "My Lava" application is a front-end retailer application that we developed in-house, which enables us to conduct inventory management, retail management, knowledge management, personnel management and marketing material management. It helps us achieve transparency of transactions in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to distributors, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network. We have been awarded the Express Logistics Leadership Awards 2017 “Outstanding supply chain in Express Logistics & Supply Chain Leadership Award” and Golden Peacock Award 2018 for “Innovative After Sales Supply Chain in Consumer Goods”.

Our Company was co-founded by our promoters, namely, Hari Om Rai with Shailendra Nath Rai and Sunil Bhalla in 2009 and Vishal Sehgal joined the Company in 2010. They have substantial experience in various sectors, such as electronics and telecommunication. We believe that we have benefited significantly from their vision and leadership, and they along with our senior management, have been instrumental in formulating and executing our core strategy.

Our total income increased from ₹51,287.48 million for the financial year 2019 to ₹55,236.78 million in the financial year 2021. Over the financial years 2019 to 2021, our total mobile handset sales increased from ₹37,512.70 million to ₹43,608.31 million and our EBITDA has increased from ₹1,831.99 million to ₹2,512.15 million over the same period, representing a CAGR of 17.10%. Our profit after tax was ₹1,726.08 million, ₹1,077.61 million and ₹731.82 million for the financial years 2021, 2020 and 2019, respectively.

OUR COMPETITIVE STRENGTHS

We believe that our success and our ability to capitalize on future growth opportunities are attributable to our following strengths:

A Leading End-to-End Focused Mobile Handset and Mobile Handset Solutions Company in India with Growing International Presence

We are a leading end-to-end focused mobile handset and mobile handset solutions company based in India, with operations in a number of countries. According to F&S, we are the third largest feature phone company in India with a market share of 13.4%, in terms of sales volume in the financial year 2021. We have a presence in many emerging markets, such as Thailand, Sri Lanka, the Middle East, Bangladesh, Mexico, Indonesia and Nepal. According to F&S, we are the fifth largest feature phone company in the world with a market share of 5.0%, in terms of sales volume in the calendar year 2020, and the fifth, third and sixth largest feature phone company, respectively, in North America, Asia and the MEA region, in terms of sales volume in the calendar year 2020. According to F&S, we had a market share of 10.2% in the less than US$ 70 equivalent range market in India, in terms of sales volume in the financial year 2021. We generated revenue from operations of ₹55,128.74 million, of which approximately 29.33% was derived from the Indian market and approximately 70.67% was derived from the international markets for the financial year 2021. Our aggregate sales in international markets have grown by a CAGR of 30.0% from ₹23,062.21 million in the financial year 2019 to ₹38,972.84 million in the financial year 2021.

With the vision “to empower people to do more, to be more”, our founder and Chairman, Hari Om Rai established Lava International in 2009. We design, manufacture, market, distribute and service mobile handsets, tablets and other electronics accessories under our own “LAVA” and “XOLO” brands, and provide value added software services. We also offer mobile handset solutions to OEMs ranging from sourcing, design, manufacturing, quality testing, embedding software and distribution. In the past, we have customized and manufactured mobile handsets to be sold under the brands of leading multi-national companies such as HMD, Bhagwati Products Limited and TCL. We have also designed smartphones powered with medical ultrasound application for GE Healthcare. Recently, we have successfully signed (i) a partnership license agreement with Lenovo, which entitles us to distribute mobile handsets manufactured by us under the MOTOROLA brand in India and overseas and (ii) a multi-year contract with HMD for an end-to-end design, manufacturing, supply chain and distribution of mobile handsets under the Nokia brand in India and overseas.

According to F&S, India’s mobile phone subscription market is projected to grow from 1,181 million subscriptions for the financial year 2021 to an estimated 1,369.1 million subscriptions for the financial year 2026 at a CAGR of 3.0%. A sizeable number of users will shift from feature phone to entry level smartphones in India due to availability of better features at incremental cost, rising affordability, increase in discretionary spending, availability of uninterrupted mobile data connectivity at low cost and option to use basic mobile apps, according to F&S. We believe that the combination of our leading market position, innovative design and product development capabilities, large-scale manufacturing and robust service capabilities, and extensive distribution network well-positioned us to benefit from favorable market dynamics in India.

F&S also estimates that the number of mobile phone subscribers in North America, Africa, Europe and ASEAN is approximately 4.5 billion in 2020, which is nearly 56% of the total global mobile phone subscriptions. The emerging mobile handset market, which includes Latin America, Middle East, Africa and the rest of Asia, is projected to grow from an estimated total of approximately 895 million handsets sold in 2020 to approximately 1,176 million handsets sold in 2025, according to F&S. According to F&S, the number of feature phone handsets in the emerging mobile handset market is estimated at approximately 270 million in 2020, which is around 86% of the overall global feature phone market. The future mobile handset demand will be concentrated around entry level smartphone and smart feature phones generally given the value proposition and related cost to the end-users. We believe our current presence provide us with a solid foundation to strengthen our market position in the emerging mobile handset market.

Robust research and development capabilities with a strong track record in product innovation and design

The mobile handset industry is characterized by rapid technological advances, changes in consumer preferences and requirements and frequent introduction of new and enhanced products. Our ability to conceptualize, design and develop features, functions, applications and services tailored to the needs of our target customers has been a key factor for our success. Leveraging our research and development capabilities, we have been able to introduce new products, scale up our product development output and deliver a broad range of products with enhanced functions and features. Our research and development division is organized into software design, industrial design, mechanical design, hardware design, component selection, performance optimization and user interface and use experience teams, which comprised 83 personnel based in India, of whom 73 are trained engineers, as of July 31, 2021.

We have amassed a strong track record in product innovation and design. Over the years, in addition to regular and frequent improvements to our products, our research and development division undertook multiple development projects and successfully developed, among others,

- *Software:* "Star OS" – an operating system and serves as an additional layer over the existing Android OS. It was developed to allow users to add a variety of customizable gesture controls and increased functionality;

- *Mobile handset:* (i) the first "designed in India" feature phone - Prime X in 2018, (ii) the first "designed in India" smartphone - Z1 in 2021, (iii) the first smartphone in the world which can be customized by customers – myZ in 2021;

- *Mobile Application:* (i) world's first offline payment solution - Lava Pay, and (ii) health solution for customers – Lava Pulse with Heart Rate and Blood Pressure Monitor, Lava Pulse 1 with thermometer functionality in 2020.

According to F&S, we were also among the pioneers in India to launch (i) a smartphone with an octa-core chipset and two gigabytes RAM at a price less than ₹10,000 in 2015, (ii) the lightest smartphone in the Indian market with a 4,000 mAh battery in 2015, (iii) a smartphone with the Android Lollipop 5.1 operating system at a price less than ₹5,000 in 2015, (iv) a smartphone on Android Oreo Go at MWC in 2018, (v) a 4G feature phone in 2017, and (vi) customer centric smartphone with safety application for women. Further, we own a significant portfolio of intellectual property rights, including 98 trademark registrations in India, 12 trademarks overseas and three registered copyrights, which we believe will continue to provide us with the flexibility to develop customized products to meet changing market demand. We believe that our commitment to and track record of product innovation and design, our strong engineering and our experienced research and development team will serve as key elements driving our long-term growth.

Large-scale State-of-the-Art Manufacturing and Quality Service Capabilities

We manufacture and assemble our mobile handsets at our own manufacturing facility, which is located in Noida, Uttar Pradesh, India (the "Noida Facility"). We use surface-mount technology which, according to F&S, is a leading technology in mobile handset manufacturing and provides us with a competitive edge in the mobile phone manufacturing market in India. As of August 31, 2021, our Noida Facility had four SMT lines and 12 assembly lines operated by 3,105 workers, with a production capacity of 42.52 million Feature Phone Equivalent handsets per annum. Our Noida facility has been certified with quality management systems, manufacturing execution system and environmental management systems for compliance with ISO9001: 2015 and ISO14001 and OHSAS45001 for occupational health and safety. Our average failure rate ("**AFR**") for feature phones and smartphones was approximately 1.12% and approximately 2.83% in the financial year 2021, respectively. Such low AFR has helped to keep our service cost low and improved our operating margins.

Further, under the "*Aatmanirbhar Bharat Abhiyaan* (campaign for self-reliant India)", the Government of India introduced the Production Linked Incentive ("PLI") scheme in April 2020, which provides incentives of 4% to 6% to eligible companies on incremental sales of goods over the financial year 2020 that are manufactured inside India for a period of five years, with the aim to boost local production and make India a global hub of manufacturing. We are among one of the 16 eligible companies approved by the Government of India to receive incentives under the PLI scheme. With our established manufacturing facilities in Noida, Uttar Pradesh, we are well-positioned to take advantage of the PLI scheme to further expand our manufacturing operations, increase our domestic sales and grow our international presence through exports.

We are committed to our mission, "provide customer delight through empathy, in a pre-emptive/one stop solution, with guaranteed quality, at the most efficient cost". Our service offerings include one-year replacement warranty for feature phones, extended warranty for all phones, screen damage protection for smartphones, two years handset warranty and a discount on out-of-warranty parts. As of July 31, 2021, we had 705 service centers and 60 service on wheels across India, an outsourced repair facility with 95 technicians and a call center that operates seven days a week offering customer support in ten different languages to ensure a high level of customer service. We have demonstrated the efficiency to resolve the customer queries on the first call for approximately 99.15% customer calls with respect to our products during their respective warranty periods. To further enhance the efficiency of service delivery, we have automated the service management by installing a comprehensive billing system that facilities spares inventory management, automated requisition and procurement as well as unsold inventory return. It also allows us to automatically bill our authorized service providers for the spare parts they use for repair and replacement of our products under warranty, and allows our authorized service providers to automatically bill us for labor costs they incur for such repair and replacement. As a result of our customer service efforts, we have been awarded Stevie Award for "Most Valuable Response by a Customer Service Team" for our nomination "Service on Wheels: Making it Easier in Difficult times" in 2021, "Gold in SUVS award 2020" for our initiative service on wheels and Golden Peacock 2018 for "Money Back Challenge" powered by "Instant Consumer Refund" Mechanism.

Extensive Distribution Network Supported by Advanced Information Technology Capabilities

We have established an extensive distribution network with a wide geographical reach in India through four channels of distribution: (i) general trade, (ii) online/e-commerce, (iii) organized/modern trade and (iv) B2B channel. We primarily sell our products through the general trade channel, where we supply our products directly to our distributors and retailers who in turn sell our products to the end-customers. Our domestic network consisted of 893 active distributors and 116,339 active retailers as of July 31, 2021, which provides us with significant depth and breadth of product distribution in India's largest cities as well as in tier 2 and tier 3 cities and enables us to roll out new products quickly. We also have a network of 18 warehouses across India strategically located in close proximity to distributors and retailers to ensure timely supplies and fast deliveries. Our products are also sold through e-marketplaces such as Flipkart and our Lava e-store on www.lavamobiles.com, and modern trade retail stores such as Poorvika Mobiles Private Limited, Sangeetha Mobiles Private Limited, Vijay Sales India Private Limited, B New Mobiles Private Limited, Big C Mobiles Private Limited, Lot Mobiles Private Limited, Sri Lakshmi Enterprises, Appario Retail Private Limited and other hypermarket stores. Our B2B customers include a telecommunication operator and government departments in India and other institutions. We have been awarded as the "most trusted brand among Indian retailers" by CMR Research, owing to regular payments to retailers, price differentiation compared to other brands and process transparency in settlements. We have also been awarded orders by the state governments in India for supply of tablets and mobile phones.

We sell mobile handsets, tablets and other electronic accessories internationally through strategic collaborations with domestic telecommunications companies and local distributors and retailers. For example, in the past, we had collaborated with communication companies and local distributors such as Grameen Distribution Ltd in

Bangladesh, Ambe Mobiles Pvt. Ltd. in Nepal and Golden Horse Foodstuff Company, El Khlood for Trade and Commercial Agencies, Al Basha for Trading and Almarwa for Trading in Egypt.

Our extensive distribution network is supported by our supply chain operation experience and empowered by our information technology capabilities. To achieve end-to-end automation, we have integrated SAP system and “My Lava” application and JDA software. Our SAP system has different modules including financial accounting, raw material management, sale and distribution, production planning and marketing customised for our operating needs. “My Lava” application is a front-end retailer application that we developed in-house, which enables us to conduct inventory management, retail management, knowledge management, personnel management and marketing material management. It helps us achieve transparency of transactions in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to distributors, retailers and sales executives. JDA software is a supply chain management system that provides us with visibility of our inventory and allows us to introduce features such as auto-replenishment, inter-fulfilment center stock transfer, optimal allocation of constrained supply and demand forecasting. The integration of these three software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network. We have been awarded the Express Logistics Leadership Awards 2017 “Outstanding supply chain in Express Logistics & Supply Chain Leadership Award” and Golden Peacock Award 2018 for “Innovative After Sales Supply Chain in Consumer Goods”.

Highly Qualified and Experienced Leadership Team and Motivated and Skilled Workforce

Our promoters have either been entrepreneurs or held senior management positions in global renowned companies with significant industry experience. Each of our promoters has approximately substantial experience in the field of telecommunications and the consumer electronics industry. Our Company was co-founded by Hari Om Rai with Shailendra Nath Rai and Sunil Bhalla in 2009 and Vishal Sehgal joined the Company in 2010. Hari Om Rai, one of the promoters, is our Chairman and Managing Director. He has experience in various sectors such as electronics, telecommunication and was in the past associated with Amex Agencies Private Limited and Blue Horizon IT Solution Private Limited as director. Shailendra Nath Rai, who is one of our promoters and our whole-time director, has experience in various sectors such as electronics and telecommunication and was in the past associated with LG Electronics India Limited and Modi Xerox Limited. Vishal Sehgal, who is one of our promoters and a non-executive director, has experience in various sectors such as electronics and telecommunication and was in the past associated with Bharti Airtel. He is currently associated with Ottomate International Private Limited as director. Sunil Bhalla, who is one of our promoters and a non-executive director, has experience in various sectors such as electronics and telecommunication and was in the past associated with Luminous Power Technologies Private Limited as director. He is currently associated with Ottomate International Private Limited as director.

Our promoters have built a strong senior management team for our sales, marketing, finance, manufacturing, service, research and development, technology, product design, supply chain management and human resource divisions. We believe that our promoters, together with our senior management team, have been able to take advantage of market opportunities, formulate sound business strategies and execute them in an effective manner. We have been awarded the golden standard in “Great Place to Work” in the financial year 2020.

OUR STRATEGY

The key elements of our business strategy are as follows:

Establish and expand our distribution network in other international markets and expand our manufacturing capacities

We aim to be among the leading mobile handset brands in the international markets in which we operate. According to F&S, global mobile handset is a US$ 411 billion market and sub-US$ 200 mobile handset market is a US$ 102 billion market. The market we focus is the sub-US$ 200 mobile handset market, of which 65% is attributable to Asia and Africa. We intend to focus on establishing and expanding distribution channels in the middle-east countries such as the United Arab Emirates, in the Asian countries such as Indonesia, Philippines and Vietnam and in the African countries such as Egypt. We also intend to focus on Latin American countries and North America, including the U.S. These markets have been identified based on the macroeconomic factors, political stability, outlook towards foreign companies, foreign exchange stability, demographic profile and the competition present. We believe that we can leverage our significant experience in the Indian and other Asian markets, and our manufacturing operations based in India, to develop our operations in other Asia countries. According to F&S, the African market is similar to Indian market in terms of purchasing power and demographics and our handsets, feature phones and entry-level smartphones, fit well to the needs of the African customers. Egypt was the first country in Africa where we launched our operations and leveraging our success in Egypt, we expanded in other African countries namely Kenya, Ghana, Guinea, and Senegal and expect to launch our products and services in various other African countries in the next few years. We plan to continue collaborating with mobile handset distributors and well-established domestic telecommunication service providers to introduce and sell our products in these markets.

We have also launched our products and services in the U.S., where the market is dominated by the smartphone brands. According to F&S, approximately 85.0% of the U.S. population uses mobile handsets, of which 17.0% use feature phones of any brand in 2021. In addition, according to F&S, the market for entry level smartphones and feature phones in the U.S. will increase by 3.6% reaching US$ 1.6 billion by 2025.

We will also continue to expand our manufacturing capacity. The Government of India has been focusing on manufacturing factor in recent years and introduced several initiatives, including the "Made in India" initiative and certain sector specific initiatives to help the manufacturing industry to grow. In particular, it introduced the PLI Scheme recently, and we are entitled to receive incentives under the PLI scheme. We intend to utilize the favorable governmental initiatives to continue to grow our manufacturing capacity and expand our scale of operations in India and overseas.

Continue to focus on strengthening the "Lava" brand by enhancing brand building and marketing efforts

Our "Lava" brand is the leading brand in the mobile handsets industry in India, according to F&S. We believe that consumers associate our "Lava" brand with value-for-money quality products with smart designs and superior customer service. We have launched several digital and TV campaigns with the theme "#ProudlyIndian" over the last couple of years to communicate our credentials as a comprehensive end-to-end focused mobile handset and mobile handset solutions provider. We believe that a well-planned media mix, brand associations and other brand building activities will continue to result in a high brand recall for us. As such, we intend to continue building our brand on the functional aspects of reliability, innovation and value for money by increasing investment in television marketing such as sponsorship of sports events and popular shows, print advertisements such as newspapers and magazines, digital marketing such as social media presence and internet advertising, retail marketing such as usage of signage and/or display of our brands at retail outlets and near point of sale, celebrity endorsements and brand tie-ups. We intend to spend a significant amount on marketing and promotional efforts to further enhance brand recall in our existing and potential markets.

We will also focus on continuing to protect our brand by strengthening our anti-counterfeiting strategy. This will include creating a stronger brand identity such as using the same logos, similar design and packaging consistently across our product lines and security features such as International Mobile Equipment Identity ("**IMEI**") numbers and serial numbers which are unique to every phone we produce.

Continue to nurture innovation through research and development

Our growth has been primarily driven by design and technology innovation and it continues to be our future strategy. We believe that our research and development team possesses the necessary skills, know-how capabilities and intellectual property competence to develop products that cater to the preference of customers in both our domestic and international markets. We intend to continue nurturing innovation in-house and pursue development of and focus on technological innovation, quality and design to drive quality user experience and grow our customer base. Going forward, we will continue to invest in research and development and prudently manage our human capital to maintain our leadership position in the mobile handsets market in India.

Continue to invest in technology to optimize our sales and distribution structure and improve operational efficiencies

We intend to continue to invest in technology to optimize our sales and distribution structure and improve our operational efficiencies. We intend to continue with our sales and distribution strategy and leverage technology to deepen collaboration among our sales force, distributors and retailers. We intend to implement our sales and distribution model and network, which is already being used in India, going forward overseas, in our target markets in Asia (excluding Japan, China and India), the Middle East, Africa and subsequent to the completion of the acquisition of the B-Mobile Group in Latin America. Our focus is on leveraging an operator centric model to establish a multi-layer distribution network. We will continue to focus on improving functionalities of existing technology tools (such as My Lava application used in sales and distribution) and create new technology tools to cater to evolving distribution dynamics. Further, we intend to continue to improve our working capital efficiencies, improve margins and profitability by leveraging our enterprise wide systems and processes to optimize costs across our business processes. For instance, we plan to use our SAP system to closely monitor and maintain appropriate component inventory levels so as to be able to ordinarily use sea freight for the shipment of supplies and only strategically use air freight when required.

Pursue strategic acquisitions and investments

We intend to supplement our organic growth with selective acquisitions of companies which have product offerings to enhance our current product offering or improve our user experience, or have strong brands and distribution network to supplement our growth. In addition, as we focus on emerging markets as a one-stop mobile handset solution provider, we may pursue acquisition opportunities in the regions which we plan to expand into. Further, we intend to undertake strategic investments in companies from certain sectors where we may derive synergies with our business, such as mobile application developers and component vendors, with a focus on localization of our supplies. We will continue to explore opportunities to establish strategic partnerships and build long-term relationships with our business partners so as to grow our business, for example, to secure supplies on favorable terms or utilize their technical know-how.

To further our plans for international market expansion, we have entered into an agreement to acquire 100% of the equity shares in China Bird Centro America, S.A. (also known as "**B-Mobile Group**"), a Panama based company that sells the mobile phones in Latin America, the world's second fastest growing smart phone market. B-Mobile is a low cost handset provider in Latin America with a distribution network consisting of mobile carriers, retailers and local distributors. B-Mobile Group reported annual revenues of approximately US$72 million and EBITDA margins of 6.30% during the twelve months ended December 31, 2020. It offers 20 different products, including feature phones, smartphones and other wireless devices. The acquisition of the B-Mobile Group will provide us with access to an established market and consumer base in 31 Latin American countries and allow us to benefit from the immense growth of mobile handset market in Latin America. We also intend to continue to explore other acquisition targets to further our business and geographic presence.

DESCRIPTION OF OUR BUSINESS

Our Products and Services

We offer a wide range of products under our own "LAVA" and "XOLO" brands, including feature phones, smartphones, tablets and other electronic accessories such as data cards, chargers, audio products (including headphones and true wireless stereo ("TWS") earbuds) and smart wearables (including smart bands and smart watches), which complement our mobile handset offering, and provide value added software services such as Lava Pay and Lava Pulse. We also offer mobile handsets solutions to OEMs ranging from sourcing, design, manufacturing, quality testing, embedding software and distribution. In the past, we have customized and manufactured mobile handsets to be sold under the brands of leading multi-national companies such as HMD, Bhagwati Products Limited and TCL. We have also designed smartphones powered with medical ultrasound application for GE Healthcare.

Mobile handsets

The following table sets forth certain information relating to our core product offerings as of July 31, 2021:

Feature Phones

Model	Month and year of launch	Price points (₹) [1]	Model picture	Key features
34 Ultra	December 2020	1,517		10 days battery backup, AI battery, loud and clear sound
Lava Flip	November 2020	1,752		Sleek and stylish design, 360 degree premium packaging, notification LED

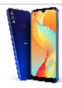
Model	Month and year of launch	Price points (₹) [(1)]	Model picture	Key features
Hero 600s WC	November 2020	823		FM with recording, auto call recording and instant torch
Pulse 1	November 2020	1,449		First mobile handset in India with contactless talking thermometer
Hero 600s	September 2020	735		FM with recording, auto call recording and instant torch
A7 2020	August 2020	1,449		Super durability, six days of battery life and stereo sound
Gem	August 2020	1,599		Clear sound with powerful amplifier and four days of battery life
Hero 600+	August 2020	812		FM with recording, auto call recording and instant torch
Pulse	August 2020	1,449		First mobile handset in India with blood pressure and heart rate monitor
A9	June 2020	1,577		Big and bold font, AI battery and five days of battery life
A1 Colours	February 2020	988		Attractive colours. One year replacement guarantee, good sound experience and COVID helpline
A1 Wave	February 2020	1,043		Gradient finish and good sound experience
A5 Wave	January 2020	1,296		Sound leakage resistance, three days of battery life, wireless FM with recording and AI battery
A5	November 2019	1,263		Sound leakage resistance, three days of battery life, wireless FM with recording and AI battery
A1200	September 2019	1,242		Seven days of battery life and smart battery indicator powered by artificial intelligence
Gem Wave	September 2019	1599		Dual tone finish, clear sound with powerful amplifier and four days of battery life
Hero 600	September 2019	711		FM with recording, auto call recording and instant torch
A1 Super	July 2019	1,032		One year replacement guarantee, vibration support, good sound experience and COVID helpline
A7 Wave	May 2019	1,442		First feature phone with gradient finish and six days of battery life
A1 Lite	April 2019	955		One year replacement guarantee, good sound experience and COVID helpline
A3	April 2019	1,131		Six days of battery life, 3,020 speaker and A class amplifier

Model	Month and year of launch	Price points (₹) (1)	Model picture	Key features
A1 Gold	March 2019	1,032		One year replacement guarantee, gold finish and good sound experience
A7	February 2019	1,409		Super durability, six days of battery life and stereo sound
A1	September 2018	988		One year replacement guarantee, good sound experience and COVID helpline
Spark i8	November 2017	1,541		Big screen, good sound experience and slim ID

Note:

(1) Refers to minimum operating price, inclusive of tax.

Smartphones

Model	Month and year of launch	Price points (₹) (1)	Model picture	Key features
Z2S	July 2021	7,004		MediaTek Helio A25 Octa core processor, Loud audio speakers, 2 GB RAM and 32 GB ROM, Big 6.5" HD+ display, 5000mAH battery, Face unlock
Z2_3GB	June 2021	7,999		MediaTek Helio G35 Octa core processor, 3GB RAM + 32 GB ROM, 6.5" HD+ display, 5000mAH battery, military grade certification
Z2_Max	April 2021	7,799		7" HD+ display, MediaTek Helio processor, Massive 6000mAH battery, 2GB RAM + 32 GB ROM, powerful box speaker
My Z	January 2021	N/A (2)		The first smartphone in the world which can be customized by customers
Z1	January 2021	5,199		Loud Audio with 5 magnet speaker, Helio A20 chipset, military grade certified build, Corning Gorilla Glass 3 protected HD+ display
Z6	January 2021	9,553		Helio G35 Chipset, 16MP selfie camera, Triple Rear AI Camera (13+5+2 MP), 6GB RAM + 64GB ROM, Corning Gorilla Glass 3 protected 6.5" HD+ display, Military grade certified build
Z4	January 2021	8,760		Helio G35 Chipset, 16MP selfie camera, Triple Rear AI Camera (13+5+2 MP), 4GB RAM+64GB ROM, Corning Gorilla Glass 3 protected 6.5" HD+ display, military grade certified build
Z2	January 2021	7,399		Helio G35 Chipset, 8MP selfie camera, Corning Gorilla Glass 3 protected 6.5" HD+ display, military grade certified build
BEU	November 2020	6,355		Safety App, attractive ID, features designed especially for women
Z66	July 2020	7,202		13 megapixel selfie camera, 3GB RAM and 32GB ROM and bloatware-free, pure android experience with stock android 10

Model	Month and year of launch	Price points (₹) [1]	Model picture	Key features
Z61 Pro	June 2020	5,556		Attractive gradient ID, 2GB RAM and 16GB ROM and bloatware-free, pure android experience with stock android
Z71	January 2020	6,735		Fingerprint sensor, Star OS 5.1 interface, dedicated google assistant key and quad-core processor
Z41	October 2019	4,264		Gradient finish, 2,500 mAh battery, face unlock, bokeh mode
Z62	June 2019	5,720		Big 3380 mAh battery, Big 6 inch full view display, Star OS 5.1 interface, dedicated google assistant key and quad-core processor
Z51	June 2019	3,840		Ai Battery, realtime bokeh mode, Star OS 5.0 and face unlock

Notes:

1. *Refers to minimum operating price, inclusive of tax.*
2. *My Z is a fully customizable phone available at price range from US$93 to US$143. There is no standard price for My Z.*

Tablets

Model	Month and year of launch	Price points (₹) [1]	Model picture	Key features
Lava Magnum XL 2021	April 2021	13,499		2 GB RAM, 32 GB ROM, expandable Upto 256 GB 25.65 cm (10.1 inch) HD display 5 MP primary camera, 2 MP front Android 10, battery: 6100 mAh lithium polymer Voice call (dual sim) Processor: MediaTek Processor
Lava Magnum XL	September 2019	11,999		2 GB RAM, 16 GB ROM, expandable upto 128 GB 25.65 cm (10.1 inch) HD display 5 MP primary camera, 2 MP front Android 8.1 (Oreo), battery: 5900 mAh Li-ion Voice call (dual sim, LTE, GSM) Processor: MediaTek Quad Core
Lava T81N	April 2021	9,999		2 GB RAM, 32 GB ROM, expandable upto 256 GB 20.32 cm (8 inch) HD display 8 MP primary camera, 5 MP front Android 10, battery: 5100 mAh lithium polymer Voice call (dual sim) Processor: MediaTek Processor
Lava Ivory	April 2021	7,999		2 GB RAM, 16 GB ROM, expandable upto 256 GB 17.78 cm (7 inch) HD display 5 MP primary camera, 2 MP front Android 10, battery: 4100 mAh lithium polymer Voice call (dual sim) Processor: MediaTek Processor

Note:

(1) Refers to minimum operating price, inclusive of tax.

In addition, we have entered into an agreement to acquire 100% of the equity shares in B-Mobile Group that sells the mobile phones in Latin America. It offers 20 different products, including feature phones, smartphones and other wireless devices.

Our Operations

Research and Development

We place strong emphasis on product development on our research and development capabilities, which is crucial to keep us ahead of our competitors. The main objects of our research and development efforts are to develop new products with innovative technologies, to continue upgrading and improving the functionalities and features of our existing products and to improve user experience. As at July 31, 2021, we had two research and development centers located in Noida, Uttar Pradesh, India. Our research and development division is organized into software design, industrial design, mechanical design, hardware design, component selection, performance optimization and user interface and use experience teams, which comprised 83 personnel, of whom 73 are trained engineers, as of July 31, 2021. Our research and development division works closely with our sales and marketing team to keep abreast of market trends, customer feedback and consumer preference.

Over the years, in addition to regular and frequent improvements to our products, our research and development division undertook multiple development projects and successfully developed, among others,

Software

- ***Star OS***: Star OS is an operating system that was launched by us in 2015 and serves as an additional layer over the existing Android OS. It provides features such as battery management and customized screen gestures;

- ***Hive OS***: We have developed "Hive", a customized user interface on top of the Android OS. Through "Hive", we provide our customers with unique user experience to increase consumer engagement, brand loyalty and repeat purchases.

- **XOLO Edge**: XOLO Edge is a mobile personalization and digital content delivery platform. It was designed with the primary idea of creating a space where artists as well as users create, share and interact. It enables artists to create high-quality, professional and personalised themes and wallpapers to reach out to and engage with their intended audience; and

Mobile handset

- Prime X - the first "designed in India" feature phone with a differentiating ID, 11.8mm thickness and long talk time. It also supports 22 displays and three input languages;

- Z1 - the first "designed in India" smartphone. Features include (i) loud audio with 5 magnet speaker to provide better sound experience to customers while watching movies or listening to music; (ii) Helio A20 chipset to provide smooth experience while using the phones, (iii) military grade certified build to provide a sturdy build to customers working in rough conditions, and (iv) corning gorilla glass 3 to protect HD+ display from scratching and breakage.

- myZ - the first smartphone in the world which can be customized by customers. This is a fully customizable phone available at price range from US$93 to US$143 for which a trademark and patent has been applied for. It provides customers with flexibility to customize the phone as per their needs. Customers have an option to make 66 different configurations by using a combination of five parameters, namely rear camera, front camera, random access memory ("RAM"), random only memory ("ROM") and color of the device; and

- Z50 - the world's first smartphone with Android Oreo (Go Edition) as a result of our close coordination with Google.

- Z62 - launched with a dedicated google assistant key for users to activate google assistant by pressing just one button.

Mobile Application

- ***OOBE***: A simple and effective platform that smoothens the user onboarding process;

- ***Theme Store***: Collection of themes, allowing customers to decorate their phone screen as per their mood;

- ***Minus 1***: Also known as "Right Swipe", whenever viewers swipe right on their phones, advertisements, news and other customizable information is available;

- ***Content*** Discovery ***Widget***: Whenever viewers swipe left on their phones, widget provides latest and most popular content to keep users engaged;

- ***Lava Pay***: With "Lava Pay", we make money transfer easy. The Lava Pay application is configured to support multiple banks, and also supports QR code scanning of payment applications. The Lava Pay is an offline version of a payment application for a feature phone;

- ***Lava Pulse:*** Heart rate and blood pressure monitor with thermometer functionality; and

- ***Lock Screen Stories***: News and videos are displayed on the locked screens of the users.

We were also among the pioneers in India to launch (i) a smartphone with an octa-core chipset and two gigabytes RAM at a price less than ₹10,000 in 2015, (ii) the lightest smartphone in the Indian market (at that time) with a 4,000 mAh battery in 2015, (iii) a smartphone with the Android Lollipop 5.1 operating system at a price less than ₹5,000 in 2015, (iv) a smartphone on Android Oreo Go at MWC in 2018, and (v) a 4G feature phone in 2017, according to F&S. Further, we own a significant portfolio of intellectual property rights, including 98 trademark registrations in India, 12 trademarks overseas and three registered copyrights, as of the date of this Draft Red Herring Prospectus, which we believe will continue to provide us with the flexibility to develop customized products to meet changing market demand. We believe that our commitment to product innovation and design, our strong engineering and our strong research and development capabilities will serve as key elements driving our long-term growth. According to F&S, we are also among the first in the world to launch a smartphone based on Intel system-on-a-chip ("SOC") chipsets.

Our efforts towards research and development and technology developments have been recognised by the governments of India. Our research and development centers were certified by Department of Scientific and Industrial Research under Ministry of Science and Technology of India as scientific research and development centers for our in-house software research and development in 2016 and in-house hardware research and development in 2018. We are in the process of renewing these certifications.

Manufacturing

We manufacture and assemble our mobile handsets at our Noida Facility, which operates for three shifts per day and 26 days per month. As of August 31, 2021, our Noida Facility had four SMT lines and 12 assembly lines operated by 3,105 workers, with a production capacity of 42.52 million Feature Phone Equivalent handsets per annum. We also manufacture and assemble mobile handsets to be sold under the brands of OEMs.

The following table sets forth details of capacity utilization of Noida Facility:

Product	Annual Installed Capacity as of August 31, 2021	Installed Capacity Fiscal 2021 (1)	Actual Fiscal 2021 Production (2)	Capacity Utilization Fiscal 2021	Installed Capacity Fiscal 2020 (1)	Actual Fiscal 2020 Production (2)	Capacity Utilization Fiscal 2020	Installed Capacity Fiscal 2019 (1)	Actual Fiscal 2019 Production (2)	Capacity Utilization Fiscal 2019
Feature Phone Equivalent	42,525,101	39,836,160	16,168,613	40.59%	31,824,000	15,697,834	49.33%	31,387,200	17,570,864	55.98%

Notes:

1. Installed capacity has been calculated based on numbers of lines installed in the respective period, three shifts per day, 26 days per month and production capacity per shift.

2. The production numbers above include feature phones and smart phones. The production numbers for smartphones have been converted to equivalent feature phone production numbers based on the standard ratio between the feature phone and smart phone productions.

3. The production numbers above are based on the numbers of finished products we manufactured.

4. The details of capacity utilization in the table above are subject to our assumptions and estimates. See "Risk Factors – Internal Risks – Information relating to the historical capacity of our manufacturing unit located in Noida, Uttar Pradesh 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." for details.

In order to achieve the desired quality for our products, we undertook several steps for manufacturing control, including: (i) benchmarking of the launch process with the "Process Failure Mode Effects Analysis", an analytical tool to identify and evaluate the potential failures of a process; (ii) implementation of "Kaizen", resulting in 17,596 improvements in our business functions generating significant savings since 2015; and (iii) implementation of the online portal for Kaizen and the daily management system.

Raw Material and Component Sourcing

The key raw materials and components that we used for the production of our mobile handset are either sourced domestically or imported and include chipset, PMU, RF PA, display module, TP, TVS, speaker and receiver. We typically enter into contracts to source key raw materials and components from approved suppliers or procure them from the open market. Over the years, we have continued to diversify our procurement sources, as well as evaluate manufacturing certain raw materials in-house. We plan to source majority of the raw materials and components from India suppliers. Currently, we have achieved 35.0% localization of raw materials and components with respect to feature phones and 13% with respect to smart phones and intend to achieve around 60% localization with respect to both feature phones and smart phones in the next three to four years.

Quality Control

Quality control is essential to our business operations, spanning the full product lifecycle from product design, research and development, through the stages of procurement, production, logistics, sales and distribution processes, to the customer evaluation of our products. For our manufacturing process, our products undergo inspections at each key stage of the production process from sourcing of raw materials and components, component parts assembly, mobile handset assembly, post-fabrication and final checking prior to delivery. Products in inventory storage are subject to quality audits and we also have standards in place for storage conditions. Separately, supplier quality evaluation processes are also established and carried out for incoming raw materials and components. Our manufacturing facility has been certified with quality management systems, manufacturing execution system and environmental management systems for compliance with ISO9001: 2015 and ISO14001 and OHSAS45001 for occupational health and safety.

Sales and Distribution

Our customers can be broadly categorized into our authorized distributors, authorized retailers and direct customers. We have established an extensive distribution network with a wide geographical reach in India through four channels of distribution: (i) general trade, (ii) online/e-commerce, (iii) organized/modern trade and (iv) B2B channel. As of July 31, 2021, our sales team comprised 438 personnel, whom we have organized into functional roles, such as hub heads, business unit heads, regional managers, area retail officers and retail executives.

General trade

We primarily sell our products through the general trade channel, where we supply our products directly to our distributors and retailers who in turn sell our products to the end-customers. Our domestic network consisted of 893 active distributors and 116,339 active retailers as of July 31, 2021, which provides us with significant depth and breadth of product distribution in India's largest cities as well as in tier 2 and tier 3 cities and enables us to roll out new products more quickly. We have instituted a cash and carry model of business in general trade channel with our mobile handset and accessories distributors in India, who purchase our products with cash and sell those products to their respective retailers.

Online sales

Our products are sold through various e-marketplaces such as Flipkart and our Lava e-store on www.lavamobiles.com.

Organized trade/Modern trade

Organized trade/modern trade outlets are franchised by us. They include large players such as hypermarkets, supermarket chains and mini-markets. We sell our products in retails stores such as Poorvika Mobiles Private Limited, Sangeetha Mobiles Private Limited, Vijay Sales India Private Limited, B New Mobiles Private Limited, Big C Mobiles Private Limited, Lot Mobiles Private Limited, Sri Lakshmi Enterprises, Appario Retail Private Limited and other hypermarket stores.

B2B channel

We also sell our products via institutional contracts channel directly to B2B clients such as operators, government departments and other institutions. They in turn sell our products to end consumers in their respective geographies. We have awarded orders for supplying tablets and smartphones to various state government departments as they promotes Make in India brands.

International business

We sell mobile handsets, tablets and other electronic accessories internationally through strategic collaborations with domestic telecommunications companies and local distributors and retailers. For example, in the past, we had collaborated with communication companies and local distributors such as Grameen Distribution Ltd in Bangladesh, Ambe Mobiles Pvt. Ltd. in Nepal and Golden Horse Foodstuff Company, El Khlood for Trade and Commercial Agencies, Al Basha for Trading and Almarwa for Trading in Egypt.

Logistics and fulfillment

Typically, our products are shipped to our warehouses/ fulfillment centers, which are strategically located near our distributors and retailers. The nature of shipment depends upon the terms associated with the customer order. The mode of transportation for a particular shipment includes road and air to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order. We have an in-house logistics department that works with our sales team and appoints third-party logistics services providers to coordinate the delivery of our products.

Where a shipment is outbound overseas, we use multi-model transportation, including road, air and sea transportation. We also utilize third-party freight forwarders who contract with the relevant ocean carriers and airlines on our behalf and engage third-party logistics services providers to provide support on our transportation requirements. We coordinate with these third-party logistics service providers to ensure that our transportation rates are competitive and that our transportation carriers are performing as required. We are a one star export house and have an authorized economic operator ("**AEO**") tier-III certification by the customs authority. The AEO certification provides us with a green channel, 24x7 clearance at seaports and airports, direct port delivery for ocean shipments and deferred payment of the custom duty.

As of July 31, 2021, we had a supply chain management team of approximately 129 employees (including off roll employees). In addition to the one main warehouse which functions as our distribution hub, we also have 17 another warehouses/fulfillment centers to facilitate distribution of our products. We plan to further enhancing our supply chain capabilities in international market by developing warehouses/fulfillment centers in the free trade zones in Middle East and Africa.

Marketing

Our marketing activities are aimed towards reinforcing consumer perceptions of our brand as a reliable, innovative, value for money and quality products. Our sales personnel conduct market research, engagement programs and contact our distributors/retailers regularly to understand consumer needs and market changes and enable us to update our marketing strategic and carry out the strategic planning for our brand positioning, brand integration and product line determination. We have and intend to continue to advertise through television by sponsoring sports events and popular shows, print advertisements by posting ads on newspapers and magazines, digital marketing by increasing presence on social media platform and internet advertising and retail marketing by increasing usage of signage and/or display of our brands at retail outlets and near point of sale. We also have celebrity endorsements, brand tie-ups and retail marketing activities to promote our products.

Information Technology

We have automated our entire process from end-to-end by integrating the SAP system, "My Lava" application and the JDA software.

SAP system

Our SAP system, which comprises, among other things, financial accounting module, material management module, sale and distribution module, production planning module, and marketing module, is customised for our operating needs. Our SAP system enables us to have access to the sales and purchase information, inventory level in storage facilities and other key financial and logistic data on a real time basis which helps us to monitor and manage our day to day operations efficiently and effectively. We believe that the availability of such information further enables us to carry out analysis on consumers' preference and market trend, make necessary decisions and adjustments in a timely manner.

"My Lava" application

"My Lava" application is a front-end retailer application, which integrates the entire supply chain ecosystem with the SAP system and enables transparency of transactions in terms of inventory and suggests optimal inventory, ageing inventory, replenishment orders and redeployment requirements to distributors, retailers and sales executives. It helps to (i) provide a complete view of the credit in the system including daily payments and retailer-wise credit amount, (ii) avoid of duplication of work or manual entry of any information by the field force; and (iii) improve in visibility and impact on promotional schemes.

JDA software

Our supply chain system has been automated using the JDA software. The JDA software provides us, among other things, visibility of our inventory and allows us to introduce features such as auto-replenishment, inter-fulfilment center stock transfer, optimal allocation of constrained supply, exception and alerts dashboard, and demand forecasting. It helps us with (i) better stock management by preventing stock-out scenarios; (ii) better quality of data for business reporting; (iii) auto calculation of stock requirement based on the placement norms and sales; and (iv) optimal assortment of product available with the retailers with a complete view of our inventory and demand environment. As a result, our warehouse management system operations become lean as there is minimum deviation on inventory stock available versus the customer demand.

IT Security

For network level security, UTM Firewalls are used for controlling incoming and outgoing network traffic based on certain set of rules mostly depended upon IP address and Ports. It has features such as application control, advanced persistent threat protection, Web and content filtering, intrusion prevention system, and antimalware -- antivirus and antispam.

Enforced per-user VPN accounts policy to allow authorize access into secure organization network from outside network. Cisco ISE determines whether users are accessing the network on an authorized device and grants authenticated users with access to specific segments of the network based on authentication results.

For end point security, McAfee is implemented for all end user systems and CrowdStrike is implemented for all servers to block viruses and malwares from entering computers system and kill or quarantine viruses and controlling removal media to all end user systems. We are also using Active Directory Authentication for security certificates, Single Sign-On (SSO), LDAP, and rights management.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we have 98 trademark registrations in India, including LAVA, LAVA गर्व से भारतीय #ProudlyIndian and 12 trademarks overseas. "LAVA" as a trademark is registered under multiple classes in our name, notably classes 9, 35, 38, and 42.

We have 33 pending trademark applications, of which 17 have been opposed, and 11 are under objection. We have filed 29 opposition applications.

We have three registered copyrights and one pending copyright application. Further, we have one pending design registration under Class 14-03 for the design of a mobile phone. We have also made three patent applications, including for "LAVA PAY". All of our patent applications are pending.

For further details on our intellectual property rights, please see "Government and Other Approvals" on page 351.

Competition

The mobile handset industry is highly competitive, and we face intense competition both domestically and internationally. The key factors of competition are availability of products, range, post sales services, quality, cost, delivery, development and management. According to F&S, we compete with a number of foreign players, including Chinese and Korean companies, in the smartphone market and Indian players in the feature phone market.

For details, see "*Industry Overview*" beginning on page 132.

Insurance

We have subscribed to a range of insurances, including compensation insurance, office protection, commercial general liability, product liability, business public liability, electronic equipment, fidelity guarantee, burglary, trade credit, and group medical claim and erection accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of coverage include insurance for property, material damage, standard fire and special perils policy for our warehouses, management liability insurance, employees our operations are subject to hazards inherent in manufacturing plants such as risk of equipment failure, work all risk.

See "*Risk Factors – Internal Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have an adverse effect on our business*" on page 53.

Employees

As of July 31, 2021, we employed 3,601 employees across the globe, out of whom 1,777 are full-time employees and 1,824 are on a contractual basis, largely for manufacturing and, sales and distribution operations.

The following table sets forth the number of our employees as of July 31, 2021:

Particulars	Number of Employees
International Business	7
Customer Service Delivery	98
Human Resources	34
Manufacturing	895
Product	18
Production	1,757
R&D	83
Finance Legal and Taxation	58
Procurement and Supply Chain Management	129
Sales, Distribution and Marketing	438
Information Technology	49
Others	35
Total	**3,601**

We believe that our employees are important assets to our Company. Our management policies, working environment, career development opportunities and employee benefits are instrumental to maintaining good employee relations and employee retention. We identify, develop and retain our talent through an array of initiatives which include talent acquisition, talent management, learning and development, compensation and benefits, employee engagement and performance management.

Our compensation and benefits team manages our payroll system and ensures that we adhere to the relevant employment laws and statutory requirements. The team has also implemented a process to evaluate our employees annually based on their performance to ensure that our staff are duly recognized and rewarded for their work.

Environmental, Health and Safety matters

We are committed to maintaining high standards of workplace health and safety and we regard the safeguarding of such interests as one of our most fundamental responsibilities as an employer. We see safety as both a right and a responsibility for all employees and we aim to become a zero-accident organization. Any mishaps or accidents at our facilities or any emission or leakage from our factory could lead to personal injury, property damage, production loss, adverse publicity and legal claims.

Our safety management team carries out regular safety inspections of our production facility to ensure compliance with the safety measures. All new production equipment and machinery are required to pass safety tests before commencement of production. Protective devices are installed, and warning signs posted to ensure production equipment and machinery are operated safely. Our production staff are provided with regular training on the operation of production equipment and occupational safety gear.

In addition to creating initiatives to improve workplace employee safety, we implement initiatives to reduce the environmental impact of our operations such as reducing the usage of plastics and thermal in packaging for greater environmental sustainability. We also comply with required laws on air and water pollution emissions, effluent treatment and solid waste management.

We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to environmental laws and regulations, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites and natural resource damages. For further details on key regulations and policies relating to our business and operations, see "*Regulations and Policies*" beginning on page 189.

Corporate Social Responsibility

We have established a corporate social responsibility ("CSR") committee in 2014 and adopted a CSR policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and as modified from time to time. The broad objectives of our CSR policy is to undertake activities that:

- elucidate and inform to all Stakeholders about our CSR Policy;

- demonstrate commitment to the common good through responsible business practices and good governance;
- actively support the country's development agenda to ensure sustainable change;
- set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models; and
- engender a sense of empathy and equity among employees of the Company to motivate them to give back to the society.

For the financial years 2021, 2020 and 2019, our corporate social responsibility expenditure was ₹35.65 million, ₹4.00 million and nil, respectively.

Property

Our Company's registered office is located at B-14, House 2 Basement, Shivlok Commercial Complex, Karampura, Delhi 110015, India and our corporate office is located at A-56, Sector -64, Noida, Uttar Pradesh 201301, India. Our manufacturing facility is located in Noida, Uttar Pradesh, India.

All of our premises were leased by our Company.

REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations, which are applicable to the operations of our Company. The information detailed in this section has been obtained from publications available in public domain. The description of laws and regulations set out below is not exhaustive but indicative and is only intended to provide general information to investors. The information in section is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, quasi-judicial or judicial decisions.

General

The Indian Telegraph Act, 1885 ("Telegraph Act")

The Telegraph Act governs all forms of the usage of 'telegraph' which has been defined to mean any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. As per Section 4 of the Telegraph Act, the exclusive privilege of establishing, maintaining and working telegraphs shall be with the central government. A contravention of the conditions prescribed in the license granted under Section 4 of the Telegraph Act is punishable under Section 20A of the Telegraph Act with a fine which may extend to ₹ 1,000, and with a further fine which may extend to ₹ 500 for every week during which the breach of the condition continues.

The Telegraph Act gives the government the power to make rules for conduct of all telegraphs established, maintained or worked by the government or by persons licensed under the act. This includes rules governing the conditions and restrictions subject to which any telegraph line, appliance or apparatus for telegraphic communication shall be established, maintained, worked, repaired, transferred, shifted, withdrawn or disconnected. Further, the rules prescribed by the central government may prescribe fines for any breach of such rules. Pursuant to Section 7(3) of the Telegraph Act, a person licensed under the Telegraph Act is punishable for breach of these rules, with a fine of ₹ 1,000, and in the case of a continuing breach a further fine of ₹200 for every day after the first during the whole or any part of which the breach continues.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. It repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. Making use of any numeration not in accordance with the standards of weights and measures prescribed under the Legal Metrology Act may be punished by a fine which may extend to ₹25,000 and for the second or subsequent offense, with imprisonment for a term not exceeding six months and also with fine. Any transaction, deal or contract in contravention of the standards of weights and measures prescribed by the government may be punished with fine which may extend to ₹ 10,000 and for the second or subsequent offence, with imprisonment for a term which may extend to one year, or with fine, or both. The Legal Metrology Act permits the central government to make rules thereunder to carry out provisions of the Act. Further, states may, after consultation with the central government, frame state specific rules under this Act to provide for the time limits for verification of weights and measures, maintenance of registers and records, manner of notifying government authorities, fees for compounding of offences etc.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export of packaged commodities and also provide for registration of manufacturers, packers and importers. Also, the Legal Metrology (Government Approved Test Centre) Rules, 2013 have laid down specifications about verification of weights and measures specified therein by government approved test centre.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and servicesThe BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter alia* to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

Few of the substantial changes introduced by the Consumer Protection Act, 2019 are inclusion of the e -commerce industry. The term "e-commerce" has been defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. However, rendering of services free of charge or under the contract of personal service is not covered under the definition of "service" under the Consumer Protection Act. In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India has also notified the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") which provides a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern ecommerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, and sellers of products and services.

Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (the "Electronics and IT Goods Order 2012")

The Electronics and IT Goods Order, 2012 mandates no person shall by himself or through any person on his behalf manufacture or store for sale, import, sell or distribute Goods which do not conform to the specified standard and do not bear the words "Self declaration – Conforming to IS (Relevant Indian Standard)" on such goods as notified by BIS for such goods from time to time after obtaining the unique registration number from the BIS. The sub-standard and/or defective goods which do not conform to the specified standard provided under the Electronic and IT Good Order are required to be deformed beyond use by the manufacturer and disposed off as scrap. The specified standard IS 13252 (Part I) and IS 16333 (Part-III) are applicable to mobile phone manufacturing.

Further, on March 18, 2021 the Ministry of Electronics and Information Technology notified the Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2021 ("**Electronics and IT Goods Order 2021**") which will operate concurrently with the Electronics and IT Goods Order 2012. Upon coming into operation six months after the date of publication, Electronics and IT Goods Order 2021 will not apply to the goods or articles which have a valid registration under the Electronics and IT Goods Order 2012. However, the registration for the same will have to be renewed as per the Electronics and IT Goods Order 2021.

Production Linked Incentive Scheme for Large Scale Electronics Manufacturing ("PLI Scheme")

The Ministry of Electronics and Technology vide its notification dated April 01, 2020 introduced the PLI Scheme offering a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components, including Assembly, Testing, Marking and Packaging units. The PLI Scheme extends support only to the companies which are engaged in the manufacturing of target segments in India, namely, mobile phones and specified electronic components ("**eligible companies**"). The PLI Scheme extends an incentive of 4% to 6% on incremental sales (over base year i.e., financial year 2019-20) of goods manufactured in India and to eligible companies, for a period of five years subsequent to the base year. We have received the approval of GoI for the PLI scheme. For further details, see section "*Government and Other Approvals*" on page 351.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended (the "**FEMA**"), along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, as issued from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**"), to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. 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. The total holding by each FPI or an investor group, shall be less than 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24% of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% shall be called the individual and aggregate limit, respectively. With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

Regulations specific to mobile handsets

International Mobile Equipment Identity and Electronic Serial Number

The Groupe Special Mobile Association (the "**GSM Association**"), an association which focuses on the interests of mobile operators, has issued the eighteenth version of the non-binding International Mobile Equipment Identity ("**IMEI**") Allocation and Approval Process on July 13, 2020 ("**IAA Process**"). The IAA Process envisages the allocation principles applicable to IMEI numbers. The IMEI code consists of a number of fields totalling 15 digits, containing data on the model of the mobile device, as well as the particular mobile device. All digits have the range of zero to nine coded as a binary coded decimal. The GSM Association maintains a unique system known as the IMEI database which is global central database containing basic information on the IMEI ranges of GSM devices that are in use across the GSM networks of the world.

Similarly, for mobile phones which implement code division multiple access technology, the Telecommunications Industry Association ("**TIA**") manages production by assigning manufacturer codes through an electronic serial number (the "**ESN**"). ESN is a unique 32 bit binary value, embedded or inscribed on the microchip in a wireless phone by the manufacturer. Each time a call is placed, the ESN is automatically transmitted to the base station so the wireless carrier's mobile switching office can check the call's validity. Further, TIA manages and coordinates manufacturer codes for subscriber equipment in the cellular service, personal communications services and other wireless services.

Panic-button rules and Global Positioning System Facility in all Mobile Phone Handsets Rules, 2016 ("Panic Button Rules")

The Ministry of Communications and Information Technology, GoI, on April 22, 2016, enacted the Panic Button Rules under the Wireless Telegraphy Act. Under the Panic Button Rules, all mobile handsets manufactured in India (including feature phones and smart phones) are required to incorporate a panic-button that automatically invokes an emergency call. For feature phones, numeric keys 5 or 9 shall be the panic-button, while for smartphones, an emergency button (which is required to be pressed for long), or pressing the power on/off button thrice in quick succession will trigger an emergency call. Under the Panic Button Rules, no smart phone handset manufacturing companies is allowed to sell smart mobile phones handset in India without the facility of identifying the location through satellite-based GPS.

<u>Laws relating to Intellectual Property</u>

The Trademarks Act, 1999 ("***Trademark Act***")

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made on an individual or joint basis by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either the use or the intention to use the trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored.

The Patents Act, 1970 ("***Patents Act***")

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights ("**TRIPS**"), India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials, such as the topography of integrated circuits, algorithms or computer programs, even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for the invention in India at least six months before such application, where either no direction has been made regarding the secrecy of the invention, or if such a direction has been revoked. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

The Copyright Act, 1957 ("***Copyright Act***")

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films and sound recordings. In particular, computer software and programs are eligible to be copyrighted as literary works. A copyrighted work is accorded protection for a period of sixty years from the next calendar year following the demise of the author in case of a literary, dramatic, musical or artistic copyright. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright. Section 69 of the Copyright Act also makes every person who at the time the offence was committed was in charge of, and was responsible to the company for, the conduct of the business of the company, as well as the company liable for all the offences under the Act, including that of infringement.

Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000 ("Semiconductor Integrated Circuits Act")

The aim of the Semiconductor Integrated Circuits Layout-Design Act, 2000 is to provide protection of intellectual property rights in the area of semiconductor integrated circuit layout designs and for connected matters. Any person claiming to be the creator of a layout-design may apply to the Registrar of Layout-Designs appointed under the Act for registration of the layout-design. The holder of a registered integrated circuit layout design shall have the exclusive right to use it, irrespective of whether the design is incorporated in the product or not. However, no person has any right to prevent or recover damages for the infringement of an unregistered layout-design. The registration of a layout-design shall be for the period of ten years from the date of application, or from the date of commercial exploitation anywhere in India, whichever is earlier. The Semiconductor Integrated Circuits Layout Design Rules, 2001 have been put into force to assist the implementation of the Semiconductor Integrated Circuits Act.

Designs Act, 2000 ("Designs Act")

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

<u>Environmental Laws</u>

The Environment Protection Act, 1986 (the "Environment Act")

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. The potential scope of the Act is broad, with 'environment' defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any such person, officer or authority for any of the purposes of the Environment Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process; and stoppage or regulation of the supply of electricity or water or any other services..

The Environment (Protection) Rules, 1986 (the "Environment Rules")

In the exercise of powers conferred under Environment Act, the central government has framed the Environment Rules. The Environment Rules prescribe standards for emission or discharge of environmental pollutants that an industry must comply with. It grants power to the central government to prohibit or restrict the location of industries in different areas. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under the Water (Prevention and Control of Pollution) Act, 1974 or the Air (Prevention and Control of Pollution) Act, 1981, each as amended, is required to submit to the concerned State Pollution Control Board ("**SPCB**"), an environmental statement for that financial year in the prescribed form.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "EIA Notification")

The EIA Notification issued under the Environment Act and the Environment Rules, as amended, provides that the prior approval of the Ministry of Environment, Forest and Climate Change, GoI , or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification prescribes a four stage approval process for obtaining environmental clearance, i.e., screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the Draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report. The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by expert appraisal committee or state level expert appraisal committee subject to a maximum of 30 years for mining projects and seven years in the case of all other projects and activities.

The Ministry of Environment, Forest and Climate Change has published the draft Environment Impact Assessment Notification, 2020 ("**EIA Notification, 2020")**, replacing the existing EIA Notification. The EIA Notification, 2020 has divided the projects into three categories namely A, B1 and B2 on the basis of social, economic and geographical impact. The EIA Notification, 2020 envisages two kinds of approval depending on the category of projects i.e. (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. The EIA Notification, 2020 exempts 40 different kinds of projects including digging of foundation of buildings and manufacturing of products from polymer granules or manmade fibers from granules or flakes or chips, from prior environment clearance or prior environment permission. Under the EIA Notification, 2020, several projects such as all B2 projects, building construction and area development, elevated roads and flyovers, highways or expressways are exempted from public consultation.

E-Waste Management Rules, 2016 (the "E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorisation from the state pollution control board and also submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

Hazardous Waste Rules place an obligation on an 'Occupier' to be responsible for the safe and environmentally sound management of hazardous wastes. An Occupier has been defined in relation to any factory or premises, means a person who has, control over the affairs of the factory or the premises and includes in relation to any hazardous and other wastes, the person in possession of the hazardous or other waste. Occupiers must similarly obtain a range of consents from the state pollution control board. The Hazardous Waste Rules also place rigorous procedures for the import and export of hazardous waste including electronic waste and scraps. The occupier, importer or exporter and operator of the disposal facility shall be liable for all damages caused to the environment or a third party due to improper handling and management of the hazardous waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Plastic Waste Management Rules, 2016 ("Plastic Waste Management Rules")

The Plastic Waste Management Rules stipulate conditions for the manufacture, importer stocking, distribution and use of plastic carry bags, plastic sheets, packaging etc. They aim to increase minimum thickness of plastic carry bags from 40 to 50 microns and stipulate minimum thickness of 50 micron for plastic sheets and also to facilitate collection and recycle of plastic waste. It brings in the responsibilities of producers, importers and brand owners in the plastic waste management system and has introduced a collect back system of plastic waste by producers or brand owners. In addition to this the applicability of the Plastic Waste Management Rules has expanded from municipal areas to rural areas because plastic has reached rural areas also.

Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017, each as amended, and various state-wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.
6. Customs Act, 1962 and the various rules issued thereunder.

Laws relating to employment

Employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Factories Act, 1948;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Employees' Compensation Act, 1923;
- Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act, 2013; and
- Public Liability Insurance Act, 1991.

The GoI enacted '*the Code on Wages, 2019*' which received the assent of the President of India on August 8, 2019. The Code on Wages, 2019 will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936.

The GoI enacted '*The Occupational Safety, Health and Working Conditions Code, 2020*' which received the assent of the President of India on September 28, 2020. The Occupational Safety, Health and Working Conditions Code, 2020 will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, *inter alia*, 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 GoI enacted '*The Industrial Relations Code, 2020*' which received the assent of the President of India on September 28, 2020. The Industrial Relations Code, 2020 will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Industrial Relations Code, 2020. Once effective, it will subsume the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

The GoI enacted '*The Code on Social Security, 2020*' which received the assent of the President of India on September 28, 2020. The Code on Social Security, 2020 will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Social Security, 2020. Once effective, it will subsume, *inter alia*, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated in New Delhi under its current name on March 27, 2009 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. Our Company was granted a certificate for commencement of business by the RoC on April 2, 2009.

While our Company had historically, in various public documents such as annual reports and secretarial filings, named certain of our shareholders as our promoters, pursuant to a resolution of the Board in its meeting held on September 21, 2021, it was resolved that only Hari Om Rai, Shailendra Nath Rai, Vishal Sehgal and Sunil Bhalla would be the Promoters of our Company. For details of our Promoters, see "*Our Promoter and Promoter Group*" on page 231.

Change in the Registered Office

Our Company was originally incorporated with its registered office situated at No. 1466, Sector B, Pocket 1, Vasant Kunj, New Delhi 110 070, India. Details of subsequent changes in the registered office of our Company are as set out below:

Effective date	Details of change	Reason for change
November 1, 2012	The address of the registered office of our Company was changed from No. 1466, Sector B, Pocket 1, Vasant Kunj, New Delhi 110 070, India to C-7/227, Second Floor, Sector-7, Rohini, New Delhi 110 085, India	Operational convenience
October 8, 2019	The address of the registered office of our Company was changed from C-7/227, Second Floor, Sector-7, Rohini, New Delhi 110 085, India to B-14, House 2, Basement, Shivlok, Commercial Complex, Karampura, Delhi - 110 015	Operational convenience

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To manufacture, buy, sell, erect, commission, export, import, hire and service of electronic, telecommunication and electrical equipment including their modules, subassemblies and components.

2. To offer integrated services in the field of electronics, telecommunication such as mobile communication systems, transmission equipment, telecom equipment, paging system, cordless telephones, electronic push button telephones, feature phones, key telephone systems, radio communication equipment, satellite communication equipment, analogue loop corner systems, digital loop subscriber carrier systems, communication parameter, analyzing systems, and voice mail systems, providing total solution from the inception to project through system definition, provision of equipment, commissioning and service thereafter.

3. To carry on the business of manufacturing, marketing, trading, buying, selling and hiring of electronic, telecommunication and computer subassemblies and assemblies along with components.

4. To provide high technology consultancy services in the field of electronics, telecommunications and information technology.

5. To carry on the business of buying and hiring of computer software, telecom software and industrial control software.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on by us.

Amendments to our Memorandum of Association in the last 10 years

Since incorporation, the following amendments have been made to our Memorandum of Association:

Date of shareholders' resolution	Nature of amendment
March 30, 2016	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each to ₹ 315,000,000 divided into 31,500,000 equity shares of ₹ 10 each.
February 23, 2017	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 315,000,000 divided into 31,500,000 equity shares of ₹ 10 each to ₹ 325,000,000 divided into 32,500,000 equity shares of ₹ 10 each.
July 24, 2017	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 325,000,000 divided into 32,500,000 equity shares of ₹ 10 each to ₹ 1,530,000,000 divided into 153,000,000 equity shares of ₹ 10 each.
August 24, 2017	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from ₹ 1,530,000,000 divided into 153,000,000 equity shares of ₹ 10 each to: (i) ₹ 1,529,000,000 divided into 152,900,000 equity shares of ₹ 10 each; and (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each.
October 17, 2017	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from (i) ₹ 1,529,000,000 divided into 152,900,000 equity shares of ₹ 10 each; and (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each to (i) ₹ 1,479,000,000 divided into 147,900,000 equity shares of ₹ 10 each; (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each; and (iii) ₹ 50,000,000 into 500,000 Series B Preference Shares of ₹ 100 each
June 28, 2021	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from (i) ₹ 1,479,000,000 divided into 147,900,000 equity shares of ₹ 10 each; (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each; and (iii) ₹ 50,000,000 into 500,000 Series B Preference Shares of ₹ 100 each to (i) ₹ 3,961,000,000 divided into 391,000,000 equity shares of ₹ 10 each; (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each; and (iii) ₹ 50,000,000 into 500,000 Series B Preference Shares of ₹ 100 each
September 10, 2021	Clause V was amended to reflect the subdivision of equity shares having face value of ₹10 each to Equity Shares having face value of ₹ 5 each, as provided below: "*The Authorized Share Capital of the Company is ₹ 3,961,000,000 (rupees three hundred ninety six crore ten lakh only) divided into 782,000,000 (seventy eight crore twenty lakh) equity shares of ₹ 5 each and 100,000 (one lakh) preference shares of ₹ 10 each and 500,000 (five lakh) preference shares of ₹ 100 each*"

Awards, accreditations and recognition

Calendar Year	Awards and accreditations
2011	'Amity Corporate Excellence Award for Fastest Growing Mobile Telecommunication Company' by Amity International Business School
2012	'6th National Telecom Awards' for Best Mobile Handset Designing Company in India
2013	'Best User Friendly Tablet Brand' by NCN
2014	'Most Promising Brand' in the category for communication hardware by World Consulting and Research Corporation
2014	'Fastest Growing Indian Smartphone Brand of the Year' by Mobility
2015	'Amity Corporate Excellence Award' by Amity University
2016	'Amity HR Excellence Award for Corporate Social Responsibility' by Amity International Business School
2016	'CII Scale Award – Excellent Position under Consumer Durables Category' by Confederation of Indian Industry
2016	Ranked 'India's 4th Most Trusted Mobile Phones Brand' by The Brand Trust Report
2016	'Excellence in Manufacturing Supply Chain-Hi Tech' by Future Supply Chain
2016	Best customer experience team of the year in consumer goods by Kamikaze
2016	'Best Customer Service in Mobile Handset Company' at Golden Star Awards
2017	'Amity National Telecom Excellence Award' for Top Emerging Indian Handset Manufacturers by Amity Institute of Telecom Engineering and Management
2017	'CII Scale Award – Excellent Position under Consumer Durables Category' by Confederation of Indian Industry

Calendar Year	Awards and accreditations
2017	'Outstanding Supply Chain Team of the Year' by JDA
2017	'Industry Excellence in Supply Chain – Hi-Tech' by JDA
2018	'Marketing Campaign of the Year' by Times Network
2018	'Amity Leadership Award' by Dell EMC
2018	'Golden Peacock Innovative Product/Service Award 2018' awarded by Golden Peacock Awards

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2015	Commenced manufacturing operations in India
2016	Set up second manufacturing plant in Noida
2016	DSIR recognition granted
2019-20	Management systems of our Company certified to confirm to ISO 9001:2015, ISO 14000:2015 and ISO 45000:2018 for manufacturing of mobile phones
2020	Military Grade certifications granted
2020	Launched "BeU" a custom smartphone for women with a built in safety app
2020	Launched "Lava Pay" a digital payment solution for feature phones without internet connection
2020	Launched two feature phones "Lava Pulse" with heart rate and blood pressure sensor and "Lava Pulse 1" with contactless thermometer
2021	Launched "MY Z" a programme which allows users to customize their phones

Time/cost overrun

We have not experienced any instances of time/ cost overrun in the setting up of any projects of our Company.

Launch of key products or services, entry in new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" on page 170.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks.

Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as mentioned below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the preceding 10 years.

Acquisition of China Bird Centro America S.A.

Share swap agreement dated August 4, 2021 entered into amongst our Company, China Bird Centro America S.A. ("China Bird"), Clipper Global S.A. ("Seller"), Swire Holding Foundation, Fundacion Ferher, IDC Overseas LTD., Mobile Payment Solutions S.A., Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai read with the ROFR & drag right agreement dated August 4, 2021 entered into amongst our Company, Seller, Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai

Pursuant to the share swap agreement dated August 4, 2021, our Company purchased 15,000 equity shares ("**Purchased Shares**") aggregating to 100% of the issued and paid-up share capital of China Bird, on a fully diluted basis, from the Seller for a consideration of USD 50.54 million, which was to be paid for through a share swap aggregating to 5% of the issued and paid-up share capital of our Company. Pursuant to the terms of the share swap agreement, such Purchased Shares, shall be restricted and shall be released in proportion of Equity Shares being vested under the ROFR & drag right agreement. Further such Purchased Shares shall be restricted for a maximum of six years from September 16, 2021. Until the completion of the initial public offering of our Company, if our Company proposes to transfer or sell such Purchased Shares to any person other than its affiliates, then Seller shall have the right of first offer to buy such Purchased Shares on the same terms and conditions as being offered to a third party.

Further pursuant to the ROFR & drag right agreement dated August 4, 2021, the Equity Shares issued to the Seller in our Company ("**Shares**"), shall be vested in certain proportions (where 55% shares are to be vested in period 1, 22.5% shares are to be vested in period 2 and the remaining 22.5% shares are to be vested in period 3) subject to achievement of certain milestones (calculated on the basis of weighted average of net profit and revenue during performance periods) by China Bird. In case the Seller proposes to sell such Equity Shares prior to completion of the initial public offering of our Company, then such Equity Shares shall first be offered to our Promoters under the right of first refusal, on the same price and terms as being offered to the third party. In case our Promoters propose to sell in a single or series of transactions, all or any part of the Equity Shares held by them, to a third party, they shall have the right but not an obligation to drag and require the Seller to sell their Equity Shares (in the same proportion to that which our Promoters are willing to sell) on the same price as well. Further if our Promoters till the completion of the initial public offering, sell their Equity Shares such that their shareholding fall below 51% of the share capital of the Company, then the Seller shall have tag along right pursuant to which it may require the buyer to purchase proportionate Equity Shares held by the Seller on the same terms and conditions as well.

Shareholders' Agreements

Subscription and shareholders' agreement dated November 29, 2017 executed by and amongst UNIC Memory Technology (Hong Kong) Limited ("UNIC Memory"), our Company, our Promoters and other certain shareholders of our Company namely, Shibani Sehgal, Sadanand Rai, Suneeti Bhalla, Manju Rai and Jamuna Rai, as amended by amendment agreement dated August 7, 2021 ("UNIC Amendment", collectively the "UNIC SSHA"

Pursuant to the UNIC SSHA, UNIC Memory subscribed to and was allotted: (i) one equity shares of face value ₹ 10 each at a consideration of USD 7; and (ii) 5,00,000 Series B Preference Shares at a consideration of USD 30 million. These Series B Preference Shares can be converted any time at the discretion of UNIC Memory in accordance with the terms of the UNIC SSHA. However, these Series B Preference Shares are mandatorily required to be converted upon expiry of 19 years and 11 months from the date of transfer of the aforesaid consideration to the Company or the last date on which applicable laws require conversion of these Series B Preference Shares in connection with an initial public offering. Further, in case (i) our Company fails to successfully complete the initial public offering on or before June 30, 2022, or (ii) the settlement agreement dated August 7, 2021 entered into between UNIC Memory, our Company, our Promoters and Sojo Infotel Private Limited is terminated, UNIC Memory has the right to terminate the UNIC Amendment agreement.

Our Promoters have agreed to be subject to certain restrictions and obligations in relation to certain transfers of shareholding by our Promoters, including providing tag-along rights. Pursuant to the UNIC SSHA, if the Company does not complete the initial public offering within 12 months from the funding date (December 4, 2017) as per the terms of the UNIC SSHA, UNIC Memory may require our Promoters to procure a complete exit for UNIC Memory. In the event, our Promoters fail to purchase all the securities held by UNIC Memory, our Promoters will have to pay the liquidated damages as set out in the UNIC SSHA. Further, pursuant to the UNIC SSHA, UNIC Memory has affirmative rights in relation to certain matters and enjoys information rights. The Company and our Promoters have to indemnify UNIC Memory against any loss incurred by UNIC Memory on account of Company or our Promoters making an untrue, inaccurate false or misleading fact in the offer documents of the initial public offering.

As per the UNIC Amendment, the UNIC SSHA would automatically terminate upon earlier of (i) date on which UNIC Memory no longer holds at least 25% securities as acquired by UNIC Memory pursuant to the UNIC SSHA, or (ii) date of receipt of listing and trading approvals from the Stock Exchanges pursuant to the Offer. However, if the UNIC SSHA, gets terminated on occurrence of the Offer, as mentioned above, UNIC Memory's rights in respect to the Promoters including representation, warranties, tag along and non-compete among others, shall continue until UNIC Memory holds 25% of the securities as acquired by them pursuant to the UNIC SSHA or such period as stipulated for each of UNIC Memory's rights with our Promoters, under the UNIC SSHA whichever is earlier. Further the conversion of 324,172 Series B Preference Shares into 11,274,808 Equity Shares will be completed prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

Material Subsisting Agreements

1. ***Investment agreement dated August 1, 2017 executed by and amongst Bennett Coleman and Company Limited ("Bennett Coleman"), our Company and our Promoters, as amended by amendment agreements dated December 4, 2017, as amended by amendment agreement dated September 8, 2021 ("BCCL Amendment Agreements, collectively the "BCCL Investment Agreement"***

   In terms of the BCCL Investment Agreement, Bennett Coleman subscribed to and was allotted on a preferential basis: (i) one equity shares of face value ₹10 each at a consideration of ₹3,203; and (ii) 100,000 Series A Preference Shares at a consideration of ₹ 5,200 per Series A Preference Share. These Series A Preference Shares carry a coupon of 0.0001% and are entitled to dividend at the discretion of the Shareholders of our Company. Further, these Series A Preference Shares are compulsorily convertible into Equity Shares upon the expiry of 10 years from the date of allotment or can also be converted at an earlier stage upon determination of the subscription price in terms of the BCCL Investment Agreement. However, these Series A Preference Shares are compulsorily convertible into Equity Shares at least one day prior to filing of the Red Herring Prospectus in connection with an initial public offering of our Company. The quantum of such Equity Shares to be allotted upon conversion is pegged with the formulation, which is subject to *inter alia*, the pre-money valuation of any financial investment in our Company, or the average of the lower and upper ends of the price band in the initial public offering of our Company.

   In terms of the BCCL Investment Agreement, our Company will use reasonable endeavours to cause an initial public offering within four years from the date of this BCCL Investment Agreement. In the event our Company is unable to cause listing of Equity Shares within a period of four years from the date of this BCCL Investment Agreement, Bennett Coleman is entitled to exit rights such as to call upon our Company to buy back Series A Preference Shares and Equity Shares held by Bennett Coleman or require our Company to appoint a merchant banker for such sale. In the event of failure of our Company to identify a buyer for the aforesaid purpose, Bennett Coleman by a put option notice can cause the Promoters to purchase the Series A Preference Shares and Equity Shares held by it. In the event the Promoters fail to complete the purchase of such Series A Preference Shares and Equity Shares, and any third party makes an offer to purchase shares held by Bennett Coleman, greater than the number of shares and Series A Preference held by Bennett Coleman, Bennett Coleman shall be entitled to require the Promoters to sell any and all shares held by them in the Company, subject to a maximum of 25% of the issued and subscribed capital on a fully diluted basis on identical terms.

   In terms of the BCCL Investment Agreement, Bennett Coleman also has tag along right and right of first refusal. Provided if any sale results in the Promoters' shareholding in the Company, falling below 51% of the issued and subscribed equity share capital of the Company, then such a sale would not be permitted unless prior to the sale, the third party proposes to acquire all the shares of Bennett Coleman, on the same terms and conditions, as the promoters' shares. However, all rights granted to Bennett Coleman in terms of the BCCL Investment Agreement including any exit rights will cease to exist upon filing of the Red Herring Prospectus by our Company and Bennett Coleman will only be entitled to such rights in accordance with the SEBI ICDR Regulations and other applicable laws.

   As per the BCCL Amendment Agreements, entered into to waive and amend certain terms of the BCCL Investment Agreement, the BCCL Amendment Agreement dated September 8, 2021 would automatically terminate upon earlier of (i) successful completion of the initial public offering (means the date of receipt of final listing and trading approvals from the BSE and NSE for commencement of trading of the shares pursuant to the initial public offering), or (ii) if successful consummation of the initial public offering has not happened by March 31, 2022 or such later date agreed between the parties, or (iii) the date on which the board of directors of the Company decide not to undertake the initial public offering. Further, the conversion of 100,000 Series A Preference Shares into a maximum of 5,368,832 Equity Shares will be completed prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

2. ***Settlement agreement and share purchase agreement dated August 7, 2021 executed by and amongst UNIC Memory Technology (Hong Kong) Limited, our Company, our Promoters and Sojo Infotel Private Limited***

   Pursuant to the settlement agreement dated August 7, 2021 our Company and Promoters admitted to certain liabilities being owed to UNIC Memory pursuant to the disputes and arbitration proceedings amounting to (i) USD 39.81 million, being a sum equivalent to the investment amount (i.e., USD 30 million) along with interest equivalent of 8% internal rate of return from December 4, 2017 to August 7, 2021 and (ii) interest equivalent to 8% internal rate of return on all outstanding amounts from August 8, 2021 till full repayment of such sums (collectively the, "**Settlement Amount**"). Further, the Company and Promoters, are to ensure that the Settlement Amount is received by UNIC Memory on or before June 30, 2022 in the form of three instalments.

For the first instalment, Sojo Infotel Private Limited has purchased 1,528,834 equity shares of face value ₹ 10 each from UNIC Memory for a consideration of USD 16 million ("**First Instalment**") as per the terms of the share purchase agreement dated August 7, 2021. For the second instalment, the Company and the Promoters shall ensure that the remaining balance securities of UNIC Memory are offered for sale as part of the Offer for Sale ("**UNIC Offered Shares**"), post conversion into Equity Shares. In case of any under-subscription in the Offer, the sale of UNIC Offered Shares shall be conducted prior to the sale of any other Equity Shares being offered by the other selling shareholders. Further, in the event that there is any amount from the Settlement Amount pending post completion of such activities ("**Balance Amount**"), then the Promoters would be liable to pay the said differential out of the amount realised from the Offer of Sale of their Equity Shares ("**Promoters OFS**"). In case the Promoters OFS is lesser than the Balance Amount, the Promoters shall ensure that the shortfall between the Balance Amount and Promoters OFS is paid in tranches, before June 30, 2022, upon which the UNIC SSHA shall stand terminated.

In the event of under-subscription of the initial public offering, where UNIC Memory has not received its entire Settlement Amount, and their entire shareholding has not been sold as part of the Offer for Sale, the Promoters shall purchase such number of Equity Shares and pay any remaining Settlement Amount, if any in the form of liquidated damages on or before 30 June 2022, if required such that the Balance Amount is received by UNIC Memory, in the manner provided under the Settlement Agreement.

In the event the Company does not complete its initial public offering and consequent listing of Equity Shares on the Stock Exchanges before June 30, 2022, the Company and the Promoters shall ensure that UNIC Memory receives the entire Settlement Amount on or before June 30, 2022. Upon failure to ensure payment of the entire Settlement Amount consideration on or before June 30, 2022, UNIC Memory shall have the right to (i) immediately terminate the UNIC Amendment, and (ii) enforce the Settlement Amount against the Promoters and Company.

3. ***American depository shares purchase agreement dated February 17, 2020 by and between Lava International Limited and GEM Global Yield LLC SCS ("GEM")***

Pursuant to the American depositary shares purchase agreement, our Company shall issue and sell to GEM, and GEM agrees to purchase from our Company, during the 36 consecutive months from February 17, 2020, up to 39,700,000 American depositary shares of our Company. Our Company may, in its sole discretion, issue a draw down notice to request a specified number of American depositary shares to be purchased by GEM at a price equity to 90% of the average daily closing price of the American depositary shares, as recorded by OTC Bulletin Board or any U.S. national securities exchange on which the American depositary shares are traded (the "**Principal Market**"), during the 30 consecutive trading days commencing on the first trading day designated by our Company in the draw down notice. Our Company will take all action necessary to effect the listing or trading of the American depositary shares and the listing of the American depositary shares purchased by GEM on Principal Market or any relevant market or system, if applicable.

Our Company has also granted GEM a warrant to purchase our American depositary shares up to 3.33% of our total common shares outstanding as of the first day on which the American depositary shares trade on the Principal Market (the "**Public Listing Date**"), on a fully diluted basis, during a period ending the fifth anniversary of the Public Listing Date, at a pre-agreed strike price.

Each American depositary share is convertible at the option of the holder thereof into one common share of our Company.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries, joint venture and associate of our Company

As on the date of this Draft Red Herring Prospectus, our Company has one joint venture, one associate company and 16 Subsidiaries.

***Indian Subsidiaries*:**

1. *Direct Subsidiaries in India*

1. Lava Enterprises Limited
2. Sojo Distribution Private Limited
3. Sojo Manufacturing Services (AP) Private Limited
4. Sojo Manufacturing Services Private Limited

2. *Overseas Subsidiaries:*

Direct Overseas Subsidiaries

1. XOLO International (HK) Limited, Hong Kong
2. Lava International (H.K.) Limited, Hong Kong
3. Lava Technologies DMCC (Dubai)
4. Lava Technologies LLC, USA
5. China Bird Centro America, S.A.

Indirect Overseas Subsidiaries

1. Lava Mobility (Private) Limited, Sri Lanka
2. Lava International (Nepal) Private Limited, Nepal
3. Lava International DMCC, UAE
4. Lava Mobile Mexico, S. DE R.L.DE C.V, Mexico
5. Lava International (Myanmar) Company Limited, Myanmar
6. PT. Lava Mobile Indonesia, Indonesia
7. Lava International (Bangladesh) Limited, Bangladesh

The details of our Subsidiaries are as follows.

Indian Subsidiaries:

Direct Subsidiaries in India

1. Lava Enterprises Limited ("Lava Enterprises")

Corporate information

Lava Enterprises is a public limited company incorporated under the Companies Act 1956, with a fresh certificate of incorporation consequent upon change in name issued by the RoC on November 26, 2013. Its CIN is U64100DL2013PLC260008 and its registered office is situated at M-11, Mezanine Floor, Balrama House, Commercial Complex, Karampura, New Delhi - 110015, India.

Lava Enterprises is engaged in the business of, *inter alia,* manufacturing, buying, selling, erecting, commissioning, exporting, importing, hiring and servicing of electronic, telecommunication and electrical equipment.

Capital structure and shareholding pattern

The authorised share capital of Lava Enterprises is ₹ 60,000,000 divided into 6,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Lava Enterprises is ₹ 52,500,000 divided into 5,250,000 equity shares of ₹10 each.

The shareholding pattern of Lava Enterprises is as follows:

S. No.	Name of shareholder	Number of equity shares of ₹ 10 each	Percentage of issued capital
1.	Our Company	5,200,000	99.05
2.	Hari Om Rai	18,888	0.36
3.	Sunil Bhalla	11,977	0.23
4.	Vishal Sehgal	9,387	0.18
5.	Shailendra Nath Rai	4,953	0.09
6.	Shibani Sehgal	2,990	0.06
7.	Sadanand Rai	430	0.01
8.	Suneeti Bhalla	400	0.01
9.	Manju Rai	370	0.01
10.	Ravinder Singh Sukheja	265	0.01
11.	Jamuna Rai	110	0.00
12.	Ajit Kaur Sukheja	95	0.00
13.	Renu Sukheja	45	0.00
14.	Jagdish Bhagat	45	0.00
15.	Taru Bhagat	45	0.00
	Total	**5,250,000**	**100**

There are no accumulated profits or losses of Lava Enterprises Limited not accounted for by our Company.

2. Sojo Distribution Private Limited ("Sojo Distribution")

Corporate information

Sojo Distribution is a private limited company, under the Companies Act, 2013, with a certificate of incorporation issued by the RoC on May 27, 2016. Its CIN is U74999DL2016PTC300501 and its registered office is situated at M-11, Mezanine Floor, Balrama House, Commercial Complex, Karampura, New Delhi - 110015, India.

Sojo Distribution is engaged in the business of, *inter-alia*, manufacturing, distribution, online B2B & B2C portals, agents, service commission agents, wholesaler, retailers, sales and repairing network dealers of all types of mobiles, laptops, softwares, electronic gadgets, electronic and electrical appliances, communication equipment, spares, accessories, components and other related products, components.

Capital structure and shareholding pattern

The authorised share capital of Sojo Distribution is ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Sojo Distribution is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of Sojo Distribution is as follows:

S. No.	Name of shareholder	Number of equity shares of ₹ 10 each	Percentage of issued capital
1.	Our Company	9,000	90
2.	Hari Om Rai	1,000	10
Total		10,000	**100**

There are no accumulated profits or losses of Sojo Distribution Private Limited not accounted for by our Company.

3. Sojo Manufacturing Services (AP) Private Limited ("Sojo Manufacturing Services (AP)")

Corporate information

Sojo Manufacturing Services (AP) is a private limited company, under the Companies Act, 2013, with a certificate of incorporation issued by the RoC on May 27, 2016. Its CIN is U74999DL2016PTC300552 and its registered office is situated M-11, Mezanine Floor, Balrama House, Commercial Complex, Karampura, New Delhi - 110015, India.

Sojo Manufacturing Services (AP) is engaged in the business of, *inter-alia*, manufacturing, trading, import-export, consulting services, erect, commissioning, hire, licensing services, information service provider of all type of electronics, telecommunication, digitalised, gadgets, gaming machine, virtual reality gadgets, gaming software, software applications, electrical, or any type of integrated equipment including their printed circuit boards, wiring, pads, modules, sub-assemblies, spares and components.

Capital structure and shareholding pattern

The authorised share capital of Sojo Manufacturing Services (AP) is ₹ 45,000,000 divided into 4,500,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Sojo Manufacturing Services (AP) is ₹ 39,600,000 divided into 3,960,000 equity shares of ₹ 10 each.

The shareholding pattern of Sojo Manufacturing Services (AP) is as follows:

S. No.	Name of shareholder	Number of equity shares of ₹ 10 each	Percentage of issued capital
1.	Our Company	3,959,000	99.98
2.	Hari Om Rai	1,000	0.02
Total		**3,960,000**	**100**

There are no accumulated profits or losses of Sojo Manufacturing Services (AP) not accounted for by our Company.

4. Sojo Manufacturing Services Private Limited ("Sojo Manufacturing Services")

Corporate information

Sojo Manufacturing Services is a private limited company, under the Companies Act, 2013, with a certificate of incorporation issued by the RoC on June 2, 2016. Its CIN is U74999DL2016PTC300776 and its registered office is situated at M-11, Mezanine Floor, Balrama House, Commercial Complex, Karampura, New Delhi - 110015, India.

Sojo Manufacturing Services is engaged in the business of, *inter-alia*, manufacturing, trading, import-export, consulting services, erect commissioning, hire, licensing services, information service provider of all type of electronics, telecommunication, digitalised, gadgets, gaming machine, virtual reality gadgets, gaming software, software applications, electrical or any type of integrated equipment including their printed circuit boards, wiring, pads, modules, sub-assemblies, spares and components.

Capital structure and shareholding pattern

The authorised share capital of Sojo Manufacturing Services is ₹100,000,000 divided into 10,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Sojo Manufacturing Services is ₹ 22,200,000 divided into 2,220,000 equity shares of ₹ 10 each.

The shareholding pattern of Sojo Manufacturing Services is as follows:

S. No.	Name of shareholder	Number of equity shares of ₹ 10 each	Percentage of issued capital
1.	Our Company	2,219,000	99.95
2.	Hari Om Rai	1,000	0.05
Total		2,220,000	100

There are no accumulated profits or losses of Sojo Manufacturing Services not accounted for by our Company.

Direct Overseas Subsidiaries

1. XOLO International (HK) Limited, Hong Kong ("XOLO International (HK)")

Corporate information

XOLO International (HK) was incorporated as a private company limited by shares, on February 10, 2015 under the laws of Hong Kong (Companies Ordinance). Its corporate registration number is 2202560 and its registered office is situated at Unit 13, 16/F Asia Trade Centre, No. 79 Lei Muk Road, Kwai Chung, N.T., Hong Kong. XOLO International (HK) is currently engaged in the business of smartphones and accessories trading.

Capital structure and shareholding pattern

The authorised share capital of XOLO International (HK) is HKD 100,000 divided into 100,000 equity shares of HKD 1 each. The issued, subscribed and paid-up capital of XOLO International (HK) is HKD 100,000 divided into 100,000 equity shares of HKD 1 each.

The shareholding pattern of XOLO International (HK) is as follows:

S. No.	Name of shareholder	Number of equity shares of HKD 1 each	Percentage of issued capital
1.	Our Company	100,000	100
Total		**100,000**	**100**

There are no accumulated profits or losses of XOLO International (HK) not accounted for by our Company.

2. Lava International (H.K.) Limited, Hong Kong ("Lava International (H.K)")

Corporate information

Lava International (H.K.) was incorporated as a private company limited by shares, on December 20, 2010 under the laws of Hong Kong (Companies Ordinance). Its corporate identification number is 1542428 and its registered office is situated at Unit L, 1/F, Mau Lam Comm BLDG, 16-18 Mau Lam Street, Jordan, Kln, Hong Kong.

Lava International (H.K.) is currently engaged in the business of trading in mobile phones and investment holding.

Capital structure and shareholding pattern

The authorised share capital of Lava International (H.K.) is HKD 10,000,000 divided into 10,000,000 equity shares of HKD 1 each. The issued, subscribed and paid-up capital of Lava International (H.K.) is HKD 10,000,000 divided into 10,000,000 equity shares of HKD 1 each.

The shareholding pattern of Lava International (H.K.) is as follows:

S. No.	Name of shareholder	No. of equity shares of HKD 1 each	Percentage of issued capital
1.	Our Company	10,000,000	100
Total		10,000,000	**100**

There are no accumulated profits or losses of Lava International (H.K.) not accounted for by our Company.

3. Lava Technologies DMCC (Dubai)

Corporate information

Lava Technologies DMCC (Dubai) was incorporated as a company, on February 20, 2017 under the Dubai Multi Commodities Centre Company Regulations. Its corporate identification number is DMCC-78319 and its registered office is situated at Unit No: 984, DMCC Business Centre, Level No.1, Jewellery and Gemplex 3, Dubai, United Arab Emirates.

Lava Technologies DMCC (Dubai) is currently engaged in the business of mobile phones and accessory trading.

Capital structure and shareholding pattern

The authorised share capital of Lava Technologies DMCC (Dubai) is AED 18,350,000 divided into 18,350 equity shares of AED 1,000 each. The issued, subscribed and paid-up capital of Lava Technologies DMCC (Dubai) is AED 18,350,000 divided into 18,350 equity shares of AED 1,000 each.

The shareholding pattern of Lava Technologies DMCC (Dubai) is as follows:

S. No.	Name of shareholder	No. of equity shares of AED 1,000 each	Percentage of issued capital
1.	Our Company	18,350	100
Total		18,350	**100**

There are no accumulated profits or losses of Lava International DMCC (Dubai) not accounted for by our Company.

4. Lava Technologies LLC, USA

Corporate information

Lava Technologies LLC, USA was incorporated as a limited liability company, on May 14, 2018 under the Limited Liability Company Act. Its registered office is situated at 3524, Silverside Road Suite 35B, Wilmington, Delaware, USA - 19810.

Lava Technologies LLC, USA is engaged in the business of manufacturing, trading and distribution of consumer electronic products such as mobile phones, tablets and accessories.

Capital structure and shareholding pattern

The authorised share capital of Lava Technologies LLC, USA is USD 400,000 divided into 40,000,000 units of USD 1 cent each. The issued, subscribed and paid-up capital of Lava Technologies LLC, USA is USD 400,000 divided into 40,000,000 units of USD 1 cent each.

The shareholding pattern of Lava Technologies LLC, USA is as follows:

S. No.	Name of shareholder	No. of units of USD 1 cent each	Percentage of issued capital
1.	Our Company	40,000,000	100
Total		**40,000,000**	**100**

There are no accumulated profits or losses of Lava International LLC, USA not accounted for by our Company.

5. China Bird Centro America, S.A. ("China Bird")

Corporate information

China Bird was incorporated as 'China Bird Centro America S.A.' on August 18, 2005 under the public registry of Panama. Its corporate registration number is 829392-1-501613 and its registered office is situated at Avenida Samuel lewis, Edificio comosa, Piso 21, Panama city, Panama.

China Bird is currently engaged in the business of trading and distribution of telecommunications equipment in Latin America.

Capital structure and shareholding pattern

The authorised share capital of China Bird is USD 15,000,000 divided into 15,000 equity shares of USD 1,000 each. The issued, subscribed and paid-up capital of China Bird is USD 15,000,000 divided into 15,000 equity shares of USD 1,000 each.

The shareholding pattern of China Bird is as follows:

S. No.	Name of shareholder	No. of equity shares of USD 1,000 each	Percentage of issued capital
1.	Our Company	15,000	100
Total		**15,000**	**100**

There are no accumulated profits or losses of China Bird not accounted for by our Company.

Indirect Overseas Subsidiaries

1. Lava Mobility (Private) Limited, Sri Lanka ("Lava Mobility (Private)")

Corporate information

Lava Mobility (Private) was incorporated as a private limited company, on September 16, 2015 under the Companies Act, No. 7 of 2007. Its corporate registration number is P V 107435 and its registered office is situated at No.69/04, Jayarathna Mawatha, Thimbirigasyaya, Colombo-05.

Lava Mobility (Private) is currently engaged in the business of providing marketing services to the Company.

Capital structure and shareholding pattern

The authorised share capital of Lava Mobility (Private) is Nil. The issued, subscribed and paid-up capital of Lava Mobility (Private) is Nil.

There are no accumulated profits or losses of Lava Mobility (Private) not accounted for by our Company.

2. Lava International (Nepal) Private Limited, Nepal ("Lava International (Nepal)")

Corporate information

Lava International (Nepal) was incorporated as a private limited company, on April 29, 2016 under the Companies Act, 2006. Its corporate identification number is 148539/72/073 and its registered office is situated at KMC-12, Kathmandu, Bagmati.

Lava International (Nepal) is currently engaged in the business of providing marketing services to the Company.

Capital structure and shareholding pattern

The authorised share capital of Lava International (Nepal) is NPR 5,000,000 divided into 50,000 equity shares of NPR 100 each. The issued, subscribed and paid-up capital of Lava International (Nepal) is NPR 1,000,000 divided into 10,000 equity shares of NPR 100 each.

The shareholding pattern of Lava International (Nepal) is as follows:

S. No.	Name of shareholder	No. of equity shares of NPR 100 each	Percentage of issued capital
1.	Lava International (H.K)	10,000	100
Total		10,000	**100**

There are no accumulated profits or losses of Lava International (Nepal) not accounted for by our Company.

3. Lava International DMCC, UAE

Corporate information

Lava International DMCC, UAE was incorporated as a company, on March 22, 2015 under the Dubai Multi Commodities Centre Authority Regulations. Its corporate identification number is DMCC27690 and its registered office is situated at Unit No: 1401 1 Lake Plaza Plot No: JLT-PH2-T2A, Jumeirah Lakes Towers, Dubai UAE.

Lava International DMCC, UAE is currently engaged in the business of providing marketing services to the

Company.

Capital structure and shareholding pattern

The authorised share capital of Lava International DMCC, UAE is AED 50,000 divided into 50 equity shares of AED 1,000 each. The issued, subscribed and paid-up capital of Lava International DMCC, UAE is AED 50,000 divided into 50 equity shares of AED 1,000 each.

The shareholding pattern of Lava International DMCC, UAE is as follows:

S. No.	Name of shareholder	No. of equity shares of AED 1,000 each	Percentage of issued capital
1.	Lava International (H.K)	50	100
Total		50	**100**

There are no accumulated profits or losses of Lava International DMCC not accounted for by our Company.

4. Lava Mobile Mexico, S. DE R.L.DE C.V, Mexico ("Lava Mobile Mexico")

Corporate information

Lava Mobile Mexico was incorporated as a limited liability company of variable capital, on April 27, 2015 under the Laws of Mexico. Its corporate identification number is 125429 and its registered office is situated at Miguel de Cervantes Saavedra 471, P.B. Col. Irrigacion, Miguel Hidalgo, C.P. 11500, Ciudad de Mexico.

Lava Mobile Mexico is currently engaged in the business of providing marketing services to the Company.

Capital structure and shareholding pattern

The authorised share capital of Lava Mobile Mexico is MXN 100,000 divided into 100,000 equity shares of MXN 1 each. The issued, subscribed and paid-up capital of Lava Mobile Mexico is MXN Peso 100,000 divided into 100,000 equity shares of MXN 1 each.

The shareholding pattern of Lava Mobile Mexico is as follows:

S. No.	Name of shareholder	No. of equity shares of MXN 1 each	Percentage of issued capital
1.	Lava International (H.K)	99,999	99.99
2.	Huang Zikai	1	Negligible
Total		100,000	**100**

There are no accumulated profits or losses of Lava Mobile (Mexico) not accounted for by our Company.

5. Lava International (Myanmar) Company Limited, Myanmar ("Lava International (Myanmar")

Corporate information

Lava International (Myanmar) was incorporated, as a company, on May 7, 2015 under the Myanmar Companies Law Act. Its corporate identification number is 111 FC of 2015-2016(YGN) and its registered office is situated at No. 700-706, (China Town Tower) 11 Floor, Sin Ob Tan street, Mahabandoola Road, Latha Township, Yagon.

Lava International (Myanmar) is currently engaged in the business of providing marketing services to the Company.

Capital structure and shareholding pattern

The authorised share capital of Lava International (Myanmar) is MMK 100,000,000 divided into 10,000 equity shares of MMK 10,000 each. The issued, subscribed and paid-up capital of Lava International (Myanmar) is MMK 25,000,000 divided into 2,500 equity shares of MMK 10,000 each.

The shareholding pattern of Lava International (Myanmar) is as follows:

S. No.	Name of shareholder	No. of equity shares of MMK 10,000 each	Percentage of issued capital
1.	Lava International (H.K)	2,499.75	99.99
2.	Huang Zikai	0.25	0.01
Total		**2,500**	**100**

There are no accumulated profits or losses of Lava International (Myanmar) not accounted for by our Company.

6. PT. Lava Mobile Indonesia, Indonesia ("PT. Lava Mobile")

Corporate information

PT. Lava Mobile was incorporated, as a company, on August 18, 2015 under the Limited Liability Companies, Indonesia Act. Its corporate identification number is 73.691.159.5-044.000 and its registered office is situated at Rukan Mangga Dua Square JI Blok E / No. 05, Jl, Gunung Sahari Raya No. 01 – Ancol, Pademangan Jakarta Utara DKI.

PT. Lava Mobile is currently engaged in the business of providing marketing services to our Company.

Capital structure and shareholding pattern

The authorised share capital of PT. Lava Mobile is USD 500,000 divided into 500,000 shares of USD 1 each. The issued, subscribed and paid-up capital of PT. Lava Mobile is USD 500,000 divided into 500,000 shares of USD 1 each.

The shareholding pattern of PT. Lava Mobile is as follows:

S. No.	Name of shareholder	No. of shares of USD 1 each	Percentage of issued capital
1.	Lava International (H.K)	475,000	95
2.	Huang Zikai	25,000	5
Total		**500,000**	**100**

There are no accumulated profits or losses of PT. Lava Mobile not accounted for by our Company.

7. Lava International (Bangladesh) Limited, Bangladesh ("Lava International (Bangladesh)")

Corporate information

Lava International (Bangladesh) was incorporated as a company, on January 9, 2017 under the Companies Act (Act XVIII) of 1994. Its corporate identification number is C-135193/2017 and its registered office is situated at 5th Floor, Central Plaza no 2, 31, Begum Rokeya, Sarani Mirpur, Dhaka BD.

Lava International (Bangladesh) is currently engaged in the business of providing marketing services to the Company.

Capital structure and shareholding pattern

The authorised share capital of Lava International (Bangladesh) is BDT 10,000,000 divided into 100,000 equity shares of BDT 100 each. The issued, subscribed and paid-up capital of Lava International (Bangladesh) is BDT 10,000,000 divided into 100,000 equity shares of BDT 100 each.

The shareholding pattern of Lava International (Bangladesh) is as follows:

S. No.	Name of shareholder	No. of equity shares of BDT 100 each	Percentage of issued capital
1.	Lava International (H.K)	99,990	99.99
2.	Huang Zikai	10	0.01

S. No.	Name of shareholder	No. of equity shares of BDT 100 each	Percentage of issued capital
Total		100,000	**100**

There are no accumulated profits or losses of Lava International (Bangladesh) not accounted for by our Company.

Joint Venture and Associate

1. Yamuna Electronics Manufacturing Cluster Private Limited ("Yamuna Electronics")

Corporate information

Yamuna Electronics is a private limited company, under the Companies Act, 2013, with a certificate of incorporation issued by the RoC on February 2, 2016. Its corporate identification number is U74999DL2016PTC290443 and its registered office is situated at M-11, Mezanine Floor, Balrama House, Commercial Complex, Karampura, New Delhi - 110015, India.

Yamuna Electronics is currently engaged in the business of setting up, development, maintenance of all types of infrastructural activities which include but are not limited to electronic parks, electronic clusters, research and development parks and clusters, automobile parks, telecommunication clusters, telecommunication parks, software technology parks, other clusters or parks for various power projects, and other types of scientific innovation related parks and clusters.

Capital structure and shareholding pattern

The authorised share capital of Yamuna Electronics is ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Yamuna Electronics is ₹ 137,406,740 divided into 13,740,674 equity shares of ₹ 10 each.

The shareholding pattern of Yamuna Electronics is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	U.P. Electronics Corporation Private Limited	5,745,000	41.80
2.	Lava Enterprises	5,043,839	36.71
3.	Sojo Manufacturing Services	1,184,100	8.62
4.	HGD India Private Limited	430,441	3.13
5.	Origin Photoelectricity Private Limited	405,366	2.95
6.	UKB Electronics Private Limited	405,366	2.95
7.	Adit Infratel Private Limited	323,879	2.36
8.	Radish Technologies – through its partner Mr. Rishabh Maheshwari	202,683	1.48
Total		13,740,674	**100**

2. MagicTel Solutions Private Limited ("MagicTel")

Corporate information

MagicTel was incorporated as a private limited company under the Companies Act 1956, with a certificate of incorporation issued by RoC on December 17, 2012. Its CIN is U72200DL2012PTC246311 and its registered office is situated at I-9 LGF, Lajpat Nagar, Part-III New Delhi - 110024.

MagicTel is currently engaged in the business of designing, developing, selling and trading system software including operating software, compilers, interpreters, websites, hosting, maintenance of domains and web servers and developing web application softwares.

Capital structure and shareholding pattern

The authorised share capital of MagicTel is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of MagicTel is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of MagicTel is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	Momagic Technologies Private Limited	7,500	75
2.	Our Company	2,500	25
Total		**10,000**	**100**

Strategic and financial partnerships

Our Company currently does not have any strategic or financial partners.

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.

Guarantees given by the Promoter Selling Shareholders

As on the date of this Draft Red Herring Prospectus, our Promoter Selling Shareholders have provided the guarantee listed below to third parties. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company and our Promoter Group entities namely Sojo Infotel Private Limited and Ottomate International Private Limited.

S. No.	Name of third parties	Borrower	Type of facility	Sanctioned amount (in ₹ million)
1.	Bank of Baroda, Union Bank of India, HDFC Bank Limited, Indian Bank, Canara Bank, Punjab National Bank and India Overseas Bank	Our Company	Working capital facility	6,300
2.	Bajaj Finance Limited	Our Company	Term Loan	350
3.	HDFC Bank Limited	Our Company	Term Loan	400
4.	HDFC Bank Limited	Our Company	Working Capital Loan	400
5.	Oxyzo Financial Services Private Limited	Our Company	Term Loan	20
6.	Axis Trustee Services Limited	Our Company	Non-Convertible Debenture	250
7.	Axis Trustee Services Limited	Sojo Infotel Private Limited	Non-Convertible Debenture	2,600
8.	IDFC First Bank Limited	Ottomate International Private Limited	Working Capital Loan	250
9.	IDFC First Bank Limited	Ottomate International Private Limited	Term Loan	25

The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by our Promoter Selling Shareholders to the extent of outstanding loan amount. For details of security provided by our Company, see, "*Financial Indebtedness – Principal terms of the borrowing availed by us.*" on page 340.

OUR MANAGEMENT

As on the date of this Draft Red Herring Prospectus, our Company has 8 Directors on its Board, comprising of 4 Independent Directors including a woman Independent Director. For details on the strength of our Board, as permitted and required under the Articles of Association, see "*Main Provisions of Articles of Association*" on page 396.

Our Board

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

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Hari Om Rai *Designation:* Chairman and Managing Director *Date of Birth*: September 30, 1967 *Address:* F-2/2, Second Floor, Vasant Vihar-1, South-West Delhi, Delhi- 110057 *Occupation*: Business *Nationality:* Indian *Period of directorship*: Director since March 27, 2009 *Term:* For a period of five years with effect from April 01, 2021 and is liable to retire by rotation. *DIN:* 01191443	53	• Pace Tel Communications Private Limited • Lava Enterprises Limited • Yamuna Electronics Manufacturing Cluster Private Limited • Sojo Distribution Private Limited • Sojo Manufacturing Services (AP) Private Limited • Sojo Manufacturing Services Private Limited • Sojo Infotel Private Limited • Arpriue Solutions Private Limited
Shailendra Nath Rai *Designation:* Whole-time Director *Date of Birth*: December 9, 1961 *Address:* D-402, Nagarjun Apartments, U.P. Link Road, Mayur Vihar, Phase -I, New Delhi - 110096 *Occupation*: Business *Nationality:* Indian *Period of directorship*: Director since March 27, 2009 *Term:* For a period of five years with effect from April 01, 2021 and is liable to retire by rotation. *DIN:* 00908417	59	• Lava Enterprises Limited • Yamuna Electronics Manufacturing Cluster Private Limited • Sojo Distribution Private Limited • Sojo Manufacturing Services (AP) Private Limited • Sojo Manufacturing Services Private Limited • Sojo Infotel Private Limited
Sunil Bhalla *Designation:* Non-executive Director *Date of Birth*: September 7, 1965	56	• Lava Enterprises Limited • Sojo Distribution Private Limited • Sojo Manufacturing Services (AP) Private Limited

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Address: Farm No. 2, Kh. No. 36/27/1, 27/2, Kapashera Estate, Kapashera, Delhi - 110037 *Occupation*: Business *Nationality:* Indian *Period of directorship*: Director since March 27, 2009 *Term:* Reappointed on December 5, 2019 and is liable to retire by rotation. *DIN:* 00980040		• Sojo Manufacturing Services Private Limited • Sojo Infotel Private Limited • Ottomate International Private Limited
Vishal Sehgal *Designation:* Non-executive Director *Date of Birth*: May 9, 1968 *Address:* E-90, Marg 20, Saket, South Delhi, Delhi -110017 *Occupation*: Business *Nationality:* Indian *Period of directorship*: Since April 1, 2010 *Term:* Reappointed on March 23, 2019 and is liable to retire by rotation. *DIN:* 03127049	53	• Lava Enterprises Limited • Sojo Distribution Private Limited • Sojo Manufacturing Services (AP) Private Limited • Sojo Manufacturing Services Private Limited • Sojo Infotel Private Limited • Ottomate International Private Limited
Vinod Rai *Designation:* Independent Director *Date of Birth*: May 23, 1948 *Address:* 3, Palam Marg (Third floor), Vasant Vihar, New Delhi – 110057 *Occupation*: Retired government official *Nationality:* Indian *Period of directorship*: Director since July 24, 2017 *Term:* For a period of five year with effect from August 23, 2018 and is not liable to retire by rotation *DIN:* 00041867	73	• Grassroot Trading Network for Women • Shubham Housing Development Finance Company Limited • Apollo Tyres Limited
Rahul Kansal *Designation:* Independent Director	64	• Times Centre for Media and Management Studies • Times School of Journalism

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Date of Birth: August 13, 1957 *Address:* L-11/20, DLF City, Phase-II, Gurugram, Haryana- 122002 *Occupation*: Service *Nationality:* Indian *Period of directorship*: Director since July 24, 2017 *Term:* For a period of five year with effect from August 23, 2018 and is not liable to retire by rotation *DIN:* 01270798		• Times Employ India Foundation
Chitra Gouri Lal *Designation:* Independent Director *Date of Birth*: November 30, 1950 *Address:* H.N. C - 5, Sector 26-I, Police Station-Sector 20, Noida, Uttar Pradesh – 201301 *Occupation*: Retired from government service *Nationality:* Indian *Period of directorship*: Director since July 24, 2017 *Term:* For a period of five years with effect from August 23, 2018 and is not liable to retire by rotation *DIN:* 02823536	70	• Purearth Infrastructure Limited
Vinod Sharma *Designation:* Independent Director *Date of Birth*: September 20, 1965 *Address:* House No. 160, Munirka Enclave, New Delhi - 110067 *Occupation*: Business *Nationality:* Indian *Period of directorship*: Director since August 23, 2021 *Term:* For a period of five years with effect from August 23, 2021 and is not liable to retire by rotation *DIN:* 00064374	56	• Deki Electronics Limited • Electronic Industries Association of India • Elcina Manufacturing Cluster Private Limited • Electronics Sector Skills Council of India • IPEC India Private Limited • IPEC Drive Systems Private Limited • Deki Power Roll Private Limited • Neolync India Private Limited • Deki Energy Private Limited • Lava International (H.K.) Limited • XOLO International (HK) Limited

Brief profiles of our Directors

Hari Om Rai, aged 53 years, is the Chairman and Managing Director of our Company. He holds a bachelor's and master's degree in arts from University of Delhi and a post-graduate diploma in book publishing from University of Delhi. He has experience in various sectors such as electronics, telecommunication and was in the past associated with Amex Agencies Private Limited and Blue Horizon IT Solution Private Limited as director. He is currently associated with Yamuna Electronics Manufacturing Clusters Private Limited as director.

Shailendra Nath Rai, aged 59 years, is the Whole-time Director of our Company. He holds a bachelor's degree in mechanical engineering from Dayal Bagh College, Agra. He has experience in various sectors such as electronics and telecommunication and was in the past associated with LG Electronics India Limited and Modi Xerox Limited. He is currently associated with Yamuna Electronics Manufacturing Clusters Private Limited as director.

Vishal Sehgal, aged 53 years, is a Non-executive Director of our Company. He holds a bachelor's degree in mechanical engineering from Punjab Engineering College, Chandigarh and a master's degree in business administration from University of Delhi. He has experience in various sectors such as electronics and telecommunication and was in the past associated with Bharti Airtel. He is currently associated with Ottomate International Private Limited as co-founder and director.

Sunil Bhalla, aged 56 years, is a Non-executive Director of our Company. He holds a bachelor's degree in mechanical engineering from the Institution of Engineers (India) and a post graduate diploma in business management from Institute of Management Technology, Ghaziabad. He has experience in various sectors such as electronics, appliances and telecommunication and was in the past associated with Luminous Power Technologies Private Limited as director. He is currently associated with Ottomate International Private Limited as director.

Vinod Rai, aged 73 years, is an Independent Director of our Company. He holds a master's degree in arts from University of Delhi and a master's degree in public administration from Harvard University. He has experience in various sectors such as banking and finance. In the past, he served as Comptroller and Auditor General of India. He is currently associated with Apollo Tyres Limited and Shubham Housing Development Finance Company Limited as director.

Rahul Kansal, aged 64 years, is an Independent Director of our Company. He holds a bachelor's degree in arts from University of Delhi and a post graduate degree in business administration from Indian Institute of Management, Calcutta. He has experience in various sectors such as education and consultancy and was associated in the past with Future Consumer Limited and as an executive president (brands) at Bennett Coleman & Co. Limited.

Chitra Gouri Lal, aged 70 years, is an Independent Director of our Company. She holds a bachelor's degree in science from Kamla Raja Girls Degree College, Gwalior and a masters' degree in physics from University of Saugar. She also holds a master's degree in philosophy and a master's diploma in public administration from the Indian Institute of Public Administration. She has also completed a course of instruction in fiscal studies provided by British government as a part of its technical co-operation training arrangements. She has experience in various sectors such as public administration and has in the past served as an officer of the Indian Revenue Services. She is currently associated with Purearth Infrastructure Limited as director.

Vinod Sharma, aged 56 years, is an Independent Director of our Company. He holds a diploma in hotel management and catering technology from Institute of Hotel Management Catering Technology & Applied Nutritions. He has experience in electronic component manufacturing sector. He was recently elected as the Chairman, CII UP State Council. He was awarded the electronics leader of the year by EFY Group in 2013 and Electronic Industries Association of India (ELCINA) in 2017. He is currently associated with Electronic Industries Association of India as director and CII National Committee as chairman.

Relationship between Directors and KMPs

None of our Directors are related to each other or to the KMPs.

Remuneration details of our Directors

1. ***Remuneration details of our Whole-time and Executive Directors***

Hari Om Rai

Pursuant to Board resolution dated December 8, 2020 and Shareholders resolution dated December 31, 2020, Hari Om Rai is entitled to the following remuneration:

Particulars	Remuneration
Salary*	₹21.1 million
Other benefits	Contribution to provident, superannuation and other funds; **gratuity; and earned leave#

**Including all allowances, benefits, perquisites, incentive and bonus*
***Such contribution is not included in the computation of ceiling of perquisites to the extent these are not taxable under the Income tax Act, 1961.*
#Encashment of earned leave is not included in the computation of ceiling of perquisites.

During Fiscal 2021, our Company didn't pay any remuneration to Hari Om Rai.

Shailendra Nath Rai

Pursuant to Board resolution dated December 8, 2020 and Shareholders resolution dated December 31, 2020, Shailendra Nath Rai is entitled to the following remuneration:

Particulars	Remuneration (In ₹ million per annum)
Salary	₹13.0 million
Allowances	Contribution to provident, superannuation and other funds; **gratuity; and earned leave#

**Including all allowances, benefits, perquisites, incentive and bonus*
***Such contribution is not included in the computation of ceiling of perquisites to the extent these are not taxable under the Income tax Act, 1961.*
#Encashment of earned leave is not included in the computation of ceiling of perquisites.

During Fiscal 2021, our Company paid Shailendra Nath Rai a remuneration of ₹ 8.45 million.

2. *Remuneration details of our Non-executive Directors*

The Non-executive Directors except the Independent Directors of the Company are not entitled to any remuneration.

3. *Remuneration details of our Independent Directors*

Pursuant to the resolution of our Board dated July 24, 2017, Rahul Kansal and Chitra Gouri Lal, our Independent Directors are entitled to receive sitting fees of ₹40,000 per meeting for attending meetings of our Board and ₹ 30,000 per meeting for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

Vinod Rai is entitled to receive ₹1,00,000 per meeting for attending meetings of our Board and committee meetings.

During Fiscal 2021, our Company didn't pay any remuneration to the Independent Directors.

Remuneration paid or payable from Subsidiaries

No remuneration has been paid to our Directors by any of our Subsidiaries.

Bonus or profit sharing plan for the Directors

Except as disclosed in respect of the remuneration payable to our Executive Directors under "– *Remuneration details of our Directors*" on page 215, our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles do not require the Directors to hold any qualification shares. For details of shareholding of the Directors in our Company as on the date of filing of this Draft Red Herring Prospectus, see "*Capital Structure – Equity Shareholding of our Directors and Key Management Personnel in our Company"* on page 98.

Shareholding of Directors in our Subsidiaries

For details of our Directors who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus see "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 202.

Service contracts with Directors

There are no service contracts entered into with any of our Directors which provide for benefits upon termination of employment.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Certain of our Directors may also be regarded as interested in the Equity Shares held by them. Further, certain Directors may also be deemed to be interested in Equity Shares that may, pursuant to this Offer, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters pursuant to this Offer. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Interest in promotion or formation of our Company

Except Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal who are Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus.

Interest in property

Our Directors have no interest in any property acquired or proposed to be acquired by or of our Company or transaction for acquisition of land, construction of building and supply of machinery, *etc*.

Business interest

Except as stated in "*Financial Statements*" on page 239, and as disclosed in this section, our Directors do not have any other interest in our business.

Confirmations

None of our Directors have been identified as Wilful Defaulters.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Changes 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 as follows:

Name of Director	Date of change	Reasons
Vinod Sharma	September 10, 2021	Appointment as Independent Director
Vinod Sharma	August 23, 2021	Appointment as an Additional Director
Shailendra Nath Rai	December 05, 2019	Retired by rotation and reappointed as Whole-time Director
Sunil Bhalla	December 05, 2019	Retired by rotation and reappointed as Non-Executive Director
Vineet Kumar Jain	June 19, 2019	Resignation as Independent Director
Vishal Sehgal	March 23, 2019	Change in designation from Whole-time Director to Non-executive Director
Vishal Sehgal	March 22, 2019	Retired by rotation and reappointed as Whole-time Director
Hari Om Rai	March 22, 2019	Retired by rotation and reappointed as Chairman and Managing Director

Borrowing Powers

Pursuant to a resolution dated August 25, 2015 passed by our Shareholders, our Board has been authorised to borrow any sum or sums of moneys from time to time notwithstanding that the moneys to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up Equity Share capital and our free reserves (reserves not set apart for any specific purposes), provided that, the total amount so borrowed together with the money already borrowed shall not exceed ₹ 20,000 million.

Corporate Governance

In addition to the Companies Act, 2013, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Company currently has 8 Directors of which 1 is Whole-time Director, 1 is Executive Director, 2 are Non-executive Directors and 4 are Independent Directors. We also have a woman director on our Board. Our Company is in compliance with the corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Further, in compliance with the SEBI Listing Regulations, Vinod Sharma, an Independent Director on the Board of our Company has been appointed as an independent director on the board of directors of Lava International (H.K) Limited and XOLO International (HK) Limited, material unlisted Subsidiaries of our Company.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit Committee
(b) Nomination, Remuneration and Compensation Committee
(c) Stakeholders' Relationship Committee
(d) Corporate Social Responsibility Committee
(e) Risk Management Committee

For the purpose of the Offer, our Company has also constituted an IPO Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

The Audit Committee currently consists of:

Name	Position in the committee	Designation
Rahul Kansal	Chairman	Independent Director
Hari Om Rai	Member	Chairman and Managing Director
Vinod Rai	Member	Independent Director
Vinod Sharma	Member	Independent Director
Bharat Mishra	Secretary	Company Secretary and Compliance Officer

Our Audit Committee was constituted by a resolution of our Board dated September 22, 2014, and was last reconstituted on August 23, 2021, in compliance with section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

1. oversee of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. make recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. approve payment to statutory auditors for any other services rendered by them;

4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   (b) changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgment by management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with listing and other legal requirements relating to financial statements;

   (f) disclosure of any related party transactions; and

   (g) modified opinion(s) in the draft audit report;

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval; reviewing, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

6. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

7. approval or any subsequent modification of transactions of the Company with related parties;

8. scrutiny of inter-corporate loans and investments;

9. conduct valuation of undertakings or assets of the Company, wherever it is necessary;

10. evaluation of internal financial controls and risk management systems;

11. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. 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;

13. discussion with internal auditors of any significant findings and follow up there on;

14. 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;

15. 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;

16. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

17. to review the functioning of the whistle blower mechanism;

18. approval of appointment of chief financial officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;

19. carrying out any other function as is mentioned in the terms of reference of the audit committee;

20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and

21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the audit committee), submitted by management of the Company;

3. management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

4. internal audit reports relating to internal control weaknesses;

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

6. statement of deviations in terms of SEBI Listing Regulations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

The powers of the Audit Committee shall include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of the Company;

(c) to obtain outside legal or other professional advice; and

(d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee currently consists of:

Name	Position in the committee	Designation
Rahul Kansal	Chairman	Independent Director
Chitra Gouri Lal	Member	Independent Director
Vishal Sehgal	Member	Non- executive Director
Vinod Rai	Member	Independent Director

Our Nomination, Remuneration and Compensation Committee was constituted by a resolution of our Board dated June 20, 2011 and was last reconstituted on August 23, 2021, in compliance with section 178 of the Companies Act, 2013. The terms of reference of the Nomination, Remuneration and Compensation Committee include the following:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

    i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

    ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

2. formulating of criteria for evaluation of performance of independent directors and the boards;

3. devising a policy on board diversity;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination, Remuneration and Compensation Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

5. extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. recommending to the board, all remuneration, in whatever form, payable to senior management;

7. administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;

8. framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

9. carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;

10. performing such other functions as may be necessary or appropriate for the performance of its duties; and

11. perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including the following:

i) formulating detailed terms and conditions of the ESOP 2020 (the "**Plan**"), which includes the provision as specified by the Board in this regard; and

ii) administration and superintendence of the Plan.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Rahul Kansal	Chairman	Independent Director
Chitra Gouri Lal	Member	Independent Director
Hari Om Rai	Member	Chairman and Managing Director

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated July 24, 2017 and was last reconstituted on August 23, 2021. The terms of reference of the Stakeholders' Relationship Committee include the following:

1. 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;

2. review of measures taken for effective exercise of voting rights by shareholders;

3. 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; and

4. 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.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee currently comprises of:

Name	Position in the committee	Designation
Hari Om Rai	Chairman	Chairman and Managing Director
Shailendra Nath Rai	Member	Whole Time Director
Rahul Kansal	Member	Independent Director

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated September 22, 2014 and was last reconstituted on August 23, 2021. The terms of reference of the CSR Committee include the following:

1. to 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 make any revisions therein as and when decided by the Board;

2. to review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);

3. to monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time;

4. to do such other acts, deeds and things as may be required to comply with the applicable laws; and

5. to perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Risk Management Committee

The Risk Management Committee currently comprises of:

Name	Position in the committee	Designation
Hari Om Rai	Chairman	Chairman and Managing Director
Shailendra Nath Rai	Member	Whole Time Director
Vinod Sharma	Member	Independent Director
Sunil Raina	Member	President – Business Head
Asitava Bose	Member	Chief Financial Officer

The Risk Management Committee was constituted by a resolution of our Board dated July 24, 2017 and was last reconstituted on August 23, 2021. The terms of reference of the Risk Management Committee include the following:

1. to formulate a detailed risk management policy which shall include:

    a) a framework for identification of internal and external risks specifically faced by the Company, 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 Committee.

    b) measures for risk mitigation including systems and processes for internal control of identified risks.

    c) business continuity plan.

2. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee; and

7. the Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated May 18, 2021, which currently comprises of:

Name	Position in the committee	Designation
Hari Om Rai	Chairman	Chairman and Managing Director
Shailendra Nath Rai	Member	Whole Time Director
Sunil Bhalla	Member	Non- executive Director
Vishal Sehgal	Member	Non- executive Director

The terms of reference of the IPO Committee of our Company include the following:

1. to decide, negotiate and finalize, in consultation with the BRLMs, all matters regarding the Pre-IPO Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with investors;

2. to decide on other matters in connection with or incidental to the Offer, including the pre-IPO placement, timing, pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

3. to make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus as applicable;

4. to finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

5. to appoint and enter into and terminate arrangements with the BRLMs, and appoint and enter into and terminate arrangement in consultation with the BRLMs with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bankers to the Offer, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Offer, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLMs;

6. to negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the

Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

7. to authorise the maintenance of a register of holders of the Equity Shares;

8. to seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

9. to open and operate bank accounts and escrow demat account in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

10. to open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

11. to authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

12. to accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

13. to approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

14. to implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

15. to issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforestated documents;

16. to authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Offer;

17. to do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

18. to do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

19. to make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned

stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

20. to settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

21. to submit undertaking/certificates or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;

22. to negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

23. to approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

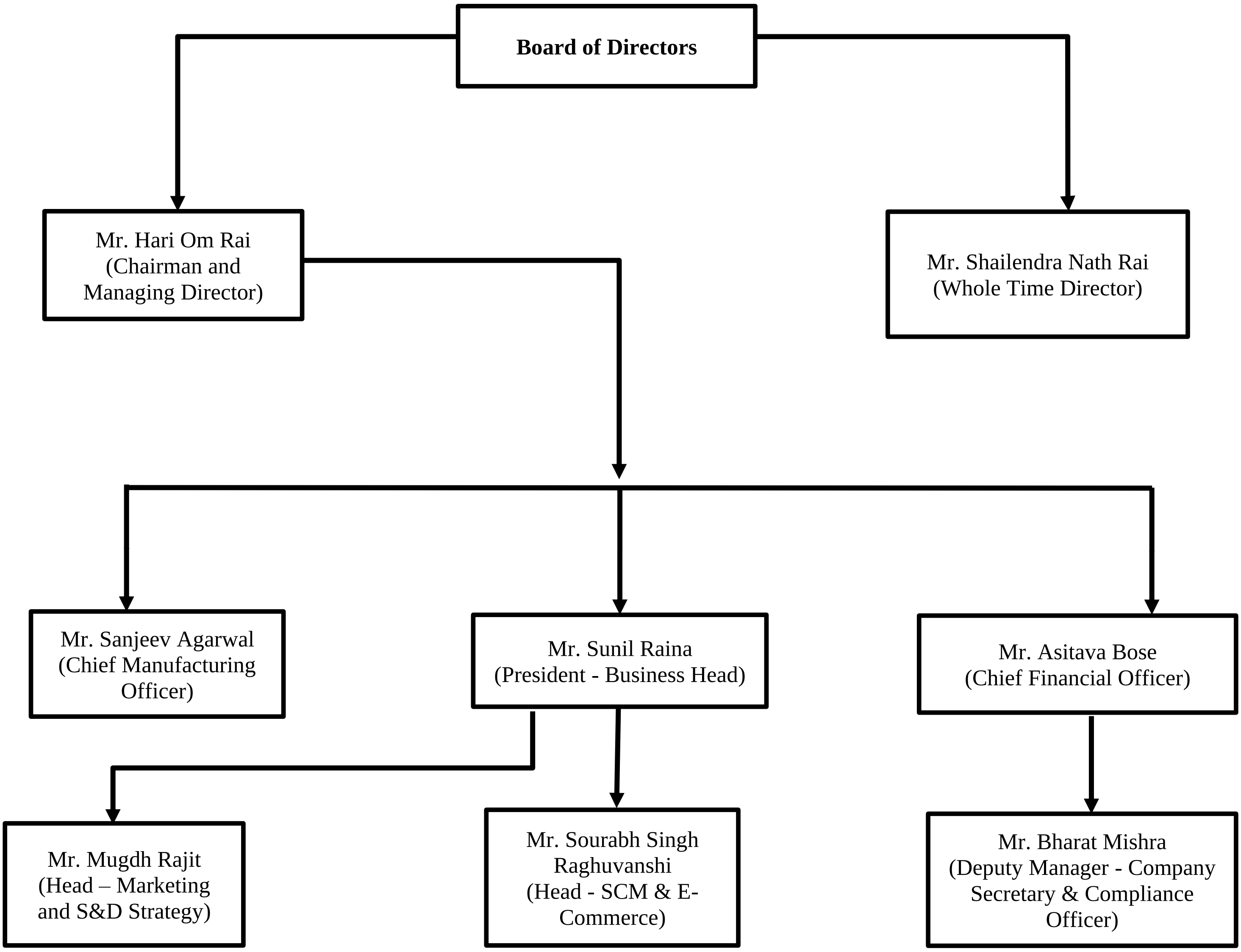
24. to approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

25. to withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

26. to delegate any of its powers set out under (a) to (x) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company

[***Remainder of this page intentionally kept blank***]

Management Organisation Structure



Key Management Personnel

In addition to Hari Om Rai, Chairman and Managing Director and Shailendra Nath Rai, Whole-time Director, following persons are our Key Management Personnel:

1. Asitava Bose, Chief Financial Officer
2. Bharat Mishra, Deputy Manager - Company Secretary and Compliance Officer
3. Mugdh Rajit, Head - Marketing and S&D Strategy
4. Sanjeev Agarwal, Chief Manufacturing Officer
5. Sourabh Singh Raghuvanshi, Head SCM and E-Commerce
6. Sunil Raina, President - Business Head

Brief profiles of our Key Management Personnel

For a brief profile of Hari Om Rai and Shailendra Nath Rai, see "*Our Management- Brief Profiles of our Directors*" on page 215.

The details of our other Key Management Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Asitava Bose, aged 44 years, is the Chief Financial Officer of our Company He has been associated with our Company since April 1, 2019. He holds a bachelors' degree in commerce from University of Calcutta and has postgraduate diploma in management from International Management Institute, New Delhi. He has previously worked with Tata Capital Financial Services Limited, Infrastructure Leasing and Financial Services Limited, Ing Vysya Bank and Aditya Birla Finance. During Fiscal 2021, he received a remuneration of ₹ 4.72 million.

Bharat Mishra, aged 30 years, is the Deputy Manager - Company Secretary and Compliance Officer of our Company. He has been associated with our Company since March 19, 2019. He holds a bachelors' degree in commerce (major in corporate affairs and administration) from Indira Gandhi National Open University, New Delhi. He is an associate member of the Institute of Company Secretaries of India. He was previously involved in private practice as practicing company secretary. During Fiscal 2021, he received a remuneration of ₹0.86 million

Mugdh Rajit, aged 41 years, is the Head – Marketing and S&D Strategy of our Company, He has been associated with our Company since April 13, 2015. He holds a bachelors' degree in engineering from Bangalore University and has postgraduate diploma in management from International Management Institute, New Delhi. He has previously worked with Bharti Airtel Limited and IDC (India) Limited. During Fiscal 2021, he received a remuneration of ₹ 7.64 million.

Sanjeev Agarwal, aged 52 years, is the Chief Manufacturing Officer of our Company. He has been associated with our Company since July 01, 2014. He holds a bachelors' degree in technology (electronics communication) from Regional Engineering College, Kakatiya University, Warangal and has postgraduate diploma in business management from Institute of Management Technology, Ghaziabad. He has previously worked with Moser Baer India Limited, Elcoteq Electronics (India) Private Limited, Celetron India Private Limited, LG Electronics India Limited, Lite-On Mobile India Private Limited and Sony India Private Limited. During Fiscal 2021, he received a remuneration of ₹ 18.49 million.

Sourabh Singh Raghuvanshi, aged 37 years, is the Head – SCM and E-Commerce of our Company. He has been associated with our Company since May 15, 2014. He holds a bachelors' degree in technology (mechanical engineering) from National Institute of Technology, Rourkela and has postgraduate degree in business from Indian School of Business, Hyderabad. He has previously worked with Walmart India Private Limited and Tata Motors Limited. During Fiscal 2021, he received a remuneration of ₹ 8.44 million.

Sunil Raina, aged 48 years, is the President – Business Head of our Company. He has been associated with our Company since June 10, 2010. He holds a bachelors' degree in Science from the University of Kashmir, Srinagar and a master's degree in in business administration from Dr Babasaheb Ambedkar Marathwada University, Aurangabad. He has previously worked with Hughes Ispat Limited, Tata Teleservices (Maharashtra) Limited, Bharti Airtel Limited, Unitech Wireless (Tamil Nadu) Private Limited and Reliance Communications Limited. During Fiscal 2021, he received a remuneration of ₹ 16.96 million.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company. Our Company does not have high attrition rate of Key Managerial Personnel as compared to the industry.

Bonus or profit sharing plan for the Key Management Personnel

There is no profit sharing plan for the Key Management Personnel of our Company. Our Company, on a discretionary basis, makes bonus/incentive payments to the Key Management Personnel at the end of every Fiscal Year.

Shareholding of Key Management Personnel

For details of shareholding of the Key Managerial Personnel in our Company as on the date of filing of this Draft Red Herring Prospectus, see - "*Capital Structure – Equity Shareholding of our Directors and Key Management Personnel in our Company"* on page 98.

For details of our Key Management Personnel who hold equity shares in our Subsidiaries see "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 202.

Service Contracts with Key Management Personnel

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Directors or Key Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of their shareholding and remuneration in our Company and the benefits from the reimbursement of expenses incurred by them in the ordinary course of business. Further, our Key Management Personnel may be regarded as interested to the extent of any options granted by our Company under its employee stock option plans.

No loans have been availed from our Company by our Key Management Personnel.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel.

Changes in Key Management Personnel during the last three years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	Date of change	Reason
Shailendra Nath Rai	Whole-time Director	December 5, 2019	Retired by rotation and reappointed as Whole-time Director
Asitava Bose	Chief Financial Officer	August 9, 2019	Appointment
Rati Ram	Chief Financial Officer	August 1, 2019	Resignation
Hari Om Rai	Chairman and Managing Director	March 22, 2019	Retired by rotation and reappointed as Chairman and Managing Director
Bharat Mishra	Company Secretary	March 19, 2019	Appointment
Saurabh Mishra	Company Secretary	November 2, 2018	Resignation
Rati Ram	Chief Financial Officer	November 1, 2018	Appointment
Rati Ram	Chief Financial Officer	October 1, 2018	Resignation

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officers of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment. However, 99,89,452 options have been granted to each Sanjeev Aggarwal and Sunil Raina who are our Key Management Personnel, pursuant to ESOP Plan 2015 and ESOP Plan 2020 – II and the Company shall pay bonus equivalent to the exercise price for such options provided both Sanjeev Aggarwal and Sunil Raina continue to be employees of our Company till December 31, 2021.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Directors or Key Management Personnel has been appointed or selected as a Director or Key Management Personnel or a member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

For details of employee stock option(s) and stock purchase schemes of our Company, see "*Capital Structure – Employee Stock Option Schemes*" on page 100.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Hari Om Rai
2. Shailendra Nath Rai
3. Sunil Bhalla
4. Vishal Sehgal

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 85.

Details of our Promoters:

The details of our Promoters are as follows:

1. Hari Om Rai

Identification Particulars	Details
Permanent Account Number	AAJPR0340R
Aadhar card number	266073897512
Driving license number	DL12 20140129389

Hari Om Rai, aged 53 years, is the Chairman and Managing Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements see "*Our Management*" on page 212.

2. Shailendra Nath Rai

Identification Particulars	Details
Permanent Account Number	ADSPR6376B
Aadhar card number	891758270688
Driving license number	DL0720070225095

Shailendra Nath Rai, aged 59 years, is the Whole-time Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements see "*Our Management*" on page 212.

3. Sunil Bhalla

Identification Particulars	Details
Permanent Account Number	AAFPB6163J
Aadhar card number	314017673413
Driving license number	DL0419940375914

Sunil Bhalla, aged 56 years, is a Non-executive Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements see "*Our Management*" on page 212.

4. Vishal Sehgal

Identification Particulars	Details
Permanent Account Number	ABMPS6676H
Aadhar card number	496413068126
Driving license number	DL03 20140466839

Vishal Sehgal, aged 53 years, is the Non-executive Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements see "*Our Management*" on page 212.

We confirm that the details of the PAN, bank account number(s) and passport numbers of our Promoters shall be submitted with the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Business and financial activities of our Promoters

Except as disclosed under "*Our Management*" on page 212, our Promoters are not involved with any other business and financial activities.

Other ventures of our Promoters

Except as disclosed under "*Our Management*" on page 212, our Promoters are not involved with any other ventures.

Changes in control

Except Vishal Sehgal, all other Promoters are the original promoters of our Company and there has been no change in the control or management of the Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see "*Capital Structure*" on page 85.

Interest of Promoters

Interest of Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their respective shareholdings in our Company, directly or indirectly and the shareholdings of their relatives in our Company; in any other distributions (including dividends) in respect of the Equity Shares held by them; to the extent of being Directors on the board of our Company and the remuneration payable by our Company to them. Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For further details, see *"Capital Structure", "History and Certain Corporate Matters"* and *"Our Management"* on pages 85, 196 and 212, respectively.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest of Promoters in the property of our Company

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

Interest of Promoters in our Company other than as Promoters

Except as stated in the sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and *"Financial Statements"* on pages 170, 196, 212 and 239, respectively, our Promoters do not have any interest in our Company other than as promoters.

Payment of amounts or benefits to our Promoters or Promoter Group during the last two years

Except as stated in "*Financial Statements*" and "*Our Management*" on pages 239 and 212 respectively, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group or intended to be given in the two years preceding the date of this Draft Red Herring Prospectus.

Material guarantees given by our Promoters

There are no material guarantees given by our Promoters to third parties with respect to the Equity Shares, Series A Preference Shares and Series B Preference Shares of the Company.

For details of the guarantees given by our Promoters in relation to certain borrowings of our Company, as on the date of this Draft Red Herring Prospectus, see *"History and Certain Corporate Matters"* on page 196.

Disassociation by Promoters in the Last Three Years

Our Promoters have not disassociated themselves from any of the companies or firms during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Promoter Group

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above are as follows:

Name of the Promoter	Name of the relative	Relationship
Hari Om Rai	Manju Rai	Spouse
	Sadanand Rai	Father
	Jamuna Rai	Mother
	Nutan Rai	Sister
	Pranay Rai	Son
	Agrima Rai	Daughter
	Mahendra Pal Singh Arya	Hari Om Rai's wife's father
	Bimla Arya	Hari Om Rai's wife's mother
	Manvendra Singh Arya	Hari Om Rai's wife's brother
	Manisha Chandel	Hari Om Rai's wife's sister
Shailendra Nath Rai	Pratibha Rai	Spouse

Name of the Promoter	Name of the relative	Relationship
	Ramendra Nath Rai	Brother
	Umendra Nath Rai	Brother
	Prashray Rai	Son
	Anshul Rai	Son
	Sri Ram Rai	Shailendra Nath Rai's wife's father
	Urmila Rai	Shailendra Nath Rai's wife's mother
	Ashok Rai	Shailendra Nath Rai's wife's brother
	Ranjish Rai	Shailendra Nath Rai's wife's brother
Sunil Bhalla	Suneeti Bhalla	Spouse
	Neelam Sarin	Sister
	Suman Sehgal	Sister
	Raagini Bhalla	Daughter
	Mahesh Chander Joneja	Sunil Bhalla's wife's father
	Prabha Joneja	Sunil Bhalla's wife's mother
	Siddharth Joneja	Sunil Bhalla's wife's brother
Vishal Sehgal	Shibani Sehgal	Spouse
	Surinder Sehgal	Father
	Sudesh Sehgal	Mother
	Sameer Sehgal	Brother
	Arshia Sehgal	Daughter
	Atharva Sehgal	Son
	Shakuntala Pachnanda	Vishal Sehgal's wife's mother
	Shobita Asthana	Vishal Sehgal's wife's sister

(b) Companies and entities

In addition to the Subsidiaries of our Company, as listed in the section titled "*History and Certain Corporate Matters – Subsidiaries, joint venture and associate of our Company*" on page 202, the companies and entities that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group Entity
Companies	
1.	MagicTel Solutions Private Limited
2.	InSynergy Supply Chain Solutions Private Limited
3.	Ottomate International Private Limited
4.	Arpriue Solutions Private Limited
5.	Sojo Infotel Private Limited
Others	
1.	RSB Infraventures LLP
2.	A M Express Worldwide Logistics
3.	HOR & Family Trust
4.	SNR Family Trust
5.	Bhalla Family Trust
6.	Vishal Sehgal Family Trust
7.	Vishal Sehgal & Sons (HUF)

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purposes of identification of group companies, our Company has considered companies (other than our Subsidiaries) with which there are related party transactions as disclosed in the Restated Financial Statements and such other companies considered material for the purposes of disclosure as a group company in connection with the Offer, as identified in accordance with the materiality policy adopted by our Board in its meeting held on September 21, 2021(“**Materiality Policy**”). In accordance with our Materiality Policy, a company shall be considered material and will be disclosed as a ‘Group Company’ in the Offer Documents, if a company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more transactions with the Company in the most recent financial year and/or the relevant stub period (in respect of which Restated Financial Information are included in the offer documents) that individually or cumulatively exceed 10.00% of the total revenue of the Company, as per the Restated Financial Information of the Company of the last completed financial year.

Based on the above, following have been identified as Group Companies:

1. Ottomate International Private Limited

2. Yamuna Electronics Manufacturing Cluster Private Limited

3. MagicTel Solutions Private Limited

Details of our Group Companies

1. Ottomate International Private Limited

The registered office of Ottomate International Private Limited is situated at WZ-106/101, Rajouri Garden Extension New Delhi – 110027.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Ottomate International Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://www.lavamobiles.com/investor-relations.aspx.

***2.* Yamuna Electronics Manufacturing Cluster Private Limited**

The registered office of Yamuna Electronics Manufacturing Cluster Private Limited is situated at M-11, Mezanine Floor, Balrama House Commercial Complex, Karampura, New Delhi 110015.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Yamuna Electronics Manufacturing Cluster Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://www.lavamobiles.com/investor-relations.aspx.

***3.* MagicTel Solutions Private Limited**

The registered office of MagicTel Solutions Private Limited is situated at I-9 LGF, Lajpat Nagar, Part-III New Delhi 110024.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of MagicTel Solutions Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at http://magictel.in.

4. Interest of Group Companies in our Company

(a) ***In the promotion or business interests of our Company***

Our Group Companies do not have any interest in the promotion or business interests of our Company.

(b) ***In the properties acquired by our Company or proposed to be acquired by our Company in the preceding three years before filing the Draft Red Herring Prospectus***

Our Group Companies do not have any interest in any property acquired by our Company or proposed to be acquired by the Company in the preceding three years before filing of the Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

5. Common Pursuits between our Group Companies and our Company

Our Group Companies are not in the same line of business as our Company and there are no common pursuits between our Group Companies and our Company.

6. Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Financial Statements*" on page 239, there are no other related business transactions with the Group Companies and our Company.

7. Litigation

Our Group Companies are not a party to any pending litigation which will have a material impact on our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2021, 2020 and 2019, as per the requirements under Ind AS 24 see "*Financial Statements – Notes to Restated Consolidated Financial Statements- Note 29 – Related party disclosures"* on page 290.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company has adopted a dividend distribution policy ("**Dividend Policy**") pursuant to a resolution of the Board dated September 21, 2021, which is effective from September 21, 2021. The declaration and payment of dividends, if any, will be recommended by our Board, in terms of the Dividend Policy and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

In accordance with the Dividend Policy, the Board shall consider the certain financial parameters and other internal and external factors before declaring dividend, including but not limited to operating cash flow of the Company, profit earned during the year and earnings per share, working capital requirements, capital expenditure requirement, business expansion and growth, likelihood of crystallization of contingent liabilities, if any, debt obligations and cost of borrowings, etc.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has not declared any dividend (including interim dividend) on the Equity Shares, Series A Preference Shares and Series B Preference Shares in the last three Fiscal Years and the period from April 1, 2021 until the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future. Our Company may also, from time to time, pay interim dividends. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition and capital requirements of our Company.

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws. Our Company may pay dividend by cheque, electronic clearance service, as will be approved by our Board in the future. Our Company may also, from time to time, pay interim dividends.

For details in relation to the risk involved, see "*Risk Factors - Our ability to pay dividends in the future may depend upon our future revenues, profits, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements*" on page 53.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[*This page has been intentionally left blank*]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Lava International Limited
B-14, House-2, Basement Shivlok Commercial Complex
Karampura, Delhi West
Delhi -110015
India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Lava International Limited (the "Company" or the "Issuer") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") its associate and its joint venture, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 21, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ('Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); 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 Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group and of its associate and its joint venture includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its associate and its joint venture complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 11, 2021 in connection with the proposed IPO of equity shares of the Issuer;
   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from audited consolidated financial statements of the Group, its associate and its joint venture as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 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 September 21, 2021, 15 December, 2020 and 24 December 2019, respectively.

5. For the purpose of our examination, we have relied on:

   a. Auditors' reports issued by us dated September 21, 2021 on the consolidated financial statements of the Group, its associate and its joint venture as at and for the years ended 31 March 2021 as referred in Paragraph 4 above; and
   b. Auditors' Report issued by the Company's previous auditor, Suresh Surana & Associates LLP, Chartered Accountants (the "previous auditor") dated 15 December 2020 and 24 December 2019 on the consolidated financial statements of the Group, its associate and its joint venture as at and for the year ended 31 March 2020 and 31 March, 2019, respectively as referred in Paragraph 4 above.

6. The audit reports on the consolidated financial statements issued by the previous auditor included following paragraphs:

   - Emphasis of Matter paragraph in the audit report dated 15 December 2020 issued by the previous auditor on the consolidated financial statements of the Group, its associate and its joint venture as at and for the year ended 31 March 2020:

     "We draw attention to Note No. 28 to the consolidated Ind AS financial statements, which describes the Company's established policy, procedures and controls relating to customer credit risk management as well as the management's assessment of credit risk, credit monitoring mechanism and recovery of certain trade receivables amounting to Rs. 5,774.08 million as at 31 March 2020. Based on their credit evaluation, the management is confident of recovering these amounts in due course and does not consider the trade receivables as credit impaired. Our opinion is not modified in respect of this matter."

7. As indicated in our audit report as at and for the year end 31 March 2021,

   We did not audit the financial statements of 7 subsidiaries and 1 trust whose financial statements reflect total assets of Rs. 8,511.26 million and net assets of Rs. 6,453.12 million as at 31 March 2021, total revenues of Rs. 38,837.17 million and net cash outflows amounting to Rs. 38.74 million for the year then ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. The consolidated financial statements also include the Group's share of loss (including other comprehensive income) of Rs. 1.74 million for the year ended 31 March 2021, as considered in the consolidated Ind AS financial statements, in respect of a associate and joint venture, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, trust, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust, associate and joint ventures based solely on the reports of the other auditors.

Further, of these subsidiaries and trust, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally acceptable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company which has been relied upon by us.

Also, we did not audit the financial statements and other financial information in respect of 8 subsidiary companies, whose financial statements reflect total assets of Rs. 199.99 million and net assets of Rs. (541.93) million as at 31 March 2021, total revenues of Rs. 135.96 million and net cash outflow amounting to Rs (4.36) million for the year ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. These financial statements and other information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in term of sub-section (3) of section 143 of the Act, in so far it related to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and these financial statements and other financial information certified by the management.

8. The Auditors' reports issued by the Company's Previous Auditor dated 15 December 2020 and 24 December 2019 on the consolidated financial statements of the Group as at and for the years ended 31 March 2020 and 31 March 2019 respectively included the following Other Matters:

   31 March 2020:

   a) We did not audit the financial statements of 8 subsidiaries and 1 trust whose financial statements reflect total assets of Rs. 8,740.43 million and net assets of Rs. 5,472.55 million as at 31 March 2020, total revenues of Rs. 33,220.21 million and net cash outflows amounting to Rs., 20.06 million for the year then ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. The consolidated financial statements also include the Group's share of loss (including other comprehensive income) of Rs.5.64 million for the year ended 31 March 2020, as considered in the consolidated Ind AS financial statements, in respect of a associate and joint venture, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, trust, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust, associate and joint ventures based solely on the reports of the other auditors.

      Further, of these subsidiaries and trust, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally acceptable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company which has been relied upon by us.

b) We did not audit the financial statements and other financial information in respect of 9 subsidiary companies, whose financial statements reflect total assets of Rs. 260.37 million and net assets of Rs. (420.20) million as at 31 March 2020, total revenues of Rs. 434.45 million and net cash outflow amounting to Rs 22.04 million for the year ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. These financial statements and other information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in term of sub-section (3) of section 143 of the Act, in so far it related to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and these financial statements and other financial information certified by the management.

31 March 2019:

a) We did not audit the financial statements of 8 subsidiaries and 1 trust whose financial statements reflect total assets of Rs. 7,924.35 million and net assets of Rs. 4,215.87 million as at 31 March 2019, total revenues of Rs. 21,765.85 million and net cash outflows amounting to Rs. 270.51 million for the year then ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. The consolidated financial statements also include the Group's share of loss (including other comprehensive income) of Rs.3.50 million for the year ended 31 March 2019, as considered in the consolidated Ind AS financial statements, in respect of a associate and joint venture, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, trust, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust, associate and joint venture is based solely on the reports of the other auditors.

Further, of these subsidiaries, trust, associate and joint venture, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally acceptable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b) We did not audit the financial statements and other financial information in respect of 11 subsidiary companies, whose financial statements reflect total assets of Rs. 251.49 million and net assets of Rs. (486.27) million as at 31 March 2019, total revenues of Rs. 6,240.53 million and net cash outflow amounting to Rs. 5.88 million for the year ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. The total revenues are of Rs. 1,489.74 million as considered in the consolidated Ind AS financial statements after giving effect of elimination of intra-group transactions. These financial statements and other financial information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, In so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

   Our opinion above on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and these financial statements and other financial information certified by the management.

9. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the auditor's report issued by the previous auditor, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2021;
   b. do not require any adjustments for the matters giving rise to matters mentioned in paragraph 6 above; and
   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

10. 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 mentioned in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **ASA & Associates LLP**
Chartered Accountants
Firm's Registration No: 009571N/N500006

Prateet Mittal
Partner
Membership No.: 402631

UDIN: 21402631AAAARW4077

Place: Gurugram
Date: September 21, 2021

Lava International Limited
Annexure I: Restated Consolidated Statement of Assets and Liabilities
(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets				
Non-current assets				
Property, plant and equipment	3	1,191.46	794.90	971.24
Capital work-in-progress	3	32.75	20.69	-
Intangible assets	4	29.60	57.54	127.05
Right of use asset	5	161.64	208.18	-
Investment accounted using equity method	36	62.06	63.79	69.43
Financial assets				
Investments	6 (a)	58.45	60.37	55.02
Loans	7 (d)	30.32	26.15	37.05
Other financial asset	7 (f)	20.82	20.50	128.11
Deferred tax assets (net)	22	229.11	-	-
Other non-current assets	9 (a)	51.15	58.00	77.22
Advance tax assets (Net)	10	1.95	0.97	63.21
		1,869.31	**1,311.09**	**1,528.33**
Current assets				
Inventories	8	4,438.63	2,364.76	4,239.01
Financial assets				
Investments	6 (b)	10.00	20.69	94.50
Trade receivables	7 (a), 40	11,624.18	13,148.12	10,143.44
Cash and cash equivalents	7 (b)	238.75	186.38	802.24
Other bank balances	7 (c)	1,612.66	1,301.75	1,774.85
Loans	7 (e)	9.59	11.99	22.97
Others	7 (g), 40	463.68	1,304.74	1,610.00
Other current assets	9 (b), 40	4,108.69	4,193.35	3,592.69
		22,506.18	**22,531.78**	**22,279.70**
TOTAL ASSETS		**24,375.49**	**23,842.87**	**23,808.03**
Equity and liabilities				
Equity				
Equity share capital	11	1,248.67	1,248.67	1,248.67
Instruments entirely equity in nature	11	51.00	50.00	50.00
Other equity				
Securities premium reserve		2,393.58	1,874.58	1,874.58
Treasury shares		(63.34)	(63.34)	(63.34)
Foreign currency translation reserve		432.20	596.83	152.02
Share based payment reserve		228.72	143.18	143.18
Retained earnings		11,608.01	10,238.36	9,155.39
Other reserve		(7.69)	(7.69)	(7.69)
Equity attributable to equity holders of the Holding Company		**15,891.15**	**14,080.59**	**12,552.80**
Non-controlling interest		0.41	0.51	0.52
Total Equity		**15,891.56**	**14,081.10**	**12,553.32**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	12 (a)	-	553.58	672.89
Other financial liabilities	12 (d)	162.60	320.36	73.47
Other non-current liabilities	13 (a)	-	-	4.67
Provisions	12 (f)	51.55	45.98	69.31
Deferred tax liabilities (net)	22	-	84.49	120.43
		214.15	**1,004.41**	**940.77**
Current liabilities				
Financial liabilities				
Borrowings	12 (b)	965.32	1,094.42	797.86
Trade payables				
- total outstanding dues of micro enterprises and small enterprises	12 (c), 3	20.37	11.07	20.49
- total outstanding dues of creditors other than micro enterprises and small enterprises	12 (c), 3	5,061.44	4,954.45	7,241.61
Other financial liabilities	12 (e)	1,103.65	537.18	691.88
Other current liabilities	13 (b)	509.51	1,558.95	1,027.95
Provisions	12 (g)	248.35	234.10	349.62
Current Tax Liabilities (net)	14	361.14	367.19	184.52
Total liabilities		**8,269.78**	**8,757.36**	**10,313.94**
TOTAL EQUITY AND LIABILITIES		**24,375.49**	**23,842.87**	**23,808.03**

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Annexure V, Notes to the Restated Consoildated Financial information appearing in Annexure VI and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VII.

The accompanying annexure forms an integral part of these Restated Consolidated financial statements.

As per our report of even date as attached
For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

Prateet Mittal
Partner
Membership No. 402631

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Asitava Bose
Chief Financial Officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Gurugram
Date: September 21, 2021

Place: Noida
Date: September 21, 2021

Lava International Limited
Annexure II: Restated Consolidated Statement of Profit and Loss
(All amount in INR Millions unless otherwise stated)

Particulars	Note No	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Income				
Revenue from operations	15, 40	55,128.74	52,643.29	51,083.52
Other income	16, 40	108.04	181.19	203.96
Total income (I)		**55,236.78**	**52,824.48**	**51,287.48**
Expenses				
Cost of Goods Sold	17	46,659.92	44,969.41	42,812.55
Employee benefits expense	18	1,902.22	1,990.68	3,229.96
Other expenses	19, 40	4,162.49	3,871.83	3,412.98
Total expense (II)		**52,724.63**	**50,831.92**	**49,455.49**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		**2,512.15**	**1,992.56**	**1,831.99**
Depreciation and amortisation expense	20	390.37	330.51	414.95
Finance costs	21	285.76	389.94	601.44
Profit/(loss) before share of net profit of associate andjoint ventures, exceptional items and tax		**1,836.02**	**1,272.11**	**815.60**
Share of loss of joint venture, associates (net of tax) (III)		**1.73**	**5.64**	**3.50**
Profit before tax		**1,834.29**	**1,266.47**	**812.10**
- Current tax	22	332.67	201.60	197.86
- Tax charge/(credit) relating to earlier years	22	(30.80)	22.99	(3.75)
- Deferred tax expense/(income)	22	(193.66)	(35.73)	(113.81)
Income tax expense	22	**108.21**	**188.86**	**80.30**
Profit for the year		**1,726.08**	**1,077.61**	**731.82**
Other comprehensive income				
Other comprehensive income not to be reclassified to profit and loss in subsequent periods :				
- Re-measurement (gains)/losses of defined benefit plan	27	1.65	0.59	(18.68)
- Income tax relating to this item	22	(0.41)	(0.21)	6.53
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :				
-Exchange difference on translation of foreign operations		**164.63**	**(444.81)**	**(164.07)**
Other comprehensive income for the year (net of tax)		**165.87**	**(444.43)**	**(176.22)**
Total Comprehensive income for the year (net of tax)		**1,560.21**	**1,522.04**	**908.02**
Profit for the year is attributable to				
- Equity holders of Lava International Ltd		**1,726.18**	**1,077.62**	**731.83**
- Non-controlling interest		**(0.10)**	**(0.01)**	**(0.01)**
Other comprehensive income of the year is attributable to				
- Equity holders of Lava International Ltd		**(165.87)**	**444.43**	**176.22**
Total comprehensive income of the year is attributable to				
- Equity holders of Lava International Ltd		**1,560.31**	**1,522.05**	**908.03**
- Non-controlling interest		**(0.10)**	**(0.01)**	**(0.01)**
Earnings per equity share (In Rupees)	23			
Basic*		**3.46**	**2.16**	**1.47**
Diluted*		**3.15**	**1.97**	**1.34**

*After the year end, but before issuance of financial statements, the Company has given effect to stock split by way of split of Face Value of equity shares from Rs. 10/- to Rs. 5/-. Also, the company has issued bonus shares to the equity shareholder's in the ratio of 1:1. Adjusted EPS has been calculated as per the requirement of Para 64 of Ind AS 33 - Earnings Per Share.

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial information appearing in Annexure VI and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VII.

The accompanying annexure forms an integral part of these Restated Consolidated financial statements.

As per our report of even date as attached
For ASA & Associates LLP
Chartered Accountants
Firm’s Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

Prateet Mittal
Partner
Membership No. 402631

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Asitava Bose
Chief Financial Officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Gurugram
Date: September 21,2021

Place : Noida
Date : September 21,2021

(All amount in INR Millions unless otherwise stated)

a.	Equity share capital	As at March 31, 2021	As at March 31, 2020	As at March 31,
	At the beginning of the year	1,248.67	1,248.67	1,248.67
	Add: Issue of bonus shares	-	-	-
	Outstanding at the end of the year	**1,248.67**	**1,248.67**	**1,248.67**

b.	Instruments entirely equity in nature	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	At the beginning of the year	50.00	50.00	50.00
	Add : Transfer of compulsorily convertible preference share (CCPS)*	1.00	-	-
	Outstanding at the end of the year	**51.00**	**50.00**	**50.00**

c. Other Equity

Particulars	Attributable to the equity holders of Holding Company							Non controlling interest	Total equity
	Reserves and Surplus			Items of Other Comprehensive Income					
	Securities premium reserve (i)	Share based payment reserve (ii)	Retained earnings	FVTOCI - equity investment reserve (iii)	FCTR -reserve (iv)	Treasury shares (v)	Total		
As at 31 March 2018	1,874.58	139.04	8,195.76	(7.69)	(12.05)	(34.73)	10,154.91	244.53	10,399.44
Restated Profit for the year	-	-	731.82	-	-	-	731.82	(0.01)	731.81
Other comprehensive income for the year	-	-	12.15	-	164.07	-	176.22	-	176.22
Total comprehensive income for the year	**-**	**-**	**743.97**	**-**	**164.07**	**-**	**908.04**	**(0.01)**	**908.03**
Purchase of treasury shares	-	-	-	-	-	(28.61)	(28.61)	-	(28.61)
Dilution effect of minority stake	-	-	(94.69)	-	-	-	(94.69)	-	(94.69)
Transfer on loss of control	-	-	244.00	-	-	-	244.00	(244.00)	-
Loss of control of Lava egypt	-	-	66.04	-	-	-	66.04	-	66.04
Share based payment expense	-	4.45	-	-	-	-	4.45	-	4.45
Share options settled/surrendered	-	(0.31)	0.31	-	-	-	-	-	-
As at 31 March 2019	**1,874.58**	**143.18**	**9,155.39**	**(7.69)**	**152.02**	**(63.34)**	**11,254.14**	**0.52**	**11,254.66**
	-	-	-	-	-	-	-	-	-
Restated Profit for the year	-	-	1,077.62	-	-	-	1,077.62	**(0.01)**	**1,077.62**
Other comprehensive income for the year	-	-	(0.38)	-	**444.81**	-	444.43	-	**444.43**
Total comprehensive income for the year	**-**	**-**	**1,077.24**	**-**	**-**	**-**	**1,522.05**	**(0.01)**	**1,522.05**
Movement of lease equalisation reserve	-	-	**5.74**	-	-	-	**5.74**	-	**5.74**
As at 31 March 2020	**1,874.58**	**143.18**	**10,238.36**	**(7.69)**	**596.83**	**(63.34)**	**12,781.95**	**0.51**	**12,782.45**
Provision for Expected Credit Loss (Refer note 7 (a))	-	-	**(355.29)**	-	-	-	(355.29)	-	**(355.29)**
Restated Profit for the year	-	-	1,726.18	-	-	-	1,726.18	**(0.10)**	**1,726.08**
Other comprehensive income for the year	-	-	(1.24)	-	**(164.63)**	-	(165.87)	-	**(165.87)**
Total comprehensive income for the year	**-**	**-**	**1,369.65**	**-**	**(164.63)**	**-**	**1,205.02**	**(0.10)**	**1,204.92**
Share based payment expense	**-**	**85.54**	**-**	**-**	**-**	**-**	85.54	**-**	**85.54**
Security Premium on CCPS*	**519.00**	-	-	-	-	-	519.00	-	**519.00**
As at 31 March 2021	**2,393.58**	**228.72**	**11,608.01**	**(7.69)**	**432.20**	**(63.34)**	**14,591.51**	**0.41**	**14,591.91**

(i) Securities premium reserve : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.
(ii) General Reserve : The amount in general reserve has been recorded on the forfeiture of vested share options.
(ii) Share based payment reserve : The share option outstanding account is used to recognise the grant date of fair value of options issued to employees under the Company's employee stock option plan.
(iii) FVTOCI equity investment reserve : The Group has elected to recognise changes in the fair value of investments in equity instruments of Abhriya Pte Ltd in other comprehensive income. The changes are accumulated within the FVTOCI equity investment reserve within equity.
(iv) Foreign currency translation reserve : Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.
(v) Treasury shares : The amount in treasury shares has been recorded against the shares of company purchased by Lava Employee welfare Trust from the employees of the company at the time of their exit from the company.
* In the current year, based on the terms of Investment agreement, and confirmation of the number of shares to be issued, and price thereof, CCPS which was earlier classified under 'Long Term Borrowing' now meets the criterion of Equity and accordingly the amount has been reclassified as 'Instruments entirely equity in nature' and 'Security premium'

Summary of significant accounting policies (refer note 2.1)

The accompanying notes are an Integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

As per our report of even date as attached
For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

Prateet Mittal
Partner
Membership No. 402631

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
(Whole-Time Director)
DIN-00908417

Asitava Bose
Chief financial officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Gurugram
Date : September 21, 2021

Place : Noida
Date : September 21, 2021

Lava International Limited

Annexure IV: Restated Consolidated Statement of Cash Flows

(All amount in INR Millions unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash flow from operating activities			
Profit before tax	**1,834.29**	**1,266.47**	**812.10**
Adjustment to reconcile profit before tax to net cash flows :			
Depreciation/amortization	390.37	330.51	414.95
Profit on sale of property, plant and equipment	(1.00)	3.27	(0.38)
Property, plant and equipment written off	-	-	8.55
Fair value (gain) /loss on Investment at fair value through profit or loss	(2.00)	0.92	(3.35)
Dividend Income	-	-	(5.00)
Share based payment expense	-	-	4.32
Unrealized foreign exchange (gain)/ loss	30.00	(59.31)	(172.80)
Net gain on sale of mutual fund investments	(3.09)	0.17	(12.02)
Share of loss/(Profit) of associate/ joint venture	1.74	5.64	3.50
Balances written off	-	41.93	0.79
Fair value (gain)/loss on derivative financial instrument at FVTPL	10.93	(13.35)	-
Payment of principal portion of lease liabilities	(22.91)	(19.08)	-
Liability written back	85.54	-	-
Provision for Inventories obsolescence	(41.67)	14.82	80.93
Provision for expected credit loss and doubtful advances	263.39	31.31	16.65
Amortization of prepaid security deposit	1.35	7.14	-
Interest expense	193.30	218.96	273.96
Interest income	(75.66)	(122.66)	(160.56)
Operating profit before working capital changes	**2,664.58**	**1,706.74**	**1,261.64**
Movements in working capital:			
Increase/ (Decrease) in trade payables and other liabilities	(248.86)	(2,790.91)	(7,162.62)
Increase/ (Decrease) in provisions	22.23	(21.65)	(234.27)
(Increase)/ Decrease in trade receivables	494.41	(3,010.14)	1,189.17
(Increase)/ Decrease in inventories	(2,046.77)	1,912.56	2,961.55
(Increase)/ Decrease in other assets	922.15	863.55	(566.16)
Cash generated from operations	1,807.75	(1,339.85)	(2,550.69)
Income taxes paid (net of refunds)	(289.95)	12.60	(229.94)
Cash flow from / (used in) in operating activities (A)	**1,517.80**	**(1,327.25)**	**(2,780.63)**
Cash flows from investing activities			
Purchase of property, plant and equipment including capital work in progress	(159.91)	(184.34)	(172.26)
Purchase of intangible assets including intangible assets under development	-	-	644.14
Proceeds from sale of property, plant and equipment (including intangibles)	4.31	1.93	0.85
Dilution of intangible assets including intangible assets under development	(524.54)	(1.28)	-
Investment in subsidiaries	-	0.19	(2.04)
Movement in mutual fund investments	13.91	73.64	414.53
Investments in bank deposits	(2,252.60)	(2,186.19)	(2,770.77)
Redemption/maturity of bank deposits	1,867.28	2,762.85	5,063.46
Interest received	100.04	99.32	278.68
Cash flow from / (used in) investing activities (B)	**(951.51)**	**566.12**	**3,456.59**
Cash flow from financing activities			
Purchase of treasury shares	-	-	(28.62)
Proceeds from long-term borrowings	31.20	-	300.00
Payment of long-term borrowings	(119.62)	(120.69)	(714.40)
Movement in short-term borrowings	(129.10)	296.56	(1,997.57)
Interest paid on lease liability	(24.99)	(27.11)	-
Interest paid on borrowings	(248.44)	(130.66)	(205.95)
Cash flow from / (used in) financing activities (C)	**(490.95)**	**18.10**	**(2,646.54)**
Net increase in cash and cash equivalents (A + B +C)	**75.35**	**(743.03)**	**(1,970.58)**
Effect of exchange differences on cash & cash equivalents held in foreign currency	(22.98)	127.17	(0.40)
Cash and cash equivalents at the beginning of the year	186.38	802.24	2,773.22
Cash and cash equivalents at the end of the year	**238.75**	**186.38**	**802.24**
Components of cash and cash equivalents			
Cash on hand	2.95	8.86	5.93
With banks on current account			
- on deposit account	77.27	81.27	97.47
- others balances	158.53	96.25	698.84
Total cash and cash equivalents (Refer note 7 (b))	**238.75**	**186.38**	**802.24**

The accompanying annexure forms an integral part of these Restated Consolidated financial statements.
The schedules referred to above and notes on accounts form an Integral part of the Consolidated cash flow statement.

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

Prateet Mittal
Partner
Membership No. 402631

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Asitava Bose
Chief Financial Officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Gurugram
Date: September 21, 2021

Place : Noida
Date : September 21, 2021

(All amount in INR Millions unless otherwise stated)

3 Property, plant & equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Land	Electrical installations	Total	Capital work-in-progress
Gross Carrying Value											
As at 31 March 2018	**294.38**	**60.19**	**125.09**	**269.76**	**13.59**	**685.33**	**482.94**	**30.04**	**3.26**	**1,964.58**	**157.90**
Additions	378.19	1.72	5.59	13.06	-	-	31.01	-	0.78	**430.35**	2.33
Disposals	65.68	17.89	36.12	99.43	-	29.82	76.55	-	-	**325.49**	160.23
Exchange difference	1.57	0.46	1.93	2.80	0.11	37.45	2.88	-	-	**47.20**	-
As at 31 March 2019	**608.46**	**44.48**	**96.49**	**186.19**	**13.70**	**692.96**	**440.28**	**30.04**	**4.04**	**2,116.64**	**-**
Additions	26.39	0.60	1.62	2.93	-	-	0.51	-	-	**32.04**	20.69
Disposals	25.39	3.64	5.76	32.01	-	-	49.34	-	3.25	**119.40**	-
Exchange difference	0.00	0.11	1.66	0.44	(0.20)	52.89	0.90	-	-	**55.81**	-
As at 31 March 2020	**609.46**	**41.55**	**94.01**	**157.55**	**13.50**	**745.85**	**392.35**	**30.04**	**0.79**	**2,085.10**	**20.69**
Additions	165.39	**-**	**0.84**	**10.90**	**6.39**	**519.98**	**17.05**	**-**	**-**	**720.55**	32.57
Disposals	**4.16**	**1.96**	**7.97**	**12.46**	**-**	**-**	**4.42**	**-**	**-**	**30.97**	20.51
Exchange difference	**0.27**	**(1.81)**	**(1.95)**	**5.72**	**(1.61)**	**(27.64)**	**(3.05)**	**-**	**0.01**	**(30.04)**	-
As at 31 March 2021	**770.96**	**37.78**	**84.93**	**161.71**	**18.28**	**1,238.19**	**401.93**	**30.04**	**0.80**	**2,744.62**	**32.75**
Accumulated Depreciation											
As at 31 March 2018	**114.11**	**32.02**	**64.05**	**178.61**	**9.31**	**392.97**	**258.96**	**-**	**0.81**	**1,050.84**	**-**
Charge for the Year	81.79	8.28	21.59	45.14	2.33	26.57	82.74	-	0.37	268.81	-
Disposals	26.13	9.14	21.14	68.31	-	6.07	58.63	-	-	189.42	-
Exchange difference	0.53	0.19	1.56	1.66	0.04	8.48	2.71	-	-	15.17	-
As at 31 March 2019	**170.30**	**31.35**	**66.06**	**157.10**	**11.68**	**421.95**	**285.78**	**-**	**1.18**	**1,145.40**	**-**
Charge for the Year	88.66	7.11	17.86	23.81	1.04	55.75	30.88	-	0.39	225.49	-
Disposals	24.41	3.42	4.33	31.91	-	-	48.49	-	1.44	114.00	-
Exchange difference	-	0.04	1.18	(1.15)	(0.75)	31.76	2.22	-	-	33.30	-
As at 31 March 2020	**234.55**	**35.08**	**80.77**	**147.85**	**11.97**	**509.46**	**270.39**	**-**	**0.13**	**1,290.19**	**-**
Charge for the Year	87.40	**3.40**	**9.36**	**9.77**	**0.25**	**162.22**	**29.06**	**-**	**0.08**	301.54	**-**
Disposals	**0.97**	**1.89**	**8.68**	**13.90**	**0.74**	**-**	**4.42**	**-**	**-**	30.59	**-**
Exchange difference	**(0.45)**	**0.12**	**(5.20)**	**8.02**	**0.74**	**(14.76)**	**3.55**	**-**	**-**	(7.98)	**-**
As at 31 March 2021	**320.53**	**36.71**	**76.25**	**151.74**	**12.22**	**656.92**	**298.58**	**-**	**0.21**	**1,553.16**	**-**
Net Carrying Value											
As at 31 March 2019	**438.16**	**13.13**	**30.43**	**29.09**	**2.02**	**271.01**	**154.50**	**30.04**	**2.86**	**971.24**	**-**
As at 31 March 2020	**374.91**	**6.47**	**13.24**	**9.70**	**1.53**	**236.39**	**121.96**	**30.04**	**0.66**	**794.90**	**20.69**
As at 31 March 2021	**450.44**	**1.07**	**8.68**	**9.96**	**6.06**	**581.27**	**103.36**	**30.04**	**0.58**	**1,191.46**	**32.75**

Note : Certain property, plant and equipment are hypothecated as collateral against borrowings, the details of which have been described in note 12.

(All amount in INR Millions unless otherwise stated)

4 Intangible assets

	Computer softwares and licenses	Internally generated software	Total	Intangible assets under development
Gross Carrying Value				
As at 31 March 2018	**278.10**	**946.42**	**1,224.52**	**72.73**
Additions	61.24	37.82	99.06	1.39
Disposals	10.23	886.79	897.02	74.12
Exchange difference	49.19	17.76	66.95	-
As at 31 March 2019	**378.30**	**115.21**	**493.51**	**-**
Additions	-	-	-	-
Disposals	0.17	-	0.17	-
Exchange difference	67.10	-	67.10	-
As at 31 March 2020	**445.23**	**115.21**	**560.44**	**-**
Additions	13.46	12.97	26.43	-
Disposals	-	-	-	-
Exchange difference	(24.93)	1.50	(23.43)	-
As at 31 March 2021	**433.76**	**129.68**	**563.44**	**-**
Accumulated Amortisation				
As at 31 March 2018	**214.40**	**230.71**	**445.11**	**-**
Charge for the year	52.46	93.68	146.14	-
Disposals	1.85	271.24	273.09	-
Exchange difference	39.45	8.85	48.30	
As at 31 March 2019	**304.46**	**62.00**	**366.46**	**-**
Charge for the year	40.39	29.65	70.04	-
Disposals	-	-	-	-
Exchange difference	66.40	-	66.40	-
As at 31 March 2020	**411.25**	**91.65**	**502.90**	**-**
Charge for the year	32.17	21.69	53.86	-
Disposals	-	-	-	-
Exchange difference	(26.14)	3.22	(22.92)	-
As at 31 March 2021	**417.28**	**116.56**	**533.84**	**-**
Net Carrying value				
As at 31 March 2019	**73.84**	**53.21**	**127.05**	**-**
As at 31 March 2020	**33.97**	**23.56**	**57.54**	**-**
As at 31 March 2021	**16.48**	**13.12**	**29.60**	**-**

5 Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Total
Gross Carrying Value				
As at 31 March 2019	**-**	**-**	**-**	**-**
Additions	72.45	159.15	11.55	243.15
Disposals	-	-	-	-
As at 31 March 2020	**72.45**	**159.15**	**11.55**	**243.15**
Additions	-	-	-	-
Disposals	9.64	-	8.86	18.50
As at 31 March 2021	**62.81**	**159.15**	**2.69**	**224.65**
Accumulated Amortisation				
As at 31 March 2019	-	-	-	-
Charge for the year	11.47	21.82	1.68	34.97
Disposals	-	-	-	-
As at 31 March 2020	**11.47**	**21.82**	**1.68**	**34.97**
Charge for the year	11.47	21.82	1.69	34.98
Disposals	4.36	-	2.57	6.93
As at 31 March 2021	**18.58**	**43.64**	**0.79**	**63.01**
Net Carrying value				
As at 31 March 2019	-	-	-	-
As at 31 March 2020	**60.98**	**137.33**	**9.87**	**208.18**
As at 31 March 2021	**44.22**	**115.51**	**1.90**	**161.64**

(All amount in INR Millions unless otherwise stated)

6 Financial assets

6 (a) Non-current investments (Unquoted)

	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investments in equity instruments of other entities (at fair value through other comprehensive income)						
Equity Share of .001 SGD each fully paid up of Abhriya Pte. Ltd.*	63,860	-	63,860	-	63,860	-
500 (31 March 2020: 500,31 March 2019 :500) Equity Share of 10,000 CNY each fully paid up of Shenzen Inone Technology Co, Limited.(Formerly known as Xolo Technology (Shenzen) Limited)	500	58.25	500	60.17	500	54.82
20,000 (31 March 2020: 20,000, 31 March 2019: 20,000) Equity shares of Rs.10 each fully paid up of Sri Venketeswara Mobile & Electronics Manufacturing Hub Private Limited	20,000	0.20	20,000	0.20	20,000	0.20
		58.45		**60.37**		**55.02**
Aggregate amount of unquoted investment		58.45		60.37		55.02

*As at 31st March, 2021, the Group has fair valued the investment at Nil (31 March 2020: Nil,31 March 2019 :Nil) amount as there is no future economic benefit expected from the investment.

6 (b) Current investments

	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment in Mutual funds (Quoted)(at fair value through profit or loss)						
Reliance Credit Risk Fund - Growth	-	-	-	-	2,101,183	54.16
Union Arbitrage Fund Regulr Plan - Growth	-	-	-	-	149,990	1.51
Union Capital Protection Oriented Fund - Series 8	-	-	2,000,000	20.69	2,000,000	21.61
LIC MF - Ultra Short Term Funds - Regular Plan Growth	9,471	10.00	-	-	-	-
Union KBC Capital Protection Oriented Fund - Series 7	-	-	-	-	1,500,000	17.22
		10.00		**20.69**		**94.50**
Aggregate book value of quoted investment		**10.00**		**20.69**		**94.50**
Aggregate market value of quoted investment		**10.00**		**20.69**		**94.50**

(All amount in INR Millions unless otherwise stated)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (a)	**Trade receivables**			
	Unsecured			
	- Considered good	12,352.54	13,148.12	10,141.45
	- Receivables from related parties, considered good (refer note 29)	0.44	-	1.99
	- Considered Doubtful	49.04	54.06	18.20
		12,402.02	**13,202.18**	**10,161.64**
	Less :			
	- Provision for Doubtful Debts	(49.04)	(54.06)	(18.20)
	- Provision for expected credit loss (ECL) *	(728.80)	-	-
		11,624.18	**13,148.12**	**10,143.44**

For terms and conditions relating to trade receivables, (refer note 26)

* To comply with the requirement of Ind AS 109 - Financial Instruments, the Group has created total ECL of Rs. 728.80 million, out of which Rs. 474.80 million pertains to earlier financial years. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of IND AS 8-Accounting Polcies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings. ECL of Rs. 254.00 million pertains to the FY 2020-21 and has been recognised as expense for the year.

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (b)	**Cash and cash equivalents**			
	Balances with banks:			
	On current accounts	158.53	96.25	698.84
	Deposits with original maturity of less than three months #(Refer note 7(f))	77.27	81.27	97.47
	Cash on hand	2.95	8.86	5.93
		238.75	**186.38**	**802.24**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (c)	**Other bank balances**			
	Deposits with remaining maturity for more than three months but less than twelve months# (Refer note 7(f))	1,612.66	1,301.75	1,774.85
		1,612.66	**1,301.75**	**1,774.85**

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (d)	**Loans (Non-Current)**			
	Security deposits			
	- Considered good	30.32	26.15	37.05
	- Considered doubtful	4.92		
		35.24	26.15	37.05
	Less: Provision for doubtful deposits	(4.92)	-	-
		30.32	**26.15**	**37.05**

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (e)	**Loans (Current)**			
	Security deposits	9.59	11.99	22.97
		9.59	**11.99**	**22.97**

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 (f)	**Other financial asset (Non-Current)**			
	Unsecured, considered good unless stated otherwise			
	Other receivable (refer note 29)	19.33	19.33	19.33
	Bank deposits with remaining maturity of more than twelve months #	1.06	0.86	104.42
	Interest accrued on bank deposits	0.43	0.31	4.36
		20.82	**20.50**	**128.11**
	# Includes margin money deposits under lien (refer note 7 (b) ,note 7 (c) and ,note 7 (f)):-			
	- against letter of credit facility	915.46	648.31	1,144.52
	- against amount paid under protest (excluding interest accrued) (refer note 30(B)(b)(i))	300.00	300.00	300.00

(All amount in INR Millions unless otherwise stated)

7 (g) Other financial assets (Current)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless stated otherwise			
Interest accrued on bank deposits	123.72	149.27	129.24
Derivative asset	-	5.78	-
- Considered good	339.96	1,149.69	1,480.76
Total	**463.68**	**1,304.74**	**1,610.00**

8 Inventories
(Valued at lower of cost or net realisable value)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Raw materials and components (refer Note 1 & 2 Below)	1,429.14	649.23	909.88
Finished goods (Refer Note 2 Below)	922.46	242.14	1,586.20
Purchase of Goods (Refer Note 2 Below)	1,277.32	534.52	876.35
Spares (Refer Note 2 Below)	809.71	938.87	866.58
Total	**4,438.63**	**2,364.76**	**4,239.01**
Note 1 - including stock in transit			
- Raw materials and components	230.09	99.58	292.60
- Finished goods	-	-	90.10
Note 2 - The above inventory is net of :-			
a) Write down of inventory from cost to net realisable value			
Finished goods	11.22	3.62	86.46
Traded goods	5.29	4.79	8.91
Spares	58.13	108.93	-
b) Write down for inventory obsolescence			
Finished goods	5.41	3.09	1.54
Traded goods	4.53	4.69	48.92
Spares	102.40	108.97	207.80
Raw materials, components & Semi Finished Goods	5.38	-	

9 (a) Other assets (Non-Current)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good, unless otherwise stated			
Capital advances	50.92	57.42	61.07
Prepaid expenses	0.23	0.58	16.15
	51.15	**58.00**	**77.22**

9 (b) Other assets (Current)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good, unless otherwise stated				
Prepaid expenses	**(A)**	41.44	17.36	49.41
Balance with statutory/ government authorities	**(B)**	799.53	1,328.59	1,623.52
Advances to vendors				
- Considered good		2,505.58	2,694.56	1,819.61
- Advances to related parties, considered good (refer note 29)		-	0.04	-
- Considered doubtful		56.18	65.48	70.03
		2,561.76	2,760.08	1,889.64
Less: Provision for doubtful advances		(56.18)	(65.48)	(70.03)
	(C)	**2,505.58**	**2,694.60**	**1,819.61**
Others	**(D)**	762.14	152.80	100.15
Total (A + B + C + D)		**4,108.69**	**4,193.35**	**3,592.69**

10 Advance tax assets (net)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance tax asset	1.95	0.97	63.21
	1.95	**0.97**	**63.21**

(All amount in INR Millions unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
11 Equity Share capital & Instruments Entirely Equity in Nature			
Authorised share capital			
147,900,000 (31 March 2020 : 147,900,000,31 March 2019- : 147,900,000) equity shares of Rs 10 each	1,479.00	1,479.00	1,479.00
100,000 (31 March 2020 : 100,000,31 March 2019- : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10/- each	1.00	1.00	1.00
500,000 (31 March 2020 :500,000,31 March 2019 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	50.00	50.00	50.00
	1,530.00	**1,530.00**	**1,530.00**
Issued, subscribed and fully paid-up share capital			
124,866,902 (31 March 2020 : 124,866,902,31 March 2019: 124,866,902) equity shares of Rs.10 each	1,248.67	1,248.67	1,248.67
100,000 (31 March 2020 : Nil,31 March 2019: Nil) Compulsory Convertible Preference Shares (CCPS) * of Rs 10/- each	1.00	-	-
500,000 (31 March 2020 :500,000,31 March 2019 :500,000) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	50.00	50.00	50.00
Total issued, subscribed and fully paid-up share capital	**1,299.67**	**1,298.67**	**1,298.67**

(a) Reconciliation of the shares outstanding at the beginning and at the end of financial year

Equity shares

	Amount			No of Shares		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	1,248.67	1,248.67	1,248.67	124,866,902	124,866,902	124,866,902
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**1,248.67**	**1,248.67**	**1,248.67**	**124,866,902.00**	**124,866,902**	**124,866,902**

During the year ended 31 March 2018, the Group issued 93,650,175 bonus shares to the existing share holders in proportion to their shareholding, in the ratio of 3 equity shares for every equity share held, accordingly the weighted average number of equity shares outstanding for previous years have been adjusted for the purpose of calculating earning per share.

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each. As a result of the above transaction, the authorised number of equity shares have been increased to 78,20,00,000 equity shares of the company having a face value of Rs. 5 each from 39,10,00,000 Equity Shares of the Company having a face value of Rs. 10 each.

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08th September 2021.

Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	Amount			No of Shares		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	50	50	50	500,000	500,000	500,000
Transfer during the year	1	-	-	-	-	
Outstanding at the end of the year	**51**	**50**	**50**	**500,000**	**500,000**	**500,000**

(b) Terms/ rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive residual assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

i. Terms/ rights attached to Compulsory Convertible Preference Shares (CCPS)
During the year ended 31 March 2018, the Group has issued 500,000 Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each. The preference shares shall collectively be entitled to dividend of 0.0001% of the aggregate face value of the preference shares.

As per the terms of Subscription and Shareholders Agreement, the preference shares may be converted, at any time at the discretion of the CCPS holder, into fixed number of equity shares (calculated at 3.48% of the share capital at funding date i.e. 8.32 number of equity shares per CCPS). If any of the preference shares have not been converted into equity shares within 19 years and 11 months, such remaining preference shares shall be automatically and compulsorily converted into such number of equity shares upon the expiry of such period.

ii. During financial year 2017-18, the Group has issued 100,000 Compulsory Convertible Preference Shares (CCPS) of Rs. 10 each for a consideration of Rs 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Group.
The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

The number of shares to be allotted upon conversion of CCPS shall be based upon the conversion price arrived at on the conversion date, as per below condition defined in the agreement. In the event Group is not able to get listed on a recognised stock exchange within four years, the Group or Promoters shall buy-back or purchase all of the shares and CCPS held by CCPS holder at a price not less than the Sale Price. Sale Price shall be the Subscription Price and a return of 9% per annum compounded annually from Closing date till the date of purchase of all subscription shares or CCPS.In view of the same, the Group has accrued interest @ 9% every year. In response of the excercise the option available after 4 years, Group has to issue 13,42,208 equity shares against 1,00,000 CCPS.

* In the current year, based on the terms of Investment agreement, and confirmation of the number of shares to be issued, and price thereof, CCPS which was earlier classified under 'Long Term Borrowing' now meets the criterion of Equity and accordingly the amount has been reclassified as 'Instruments entirely equity in nature' and 'Security premium'

(c) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:
Shares were allotted as fully paid Bonus Shares in the last five years by capitalisation of Securities premium and Capital Redemption Reserve

	As at March 31, 2021	As at March 31, 2020	31 March 201
Accumulated Equity shares allotted as fully paid bonus shares as on	122,785,785	122,785,785	122,785,785

(All amount in INR Millions unless otherwise stated)

(d) Details of shareholders holding more than 5% shares in the Group:*

Equity Shares of Rs. 10 each fully paid	No of Shares			Percentage shareholding		
	31 March 2021	31 March 2020	31 March 2019	31 March 2021	31 March 2020	31 March 2019
Hari Om Rai	45,083,890	45,083,890	45,083,976	36.11%	36.11%	36.11%
Sunil Bhalla	28,390,372	28,390,372	28,390,372	22.74%	22.74%	22.74%
Vishal Sehgal	22,104,352	22,104,352	22,104,352	17.70%	17.70%	17.70%
Shailendra Nath Rai	11,746,028	11,746,028	11,746,028	9.41%	9.41%	9.41%
Shibani Sehgal	7,260,720	7,260,720	7,260,720	5.81%	5.81%	5.81%

*As per records of the Group, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(e) the Group has not issued any shares pursuant to contract without payment being received in cash or bought back any shares during the period immediately preceding five years from the reporting date.

(f) Shares reserved for issue under options :
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Group , please refer note 31.

12 Financial liabilities

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12 (a) Long term borrowings			
Indian rupee term loan from banks (secured) (refer note I)	-	33.58	152.89
Nil (31 March 2020 :100,000,31 March 2019- :100,000)Compulsory Convertible Preference Shares (CCPS) of Rs 10/- each (refer note II)	-	520.00	520.00
	-	**553.58**	**672.89**
Current maturities of long term borrowings (refer note 12 (e), Note 12(a)(Note I))	**65.88**	**119.70**	**117.86**

Note I:
(i) Indian rupee term loan from ICICI bank of Nil amount(31 March 2020: Rs. 34.88 million ; 31 March 2019: Rs. 69.76 million) which carried interest @ 11.15% p.a. (31 March 2020:11.80% p.a. ; 31 March 2019:10.20% p.a.)and repayable in thirty equal quarterly instalments with first payment commencing from the 7th month of date of disbursement. The loan was repaid by 15 April 2020. The loan was secured on first pari-passu charge basis by way of hypothecation of movable fixed assets (present and future) and further secured on second pari-passu charge basis by way of hypothecation of overall current assets (both present and future) of the Group. Further, the loan had been personally guaranteed by certain directors of the Group.

(ii) Indian rupee term loan from HDFC bank amounting to Rs. 57.12 million (31 March 2020: 119.42 million ; 31 March 2019: 205.22 million)which carries interest @ 8.80%-10.60% p.a (31 March 2020:11.15% p.a. ; 31 March 2019:11.35% p.a.) and repayable in equal monthly instalments starting after 6 months from month of first disbursement. The loan is to be repaid by 6 November 2021. The loan is secured on first pari-passu charge basis by way of hypothecation of machinery and equipment purchased from the term loan and further secured on second pari-passu charge basis by way of hypothecation of overall current assets (current and future) of the Group. Further, the loan has been personally guaranteed by certain directors of the Group.

(iii) Indian rupee term loan has been obtained during the period from Punjab national bank (erstwhile United Bank Of India) amounting to Rs. 11.20 million . The amount outstanding against the said loan is Rs. 8.76 million (31 March 2020: Nil ; 31 March 2019: Nil) which carries interest @ 8.25% p.a (31 March 2020:Nil ; 31 March 2019: Nil) and repayable in 18 equal monthly instalments after a moratorium period of 6 months from date of disbursement of loan. The loan is scheduled to be repaid by 31 March 2022. The loan is secured on first pari-passu charge basis by way of hypothecation overall current assets (current and future) of the Group. Further, the loan has been personally guaranteed by certain directors of the Group and their relatives.

Note II:

During the year ended 31 March 2018, the Holding Group has issued 100,000 Compulsory Convertible Preference Shares (CCPS) of Rs. 10 each for a consideration of Rs 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Holding Group.

The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

The number of shares to be allotted upon conversion of CCPS shall be based upon the conversion price arrived at on the conversion date, as per below condition defined in the agreement. In the event Group is not able to get listed on a recognised stock exchange within four years, the Group or Promoters shall buy-back or purchase all of the shares and CCPS held by CCPS holder at a price not less than the Sale Price. Sale Price shall be the Subscription Price and a return of 9% per annum compounded annually from Closing date till the date of purchase of all subscription shares or CCPS.In view of the same, the Group has accrued interest @ 9% every year.
In the Financial Year 2020-21, based on the terms of Investment agreement, and confirmation of the number of shares to be issued, and price thereof, CCPS which was earlier classified under 'Long Term Borrowing' now meets the criterion of Equity and accordingly the amount has been reclassified as 'Instruments entirely equity in nature' and 'Security premium'

12 (b) Short-term borrowings	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Short term loan (Unsecured)	240.00	-	-
Cash credit from banks (secured)*	725.32	1,094.42	797.86
	965.32	**1,094.42**	**797.86**

*Secured by way of hypothecation on first pari- passu charge basis, on overall current assets of the Group (current and future) and collateral securities/personal guarantees of promoter directors and relative of promoter directors. The said loan is further secured:
(1) by way of a first charge of hypothecation on pari-passu basis, of existing and future movable fixed assets of the Group excluding software and machineries/ assets created by way of term loans from other banks and financial institutions.
(2) by way of a second charge of hypothecation on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions.
The cash credit is repayable on demand and carries interest @ 10.75% per annum to 12.10% per annum (31 March 2020 : 10.40% p.a. to 12.90% p.a. ; 31 March 2019: 10.40% p.a. to 12.90% p.a).

12 (c) Trade payables	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade payables (refer note 32 for details of dues to micro and small enterprises)	5,081.81	4,965.37	7,261.82
Payable to related parties (refer note 29)	-	0.15	0.27
	5,081.81	**4,965.52**	**7,262.09**

12 (d) Other financial liabilities (Non-current)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Interest accrued on borrowings	-	120.40	73.47
Lease Liability (refer note , 37)	162.60	199.96	-
	162.60	**320.36**	**73.47**

(All amount in INR Millions unless otherwise stated)

12 (e) Other financial liabilities (current)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings (refer note 12 (a))	65.88	119.70	117.86
Payable for capital purchases	47.26	0.83	150.11
Security deposits	922.00	282.52	132.74
Interest accrued on borrowings	0.95	6.99	1.83
Employee payables	43.81	103.03	281.77
Derivative Liability	-	-	7.57
Lease Liability (refer note , 37)	23.75	24.11	-
	1,103.65	**537.18**	**691.88**

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12 (f) Provisions (Non-Current)			
Provision for employee benefits			
Provision for gratuity (refer note 27)	48.53	42.96	43.96
Other provisions			
Provision for warranties*	-	-	21.05
Provision for decommissioning liabilities#	3.02	3.02	4.30
	51.55	**45.98**	**69.31**

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12 (g) Provisions (Current)			
Provision for employee benefits			
Provision for gratuity (refer note 27)	17.52	13.33	10.49
Provision for compensated absences	27.53	34.65	41.55
	45.05	**47.98**	**52.04**
Other provisions			
Provision for warranties *	203.30	186.12	297.58
	203.30	**186.12**	**297.58**
	248.35	**234.10**	**349.62**

* The Group provides warranty on it's products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be in next 12 months.

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	186.12	318.63	350.94
Arising during the year	1,143.71	854.51	533.90
Less :Utilized /reversed during the year	(1,126.53)	(987.02)	(566.21)
At the end of the year	**203.30**	**186.12**	**318.63**

Under few operating lease agreements entered by the Group, it has to incur restoration cost for restoring lease premises to the original condition at the time of expiry of lease period. The timing of the outflows is expected to be in next 3 years. The impact of discounting is not considered material and hence ignored.

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	3.02	4.30	4.30
Arising during the year	-	(1.28)	-
At the end of the year	**3.02**	**3.02**	**4.30**

	As at	As at	As at
13 (a) Other non-current liabilities			
Lease equalisation reserve	-	-	4.68
	-	**-**	**4.68**

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
13 (b) Other current liabilities			
Advance from customers	386.20	1,462.77	952.12
Value added tax/Central sales tax payable	74.23	67.63	31.57
Lease equalisation reserve	-	-	1.06
Tax deductible at source	18.54	11.81	17.80
Other statutory liabilities	30.54	16.74	25.40
	509.51	**1,558.95**	**1,027.95**

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
14 Current Tax Liabilities (net)			
Provision for income tax*	361.14	367.19	184.52
	361.14	**367.19**	**184.52**

*Net of advance tax/TDS receivable amounting to Rs 2,920.77 million (31 March 2020: Rs 2,743.03 million, 31 March 2019 :Rs 2,686.27 Million)

(All amount in INR Millions unless otherwise stated)

			For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
15	**Revenue from operations**				
	Sale of products		54,883.67	51,265.36	49,330.28
	Sale of services		231.02	1,319.36	1,701.47
	Other operating revenues				
	- Scrap sale		4.78	5.70	11.25
	- Export incentives		9.27	52.87	40.52
	Revenue from operations (net)		**55,128.74**	**52,643.29**	**51,083.52**

			For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
16	**Other income**				
	Interest income on financial asset at amortised cost		1.35	6.44	3.42
	Interest income on fixed deposits with banks		74.15	116.22	157.14
	Interest income on others		0.15	0.18	0.16
	Net gain on sale of mutual fund investments		3.09	-	12.02
	Fair value gain on derivative financial instruments at fair value through profit or loss		-	13.35	-
	Dividend income on current investments		-	-	5.00
	Gain/ (Loss) on Investment at fair value through profit or loss		2.00	-	3.35
	Foreign exchange differences (net)		-	31.89	-
	Profit on sale of property, plant and equipment		0.99	-	0.38
	Miscellaneous income		26.31	13.11	22.49
			108.04	**181.19**	**203.96**

			For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
17	**Cost of raw material and components consumed**				
	Inventory materials at the beginning of the year		649.23	909.88	1,774.94
	Purchase during the year		12,346.66	11,045.84	32,660.64
	Less: Inventory materials at the end of the year		(1,429.14)	(649.23)	(909.88)
	Cost of Purchase Goods		36,387.13	32,049.32	8,631.25
	Cost of raw material and components consumed*	**A**	**47,953.88**	**43,355.81**	**42,156.95**
	*(net of CVD accrued including recoverable charges for delayed payment) (refer note 34)				
	Inventories at the end of the year				
	Traded goods		1,277.32	534.52	876.35
	Spares for handsets		809.71	938.87	866.58
	Finished goods		922.46	242.14	1,586.20
			3,009.48	**1,715.53**	**3,329.13**
	Inventories at the beginning of the year				
	Traded goods		534.52	876.35	987.83
	Spares for handsets		938.87	866.58	1,090.25
	Finished goods		242.14	1,586.20	2,623.61
	Work-in-progress		-	-	834.81
	(Increase) / decrease in inventories		**(1,293.96)**	**1,613.61**	**2,207.36**
	Less: Elimination of inventory		-		(1,551.76)
	(Increase) / decrease in inventories	**B**	**(1,293.96)**	**1,613.61**	**655.61**
		C = A + B	**46,659.92**	**44,969.41**	**42,812.55**

			For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
18	**Employee benefit expenses**				
	Salary, wages and bonus		1,557.08	1,762.22	2,868.52
	Contribution to provident and other funds		48.80	60.86	159.62
	Gratuity expense (refer note 27)		15.23	14.35	15.88
	Share based payment expense (refer note 31)		85.54	-	4.32
	Staff welfare, recruitment and training		195.57	153.25	181.62
			1,902.22	**1,990.68**	**3,229.96**

(All amount in INR Millions unless otherwise stated)

		For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
19	**Other expenses**			
	Power and fuel	42.85	47.54	57.49
	Rent	59.17	134.54	262.84
	Rates and taxes	4.70	14.46	10.33
	Insurance	11.31	12.45	21.40
	Repair and maintenance - others	68.71	84.98	165.46
	Advertisement and marketing expenses	1,675.10	1,469.56	794.10
	Sales promotion, Scheme expenses and expected credit loss Provision (refer Note 7(a) for ECL)	496.09	641.86	420.44
	Freight and cartage	281.66	198.51	379.57
	Outsourced salary cost	39.22	26.37	61.03
	Travelling and conveyance	34.32	119.07	255.81
	Communication costs	7.62	12.17	32.78
	Warranty expenses	1,143.71	854.51	533.90
	Legal and professional fees	157.04	168.84	221.21
	Payment to auditor (refer details below)	3.95	4.80	4.80
	Foreign exchange differences (net)	69.89	-	145.33
	Donation	-	-	0.65
	Corporate social responsibility expense (refer note 33)	35.65	4.00	-
	Advances written off	8.66	40.33	0.79
	Capital work-in-progress/Intangible assets underdevelopment written off	-	-	8.55
	Loss on sale of property, plant and equipment	-	3.27	-
	Fair value loss on derivative financial instrument at fair value through	10.93	-	7.57
	Loss on investment at fair value through profit or loss	-	0.92	-
	Net loss on sale of mutual fund investments	-	0.17	-
	Miscellaneous expenses	11.91	33.48	28.93
		4,162.49	**3,871.83**	**3,412.98**

	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Payment to auditor *			
As auditor:			
Audit fee	3.60	4.50	4.50
Tax audit fee	0.35	0.30	0.30
	3.95	**4.80**	**4.80**

(*Audit Fee for the year ended 31 March 2019 and 31 March 2020 relates to Previous Auditor and for the year ended 31 March 2021 relates to current Auditors)

		For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
20	**Depreciation and amortisation expense**			
	Depreciation expense			
	- on Property, Plant & Equipments	301.54	225.50	268.81
	- on ROU Asset	34.97	34.97	-
	Amortisation expense on Intangible Assets	53.86	70.04	146.14
		390.37	**330.51**	**414.95**

		For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
21	**Finance costs**			
	Interest on			
	-Term loan	14.05	27.85	89.41
	-Cash credit	106.97	104.72	109.01
	-on Lease Liability (Refer note 37)	24.98	27.11	-
	-Security deposits	7.36	3.90	6.09
	-Instruments entirely liability in nature	-	46.93	46.80
	-Others	47.10	12.35	22.66
	Bank charges	85.30	167.08	327.47
		285.76	**389.94**	**601.44**

(All amount in INR Millions unless otherwise stated)

22 Income tax

(a) The major components of income tax expense for the years ended as follows are:

	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Current income tax:			
Current income tax charge	332.67	201.60	197.86
Adjustments in respect of income tax of previous year	(30.80)	22.99	(3.75)
Deferred tax :			
Relating to origination and reversal of temporary differences	(193.66)	(35.73)	(113.81)
Total tax expense on profit of the year (a)	**108.21**	**188.86**	**80.30**
Other comprehensive income			
Deferred tax related to items recognised in other comprehensive income during in the year:			
- Re-measurement losses of defined benefit plan	(0.41)	(0.21)	6.53
Total tax expense on other comprehensive income of the year (b)	**(0.41)**	**(0.21)**	**6.53**
Total tax expense on total comprehensive income of the year (a) + (b)	**107.79**	**188.65**	**86.83**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Profit before tax	1,834.29	1,266.47	812.10
Applicable tax rate	25.17%	34.94%	34.94%
Expected tax expense (A)	**461.69**	**442.55**	**283.78**
Expenses not considered in determining taxable profit	33.10	(0.24)	10.39
Income not considered in determining taxable profit	(3.93)	(10.87)	(16.52)
Income exempt from tax	(345.23)	(303.02)	(664.40)
Impact of change in tax rates	(0.08)	(26.43)	-
Impact of deduction u/s 80JJAA	-	(11.44)	(22.02)
Tax pertaining to earlier years	(30.80)	22.99	(3.75)
Tax losses for which no deferred tax asset was recognized	8.75	54.31	529.06
Others	(15.18)	21.00	(36.26)
Total adjustments (B)	**(353.36)**	**(253.70)**	**(203.48)**
Actual tax expense { C= A+B}	108.32	188.85	80.30
Tax expense recognised in statement of profit and loss	**108.21**	**188.86**	**80.30**

(c) Deferred tax

Deferred tax relates to the following:

	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Deferred tax assets on account of:			
Property, plant and equipment	(82.03)	(98.70)	(72.81)
Employee benefits and other payable	(23.56)	(31.77)	(48.68)
Provision for expected credit loss & doubtful Advances *	(209.92)	(41.77)	(30.83)
Provision for obsolescence inventories	(14.00)	-	(19.44)
Fair valuation of investment	0.36	(0.32)	-
Unrealised profit on unsold inventory	-	(3.80)	(2.49)
Others	-	(0.73)	(3.45)
Deferred tax related to other comprehensive income of the year:			
Re-measurement losses of defined benefit plan	3.77	4.19	4.40
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)	(2.31)
Deferred tax liability on account of:			
Tax on custom duty (43B) to be paid in future years	98.58	259.70	291.17
Fair valuation of investment	-	-	1.17
Others	-	-	0.52
DDT on undistributed profits of associate	-	-	3.18
Net deferred tax liability including other comprehensive income of the year	**(229.11)**	**84.49**	**120.43**

* To comply with the requirement of Ind AS 109 - Financial Instruments, the Group has created total ECL of Rs. 728.80 million, out of which Rs. 474.80 million pertains to earlier financial years. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of IND AS 8-Accounting Polcies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings. ECL of Rs. 254.00 million pertains to the FY 2020-21 and has been recognised as expense for the year.

(All amount in INR Millions unless otherwise stated)

Movement in deferred tax assets for the Year Ended 31st march 2021

	As at 31 March 2020	Recognised in other comprehensive income	Recognised in profit and loss	Recognized in retained earnings	As at 31 March 2021
Property, plant and equipment	(98.70)	-	16.67	-	(82.03)
Employee benefits and other payable	(31.77)	-	8.22	-	(23.56)
Provision for expected credit loss & doubtful Advances *	(41.77)	-	(48.64)	(119.51)	(209.92)
Provision for obsolescence inventories	-	-	(14.00)	-	(14.00)
Fair valuation of investment	(0.32)	-	0.68	-	0.36
Unrealised profit on unsold inventory	(3.80)	-	3.80	-	-
Others	(0.73)	-	0.73	-	-
Deferred tax related to other comprehensive income of the year:				-	
Re-measurement losses of defined benefit plan	4.19	(0.40)	-	-	3.77
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
				-	
Deferred tax liability on account of:				-	
Tax on custom duty (43b) to be paid in future years	259.70	-	(161.12)	-	98.58
Fair valuation of investment	-	-	-	-	-
Others	-	-	-	-	-
Total	**84.48**	**(0.40)**	**(193.66)**	**(119.51)**	**(229.11)**

Movement in deferred tax assets for the year ended 31 March 2020

	As at 31 March 2019	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2020
Property, plant and equipment	(72.81)	-	(25.89)	(98.70)
Employee benefits and other payable	(48.68)	-	16.91	(31.77)
Provision for expected credit loss & doubtful Advances *	(30.83)	-	(10.94)	(41.77)
Provision for obsolescence inventories	(19.44)	-	19.44	-
Fair valuation of investment	-	-	(0.32)	(0.32)
Unrealised profit on unsold inventory	(2.49)		(1.31)	(3.80)
Others	(3.45)	-	2.72	(3.52)
Deferred tax related to other comprehensive income of the year:				
Re-measurement losses of defined benefit plan	4.40	(0.21)	-	4.19
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	(2.31)
Deferred tax liability on account of:				
Tax on custom duty (43b) to be paid in future years	291.17		(31.47)	259.70
DDT on undistributed profit of associate	3.18		(3.18)	-
Property, plant and equipment	1.17		(1.17)	-
Others	0.52		(0.52)	
Total	**120.44**	**(0.21)**	**(35.73)**	**81.70**

Movement in deferred tax assets for the year ended 31 March 2019

	As at 31 March 2018	Recognised in Retained Earnings	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2019
Property, plant and equipment	(61.33)	-	-	(11.48)	(72.81)
Employee benefits and other payable	(76.23)	-	-	27.55	(48.68)
Provision for expected credit loss & doubtful Advances *	(31.14)	-	-	0.31	(30.83)
Provision for obsolescence inventories	(19.44)	-	-	-	(19.44)
Fair valuation of investment	(0.95)	-	-	0.95	-
Tax on custom duty (43b) to be paid in future years	433.11	-	-	(141.94)	291.17
Unrealized profits on unsold company	(15.42)	-	-	12.93	(2.49)
Others	(0.32)	-	-	(3.13)	(3.45)
Deferred tax related to other comprehensive income of the year:					-
Re-measurement losses of defined benefit plan	(2.13)	-	6.53	-	4.40
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
DDT on profts of associate	3.61	-	-	(0.43)	3.18
Property, plant and equipment	0.26	-		0.91	1.17
Others				0.52	0.52
Total	**227.71**	**-**	**6.53**	**(113.81)**	**120.43**

23 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Nominal value (In INR) of equity shares(refer note*)	5	5	5
Profit attributable to equity shareholders for computing basic and dilutive EPS (A)	1,726.08	1,077.61	731.82
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)*	499,467,608	499,467,608	499,467,608
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year *	25,500,590	25,500,590	25,500,590
Dilutive effect of compulsory convertible preference shares on weighted average number of equity shares outstanding during the year *	22,758,976	22,758,976	22,758,976
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	547,727,174	547,727,174	547,727,174
Basic earning per share (A/B)	**3.46**	**2.16**	**1.47**
Diluted earning per share (A/C)	**3.15**	**1.97**	**1.34**

Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares and stock split subsequent to 31 March 2021 in accordance with Ind AS 33

* Refer note 42 (c) and (d)

1. Corporate information

Lava International Limited ('Company' or 'Holding Company') is engaged in trading and manufacturing of mobile phones, storage devices and other wireless telecommunication devices. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. The registered office of the Company is located in B-14, House-2, Basement Shivlok Commercial Complex, Karampura, Delhi West, Delhi-110015, Delhi and the principal place of business and corporate office at A-56, Sector-64 Noida-201301, Uttar Pradesh, India. The Company has an in-house research and development center and manufacturing facilities in Noida.

The financial statements were authorised for issue in accordance with a resolution of the directors on 21st September 2021.

2. Basis of preparation

The Restated Consolidated Financial Information of the Group and its joint venture comprises of the Restated Consolidated Statement of Assets and Liabilities, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 and the Summary of Significant Accounting Policies and explanatory notes and notes to restated consolidated financial information (collectively, the 'Restated Consolidated Financial Information'). These Restated Consolidated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of 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 ("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 (the "Guidance Note").

These Restated Consolidated Financial Information have been compiled by the Management from:
Audited consolidated financial statements of the Group and its joint venture as at and for the years ended 31 March 2021, 2020 and 2019 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 has been approved by the Board of Directors at their meeting held on 21st September 2021, 15 December, 2020 and 24 December 2019, respectively

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 financial statements for the year ended 31 March 2021. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above.
The Restated Consolidated Financial Information:
a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31March 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2021.
b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The Restated Consolidated Financial Information are presented in Indian Rupees

a. Statement of compliance

The restated financial statements of Lava International Limited (the 'Company' or "Holding Company"), the trust and its subsidiaries (collectively referred to as 'Group') and the Group's interest in joint ventures and associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

These financial statements are presented in Indian rupees, and all amounts have been rounded-off to the nearest millions up to two places of decimal, unless otherwise indicated.

b. Basis of measurement

The restated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The restated financial statements have been prepared on the historical cost basis except for the following items:

- Investments in equity instruments of other entities (at fair value through other comprehensive income)
- Investment in mutual funds (at fair value through profit or loss)
- Derivative financial instruments (at fair value through profit or loss)

c. Use of estimates and judgements

The preparation of restated financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods. Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the restated financial statements is included in the following notes:

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Carrying amount of property, plant and equipment and intangible assets are disclosed in Note 3 and Note 4 respectively.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses. Carrying amount of defined benefit obligations are disclosed in Note 29.

Provisions for warranties – A provision is estimated for expected warranty in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. Carrying amount of provision is disclosed in Note 12.

Significant judgments

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2.1 Summary of significant accounting policies

(a) Principles of consolidation

The restated financial statements comprise the financial statements of the Group and its interest in joint venture and associate as at 31 March 2021, 31 March 2020 and 31 March 2019 and 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. The nature of the Group's operations and principal activities are set out in Note 37.

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 restated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated 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 restated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the restated 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 the holding company, 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.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated financial statements at the acquisition date

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(b) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the restated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(c) Current Vs Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include current portion of non-current financial liabilities. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(d) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

ii. Subsequent expenditure

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Group recognises such parts as separate component of assets. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

iii. Depreciation

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as below:

Assets	Useful Lives
Office Equipment	3-5 Years
Furniture and fixtures*	3-5 Years
Demonstration Fixtures*	2-5 Years
Vehicles*	5 Years
Computer and Components*	3 Years
Plant and Machinery*	
Jigs	1 Year
Other Plant and Machinery	5-15 Years
Electrical Installations	10 Years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives for these assets are different from useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold Improvements are amortized over the lease term or 10 years whichever is less.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(e) Intangible assets

i. Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Amortisation

The useful lives of intangible assets is assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired.

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Internally generated software	3- 5Years

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(f) Leases

The Group adopted Ind AS 116 using the Modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Group has recognised a lease liability on initial application (i.e. April 1, 2019) at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset (Refer note 38).

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

(g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the restated statement of profit and loss.

(h) 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

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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 most applicable to the Group. 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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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 Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered 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 statement of profit and loss. This category is applicable to investments in mutual funds.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments

All equity investments 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

De-recognition

A financial asset is de-recognised only when

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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 expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL 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 reporting date.

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

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. For the financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised 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 recognised in the statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest

Offsetting financial instruments

Financial asset and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(i) Derivative financial instrument

The Group uses derivative financial instruments i.e., forward and futures currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss. The Group has not applied hedge accounting.

(j) Fair value Measurement

The Group measure its financial instruments such as derivative 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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents

(k) 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 and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Revenue recognition

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" notified by MCA vide its notification dated 28 March, 2018 which supersedes Ind AS 18 – "Revenue" and related Appendices.

Group account for revenue in accordance with Ind AS 115"Revenue from Contracts with customers" using the modified retrospective method.

The Group has recognize revenue in accordance with Ind AS 115 by applying the following 5 steps:
I Identify the contracts with the customers,
II Identify the separate performance obligations,
III Determine the transaction price of the contract,
IV Allocate the transaction price to each of the separate performance obligations, and
V Recognize the revenue as each performance obligation is satisfied.

Sale of Goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyer which generally coincides with delivery of goods, as per the contractual terms with customers. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and is inclusive of excise duty and net of returns and allowances, trade discount, volume rebates and value added taxes. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group accounts for volume discount for pricing incentives to customers as a reduction of revenue based on estimate of applicable discount/incentives.

Sale of Services

Revenue from sales of services is from installation of third party mobile applications in the handset and is recognized by reference to the stage of completion, net of GST. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend Income
Dividend Income is recognised when the Group's right to receive the amount has been established.

Incentive Income
Group has recognized incentive income in form of, Merchant export incentive income (MEIS), Duty drawback income based on export made, UPSDM income based on training given to apprentice.

Disaggregation of Revenue
See Note 30 (Segment Reporting) to Restated Financial Statements for our disaggregated revenues.

Contract Balances:

Trade Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract Assets
A contract asset is a right to consideration that is conditional upon factors other than the passage of time.

During financial year 2020-21, out of Rs. 20.27 million contract assets as on March 31, 2020, invoicing for 94.03% has been done and Rs.1.21 million is pending for invoicing.

Balance as at March 31, 2020	20.27 million
Deduction on account of Reclassified to receivable	(90.35) million
Recognized as revenue during the year	60.03 million
Balance as at March 31, 2021	10.04 million

Contract Liabilities
A Contract liabilities is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Balance as at March 31, 2020	589.80 million
Deduction on account of revenues recognized during the year	(378.72) million
Addition on account of transaction	135.98 million
Balance as at March 31, 2021	347.06 million

Changes in the contract asset and liability balances during current year, were a result of normal business activity and not materially impacted by any other factors.

(m) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the respective currency of the primary economic environment in which in which the entity in Group operates i.e. the "functional currency". These financial statements are presented in Indian rupees, which is also the functional currency of the parent Group. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., restated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at yearly average exchange rates. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

(n) Income taxes

Current income tax

Current income 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 India.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT) is included as part of current tax in statement of profit and loss.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as at reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

MAT is applicable to the Group. Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Accumulated leave is treated as short-term employee benefit as the Group has no unconditional right to defer the liability. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss.

(p) Provisions and Contingent Liabilities

Provisions

General

Provisions are recognised when the Group 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. 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.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Decommissioning liability

The Group records a provision for decommissioning costs of a leased facility. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year excluding the treasury shares.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Holding Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year, excluding treasury shares, plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(r) Segment reporting

Identification of segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers
The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Segment accounting policies
The Group prepares its segment information in conformity with the accounting policies adopted for

preparing and presenting the financial statements of the Group as a whole.

(s) 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).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Option Pricing Model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the 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 Group's 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.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(t) Borrowing costs

Borrowing costs to the extent directly attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective property, plant and equipment up to the date such asset is ready for use. Other borrowing costs are charged to the statement of profit and loss.

(u) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(w) Measurement of Earnings before Interest ,tax, depreciation and amortization (EBITDA)

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position /performance.

Accordingly, the Group has elected to present earnings before net finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs, and tax expense.

(x) Treasury Shares

The group has created a Lava Welfare Trust ('the trust') for providing share-based payment to its employees. The group uses the trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The trust buys Company's shares from the employees of the Company as per the employee remuneration schemes. The group treats the trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in general reserve. Share options exercised during the reporting period are settled with treasury shares.

(All amounts in Indian Rupees Million unless otherwise stated)

24 Fair value measurement

a) The carrying value and fair value of financial instruments by categories are as under:

	Notes	31 March 2021			31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets										
Non-current assets										
Financial assets										
Investments	6 (a)	-	58.45	-	-	60.37	-	-	55.02	-
Loans	7 (d)	-	-	30.32	-	-	26.15	-	-	37.05
Other financial asset	7 (f)	-	-	20.82	-	-	20.50	-	-	128.11
		-	**58.45**	**51.14**	**-**	**60.37**	**46.65**	**-**	**55.02**	**165.16**
Current assets										
Financial assets										
Investments	6 (b)	10.00	-	-	20.69	-	-	94.50	-	-
Trade receivables	7 (a), 40	-	-	11,624.18	-	-	13,148.12	-	-	10,143.44
Cash and cash equivalents	7 (b)	-	-	238.75	-	-	186.38	-	-	802.24
Other bank balances	7 (c)	-	-	1,612.66	-	-	1,301.75	-	-	1,774.85
Loans	7 (e)	-	-	9.59	-	-	11.99	-	-	22.97
Derivative asset	7 (g), 40	-	-	-	5.78	-	-	-	-	-
Others	9 (b), 40	-	-	463.68	-	-	1,298.96	-	-	1,610.00
		10.00	**-**	**13,948.86**	**26.47**	**-**	**15,947.20**	**94.50**	**-**	**14,353.50**
Liabilities										
Non-current liabilities										
Financial liabilities										
Borrowings	12 (a)	-	-	-	-	-	553.58	-	-	672.89
Other financial liabilities	12 (d)	-	-	162.60	-	-	320.36	-	-	73.47
		-	**-**	**162.60**	**-**	**-**	**873.94**	**-**	**-**	**746.36**
Current liabilities										
Financial liabilities										
Borrowings	12 (b)	-	-	-	-	-	-	-	-	797.86
Trade payables	, 32	-	-	965.32	-	-	1,094.42	-	-	7,262.10
Lease liability	-	-	-	5,081.81	-	-	4,965.52	-	-	-
Derivative liabilities	-	-	-	-	-	-	-	7.57	-	-
Other financial liabilities	12 (e)	-	-	1,103.65	-	-	537.18	-	-	684.31
		-	**-**	**7,150.78**	**-**	**-**	**6,597.12**	**7.57**	**-**	**8,744.27**

The fair values of trade receivables, cash and cash equivalents, other current financial asset, trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values on respective reporting date.
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(All amounts in Indian Rupees Million unless otherwise stated)

24 b) Fair value hierarchy and valuation techniques used to determine fair values:

To provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial instrument into three levels prescribed under the accounting standard. The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(i) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as :

	Fair value measurement using			
At 31 Mar 2021	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	10.00	-	-	**10.00**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	58.45	**58.45**
Assets measured at FVTPL				
Derivative Assets	-	-	-	**0.00**

	Fair value measurement using			
At 31 March 2020	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	20.69	-	-	**20.69**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	60.37	**60.37**
Assets measured at FVTPL				
Derivative asset	-	5.78	-	**5.78**

	Fair value measurement using			
At 31 March 2019	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	94.50	-	-	**94.50**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	55.02	**55.02**
Liabilities measured at FVTPL				
Derivative liability	-	7.57	-	**7.57**

* Investment in Abhriya Pte. Ltd. has been valued at zero value i.e. at fair value and it has been shown in other reserve amounting to Rs 7.69 million in Reserve and surplus.
- There were no transfers between the Level 1, Level 2 and Level 3 during the years presented.
- There is no change in the valuation technique during the period.

Valuation techniques used to derive Level 1 fair values
The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

Valuation techniques used to derive Level 2 fair values
Derivative asset/liability representing forward foreign exchange contracts have been fair valued using dealer/counter party quotes at balance sheet date.

Valuation techniques used to derive Level 3 fair values
Inputs for the assets or liabilities that are not based on observable market data. A one percent change in the unobservable inputs used in fair valuation of Level 3 assets doesn't have a significant impact in its value.

(All amounts in Indian Rupees Million unless otherwise stated)

25 Capital management

The Company’s objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Group's policy is generally to optimise borrowings at an operating Group level within an acceptable level of debt. The Companys policy is to borrow using a mixture of long-term and short-term debts together with cash generated to meet anticipated funding requirements.

The Company monitors capital using a gearing ratio, which is calculated as underlying net debt divided by total capital plus underlying net debt. The Company’s policy is to keep the gearing ratio below 40%. The Company measures its underlying net debt as total debt reduced by cash and cash equivalents. The Company monitors compliance with its debt covenants. The Company has complied with all debt covenants at all reporting dates.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 ,31 March 2020 & 31 March 2019 .

Particulars	**31 March 2021**	**31 March 2020**	**31 March 2019**
Borrowings	1,031.20	1,767.70	1,588.61
Less: Cash and cash equivalents	(238.75)	(186.38)	(802.24)
Net debt (a)	**792.45**	**1,581.32**	**786.37**
Equity	15,891.15	14,080.59	12,552.80
Total capital (b)	**15,891.15**	**14,080.59**	**12,552.80**
Capital and net debt (a) + (b) = (c)	**16,683.60**	**15,661.91**	**13,339.17**
Gearing ratio (%) (a) / (c)	4.75%	10.10%	5.90%

(All amounts in Indian Rupees Million unless otherwise stated)

26 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and overdrafts, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash, and short-term deposits, which arise directly from its operations. The Group also holds mutual fund investments and enters into derivative transactions.

The main risks arising from the Company's financial instruments are price risk, interest rate risk, liquidity risk, foreign currency risk, and credit risk.
The Board of Directors review and agree policies for managing each of these risks which are summarised below.

Price risk

The Group is mainly exposed to the price risk due to its investment in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group does not have significant investment in equity instruments.
Set out below is the impact of a 1 % movement in the NAV of mutual funds on the Company's profit before tax:

Particulars	31 March 2021	31 March 2020	31 March 2019
Effect on profit before tax:			
NAV increase by 100 bps	0.10	0.21	0.95
NAV decrease by 100 bps	(0.10)	(0.21)	(0.95)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed, floating rate borrowings.
The following table provides a breakdown of the Company's fixed and floating rate borrowings:

Particulars	31 March 2021	31 March 2020	31 March 2019
Fixed rate borrowings	-	520.00	520.00
Floating rate borrowings	1,031.20	1,247.70	1,068.61
Total	**1,031.20**	**1,767.70**	**1,588.61**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Company's profit before tax due to the impact on floating rate borrowings.

Particulars	31 March 2021	31 March 2020	31 March 2019
Effect on profit before tax:			
PLR*- decrease by 50 bps	5.15	6.23	5.33
PLR*- increase by 50 bps	(5.15)	(6.23)	(5.33)

*Prime Lending Rate ('PLRs') set by individual Indian banks in respect of their loans.

Credit risk

The Group is also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.

(i) Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. All customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. The Group is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. Trade receivables are non-interest bearing and are generally on original credit terms of 30 to 180 days depending upon category and nature of customers. Considering the request of certain distributors for becoming more competitive under the current market scenario and to enhance the overall market share, the management has decided to extend the credit terms on case-to-case basis to its distributors which shall be helpful to penetrate the potential opportunities of enhancing the overall market share. For this purpose, the management has done credit evaluation on the distributors based on their business relationships with the Group and the market credibility as well as established a mechanism of monitoring the availability and marketability of inventory levels lying with the retailer network.

Trade receivables (refer note 7(a)) include amounts (see below for aged analysis) of Rs.7852.15 million (31 March 2020: 5,774.08 million,31 March 2019 :383.91 million) with the extended credit period at the reporting date. To ensure the recovery in such cases, the Group keeps monitoring the stocks levels lying with the distributors and in the market with the retail network through its field sales forces. The Group territory managers are ensuring that the stocks available in the retail market are in marketable position and are also monitoring the movement of products, which helps the Group to keep the overall control that the recoveries are certain and not dependent only upon the financial strength of any distributor. In the post COVID scenario, the Group expects to benefit from the Atmanirbhar Bharat (self-reliant India) initiatives of the government of India, the increased thrust on manufacturing in India resulting in enhanced competitiveness of its products which in turn shall be helpful to the Group's distributors to reduce the inventory levels and achieve higher sales. Considering the above, the Group is confident of the recoveries of its dues with extended credit period and the management is of the view that these amounts are completely recoverable within the extended credit period. Based on their credit evaluation, management considers these trade receivables as high quality and accordingly, no life time expected credit losses are recognized on such receivables. The Group considers that trade receivables are not credit impaired as these are receivable from credit worthy counterparties.The Group considers that trade receivables are not credit impaired as these are receivable from credit worthy counterparties. To comply with the requirement of Ind AS 109 - Financial Instruments, the Group has created total ECL of Rs. 728.80 million, out of which Rs. 474.80 million pertains to earlier financial years. As it was impracticable to ascertain the ECL for each of respective earlier financial year, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of IND AS 8, has been adjusted to the retained earnings. ECL of Rs. 254.00 million pertains to the FY 2020-21 and has been recognised as expense for the year. For terms and conditions relating to related party receivables, refer note 29.

(ii') The credit risk for cash and cash equivalents, other bank balances, term deposits, etc. is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Ageing of past due but not impaired receivables is as follows:

Particulars	31 March 2021	31 March 2020	31 March 2019
0-180 days	4,549.88	7,428.10	9,777.73
180-365 days	2,187.11	3,006.37	147.54
1 year plus	5,665.03	2,767.71	236.37
Total	**12,402.02**	**13,202.18**	**10,161.64**

The Company has provisions of Rs. 49.04 million (31 March 2020 : Rs. 54.06 million,31 March 2019 :18.20 million) for doubtful debts. None of those trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors presented in the financial statements.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

(All amounts in Indian Rupees Million unless otherwise stated)

Liquidity risk

The Group monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2021				
Borrowings (including interest accrued)	1,032.15	-	-	**1,032.15**
Compulsory Convertible Preference Shares (CCPS) (including interest accrued)	-	-	-	-
Trade payables	5,081.81	-	-	**5,081.81**
Derivative liability	-	-	-	-
Other financial liability	1,036.83	128.22	**34.38**	**1,199.43**
Total	**7,150.79**	**128.22**	**34.38**	**7,313.39**
As at 31 March 2020				
Borrowings (including interest accrued)	1,221.11	33.58	-	**1,254.69**
Compulsory Convertible Preference Shares (CCPS) (including interest accrued)	-	-	**640.40**	**640.40**
Trade payables	4,965.52	-	-	**4,965.52**
Derivative liability	-	-	-	-
Other financial liability	410.49	141.93	**58.03**	**610.44**
Total	**6,597.12**	**175.51**	**698.43**	**7,471.05**
As at 31 March 2019				
Borrowings	917.55	152.89	-	**1,070.44**
Compulsory Convertible Preference Shares (CCPS) (including interest accrued)	-	-	**593.47**	**593.47**
Trade payables	7,262.09	-	-	**7,262.09**
Derivative liability	7.57	-	-	**7.57**
Other financial liability	564.62	-	-	**564.62**
Total	**8,751.83**	**152.89**	**593.47**	**9,498.20**

(This Space has been intentionally left blank)

(All amounts in Indian Rupees Million unless otherwise stated)

Foreign currency risk

The Group has significant purchases from outside India. The Group has transactional currency exposures arising from sales or purchases by an operating unit in currencies other than the unit's functional currency. Accordingly, the Group's financial state of affairs can be affected significantly by movements in the US dollar exchange rates. The Group enters into derivative transactions, primarily in the nature of forward foreign exchange contracts on import payables. The purpose is to manage currency risks arising from the Group's operations.

The carrying amounts of the group's Financial Assets and Liabilities denominated in Different cureencies are as under :

As at	31 March 2021		31 March 2020		31 March 2019	
	Financial assets INR	Financial liabilities INR	Financial assets INR	Financial liabilities INR	Financial assets INR	Financial liabilities INR
Indian Rupees (INR)	4,857.93	3,452.32	6,106.80	4,207.35	6,987.02	4,037.80
United States Dollar (USD)	7,667.95	3,659.51	9,836.44	2,929.36	5,720.69	5,193.81
Chinese Yuan (CNY)	-	-	13.56	144.30	194.16	131.92
Hong Kong dollar (HKD)	392.18	33.10	108.85	108.32	1,740.95	27.02
Other	1,150.38	168.42	15.04	81.74	25.37	107.66
Total	**14,068.44**	**7,313.35**	**16,080.69**	**7,471.07**	**14,668.19**	**9,498.21**

The Group's exposure to foreign currency arises in part where a Group holds financial assets and liabilities denominated in a currency different from the functional currency of that entity with USD being the major non-functional currency of the Group's main operating subsidiaries. Set out below is the impact of a 10% movement in the US dollar on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and unhedged liabilities :

As at	31 March 2021	31 March 2020	31 March 2019
Effect of 10% strengthening of INR against following on profit before tax:			
USD	(460.94)	(725.52)	(89.44)
CNY	-	13.07	(6.22)
HKD	(35.91)	(0.05)	(171.39)
Others	(98.20)	6.67	8.23
Effect of 10% weakening of INR against following on profit before tax:			
USD	460.94	725.52	89.44
CNY	-	(13.07)	6.22
HKD	35.91	0.05	171.39
Others	98.20	(6.67)	8.23

The Group enters into future contracts to mitigate the risk arising from fluctuations in foreign exchange rates to cover foreign currency payments.
The Group has taken future contract of the following amount to hedge against currency risk against movement in INR/US dollar. The contract as on year end are as follows :

As at	31 March 2021	31 March 2020	31 March 2019
Amount in INR	600.93	348.14	367.50

(All amounts in Indian Rupees Million unless otherwise stated)

27 Post-employment benefits plan

Gratuity
The Company has unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.
The following table summarizes the components of net benefit expense recognized in the statement of profit and loss for gratuity plan and amounts recognized in the balance sheet in respect of same.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	31 March 2021	31 March 2020	31 March 2019
Current service cost	11.52	10.49	12.23
Interest cost on benefit obligation	3.71	3.86	3.65
Net benefit expense	**15.23**	**14.35**	**15.88**

Balance sheet
Benefit asset/liability

	31 March 2021	31 March 2020	31 March 2019
Present value of defined benefit obligation	(66.07)	(56.29)	(54.45)
Net asset/(liability) recognised in balance sheet	(66.07)	(56.29)	(54.45)

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2021	31 March 2020	31 March 2019
Opening defined benefit obligation	**56.29**	**54.45**	**103.98**
Current service cost	11.52	10.49	12.23
Interest cost	3.71	3.86	3.65
Total amount recognised in profit & loss	**15.23**	**14.35**	**15.88**
Re-measurement (gains)/losses of defined benefit plan :			
- Due to changes in financial assumptions	1.10	1.97	-0.02
- Due to experience adjustment	0.55	-1.38	-18.66
Total amount recognised in other comprehensive income	**1.65**	**0.59**	**-18.68**
Benefits paid	(7.10)	-13.10	-46.73
Closing defined benefit obligation	**66.07**	**56.29**	**54.45**

The principal assumptions used in determining gratuity benefits are as below:

	31 March 2021	31 March 2020	31 March 2019
Discount rate	5.60%	6%	7%
Employee turnover*	30.00%	30%	30%
Salary Escalation Rate	7.00%	7%	7%

*In the retail executives category, the employee turnover ratio is above 100% based on which none of such category of employees will remain with the Company for 5 years from the date of joining. Hence, the average turnover ratio of other category of employees has been considered for the calculation of the gratuity liability for these category of employees.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.51 years (31 March 2020: 4.86 years, 31 March 2019 : 6.80 Yr)

Amounts for the current and previous four periods are as follows:

Particulars	**31 March 2021**	**31 March 2020**	**31 March 2019**
Gratuity			
Defined benefit obligation	66.07	56.29	54.45
Experience adjustments on liabilities gain / (loss)	(0.55)	1.38	18.66

Sensitivity Analysis:
A quantitative sensitivity analysis for significant assumption is as shown below:

	31 March 2021	31 March 2020	31 March 2019
Projected benefit obligation on current assumptions	66.07	56.29	54.45
Delta effect of +1 % change in discount rate	(1.94)	(1.65)	(1.72)
Delta effect of -1 % change in discount rate	2.07	1.76	1.83
Delta effect of +1 % change in salary escalation rate	2.21	1.89	1.98
Delta effect of -1 % Change in salary escalation rate	(2.11)	(1.81)	(1.89)
Delta effect of +10 % change in rate of employee turnover	(1.31)	(1.16)	(1.71)
Delta effect of -10 % change in rate of employee turnover	1.44	1.25	1.80

(All amounts in Indian Rupees Million unless otherwise stated)

28 Segment information

Ind AS 108 establishes standards for the way the companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations relate to sales of mobile handsets through the distributor and retailers network. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, for the purpose of entity wide disclosures, only geographical information has been presented.

Business segment of the Group is primarily sale of mobile handsets.

Geographical information on revenues are collated based on individual customers invoiced or in relation to which revenue is otherwise recognized.

Geographical information:
The following tables present geographical information regarding the Company's revenue:

	31 March 2021	31 March 2020	31 March 2019
India	14,826.64	16,346.73	28,063.28
UAE	30,102.13	15,236.64	4,205.21
China	-	788.81	5,683.28
Hong Kong	9,512.53	15,007.71	6,366.13
Others	795.49	5,312.95	6,969.58
Total	**55,236.79**	**52,692.84**	**51,287.48**

There is no single customer which contributes more than 10% of the total revenue of the Company for the period ended 31st March 2021, 31st March 2020 and 31st March 2019

The following tables present geographical information regarding the Group's non current assets as defined in Ind AS 108 :

As at	31 March 2021	31 March 2020	31 March 2019
India	942.52	960.89	960.81
Hong Kong	587.25	241.19	337.42
Others	0.82	2.00	9.92
Total	**1,530.59**	**1,204.08**	**1,308.15**

(All amounts in Indian Rupees Million unless otherwise stated)

29 Related party disclosures

In accordance with the requirements of Ind AS 24 on " Related party disclosures" the names of related party whose control exist and/or with whom transactions have taken place during the year and description of the relationship, as identified and certified by the management are as below:

A **Names of related parties and related party relationship**

i) List of Subsidiaries

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship		
			31 March 2021	31 March 2020	31 March 2019
1	LAVA International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary	Wholly owned subsidiary
2	Xolo International (H.K) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary	Wholly owned subsidiary
3	Lava Enterprises Limited	India	Subsidiary (99.05 % shares held by Lava International Limited)	Subsidiary (99.05 % shares held by Lava International Limited)	Subsidiary (99.05 % shares held by Lava International Limited)
4	Sojo Distribution Private Limited	India	Subsidiary (90.00% shares held by Lava International Limited)	Subsidiary (90.00% shares held by Lava International Limited)	Subsidiary (90.00% shares held by Lava International Limited)
5	Sojo Manufacturing Services (A.P.) Private Limited	India	Subsidiary (99.97% shares held by Lava International Limited)	Subsidiary (99.97% shares held by Lava International Limited)	Subsidiary (99.97% shares held by Lava International Limited)
6	Sojo Manufacturing Services Private Limited	India	Subsidiary (99.95% shares held by Lava International Limited)	Subsidiary (99.95% shares held by Lava International Limited)	Subsidiary (99.95% shares held by Lava International Limited)
7	Sojo Infotel Private Limited#	India	-	Subsidiary (90.00% shares held by Lava International Limited)	Subsidiary (90.00% shares held by Lava International Limited)
8	Lava Technologies DMCC	UAE	Wholly owned subsidiary	Wholly owned subsidiary	Wholly owned subsidiary
9	Inone Technology (Shenzhen) Limited (Formerly known as "Xolo Technology (Shenzhen) Limited")	China	-	-	Subsidiary * (wholly owned by LAVA International (H.K.) Limited)
10	Pt. Lava Mobile Indonesia	Indonesia	Subsidiary (95.00% shares held by LAVA International (H.K.) Limited)	Subsidiary (95.00% shares held by LAVA International (H.K.) Limited)	Subsidiary (95.00% shares held by LAVA International (H.K.) Limited)
11	Lava International DMCC, UAE	UAE	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
12	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
13	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))
14	Lava International (Myanmar) Co. Limited	Myanmar	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))	Subsidiary (99.00% shares held by LAVA International (H.K.) Limited))
15	Lava International (Thailand) Co Limited**	Thailand	-	Subsidiary (97.00% shares held by LAVA International (H.K.) Limited)	Subsidiary (97.00% shares held by LAVA International (H.K.) Limited)
16	Lava international (Nepal) Private Limited	Nepal	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
17	Lava International (Bangladesh) Limited	Bangladesh	Subsidiary (99.99% shares held by LAVA International (H.K.) Limited)	Subsidiary (99.99% shares held by LAVA International (H.K.) Limited)	Subsidiary (99.99% shares held by LAVA International (H.K.) Limited)
19	PT LCG Telecommunication and Technology	Indonesia	-	-	Subsidiary* (80.00% shares held by Xolo Technologies (Shenzhen) Limited)
20	Lava Technologies	Egypt	Wholly owned subsidiary	-	-
20	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture (Indirect)	Joint venture (Indirect)	Joint venture (Indirect)
21	Lava Technologies L.L.C.	USA	Wholly owned subsidiary	Wholly owned subsidiary	Wholly owned subsidiary

* On 21st June 2018 the Registered share capital of Xolo Technology (Shenzhen) Limited was increased to RMB 50 million of which 90% were allotted to Shenzhen Kaihuiaiyu Investment partnership (Limited partnership). Consequently the shareholding of Lava International (HK) Limited in Xolo Technology (Shenzhen) Limited has reduced to 10%. Therefore Xolo Technology (Shenzhen) Limited is not related party of the Lava International Limited as per Ind As 24 as on 31 March,2019. Consequently PT LCG Telecommunication and Technology (Subsidiary of Xolo Technology (Shenzhen) Limited) is not reported as related party of Lava International Limited.

\# Sojo Infotel Limited cease to exist as subsidiary w.e.f. 18th March, 2021.

** Lava International (Thailand) Co Limited cease to exist as subsidiary w.e.f. 1st April,2020.

(All amounts in Indian Rupees Million unless otherwise stated)

ii) List of Joint venture and Associates

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship		
			31 March 2021	31 March 2020	31 March 2019
1	MagicTel Solutions Private Limited	India	Associate	Associate	Associate
2	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture (Indirect)	Joint venture (Indirect)	Joint venture (Indirect)
3	Ottomate International Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
4	Am Express Worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives :	Enterprises owned or significantly influenced by key management personnel or their relatives

iii) Key Management Personnel :

1 Mr. Hari Om Rai - Chairman and Managin Director
2 Mr. Shailendra Nath Rai - Whole time director
3 Mr. Vishal Sehgal - Non Executive director
4 Mr. Sunil Bhalla - Non Executive director
5 Mr. Vinod Rai -Independent director
6 Mrs. Chitra Gouri Lal - Independent director
7 Mr. Rahul Kansal - Independent director
8 Mr.Sunil Raina- President & Bussiness Head (w.e.f 18 May 2021)
9 Mr. Sanjeev Agarwal Chief Manufacturing Officer (w.e.f 18 May 2021)
10 Mr. Sourabh Raghuvanshi -Vice President - Sales & Supply Chain (w.e.f 18 May 2021)
11 Mr. Vineet Jain – Independent director (upto 19 June 2019)
12 Mr. Mugdh Rajit - Senior Vice President-Head Marketing, (w.e.f 18 May 2021)
13 Mr. Ritesh Suneja – Chief Financial Officer (up to 19 August 2018)
14 Mr. Rati Ram - Chief Financial Officer (from 1 November 2018 to 1 August 2019)
15 Mr. Asitava Bose - Chief Financial Officer (with effect from 9 August 2019)
16 Mr. Saurabh Misra - Company Secretary (from 20 August 2018 upto 2 November 2018)
17 Mr. Bharat Mishra - Company Secretary (with effect from 19 March 2019)

B Transactions and Balances with the related parties

a) **Transactions and outstanding Balances with the related parties**

Nature of transaction	Joint Venture		
	2020-21	2019-20	2018-19
i) Transactions			
Investment made in Joint Venture			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)			2.04
Advances given			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	0.04	-
ii) Amount due to / from related parties			
Advance given			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	0.04	-
Other Receivables			
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL) (Refer Note 6(h))	19.33	19.33	-

Nature of transaction	Associate			Parties in which Key Management Personnel of the Group are interested		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Sale of Services						
MagicTel Solutions Private Limited	0.88	5.06	22.66	-	-	-

(All amounts in Indian Rupees Million unless otherwise stated)

Nature of transaction	Associate			Parties in which Key Management Personnel of the Group are interested		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Amount due to / from related parties						
Receivables						
MagicTel Solutions Private Limited	-	-	1.83	-	-	-
Ottomate International Private Limited	-	-	-	0.44	-	0.16
Payables						
Am Express worldwide Logistics	-	-	-	-	0.15	0.27
Advance from Customer						
MagicTel Solutions Private Limited	-	0.07	-	-	-	-

b) Key management personnel compensation

Nature of transaction	Remuneration of Key Management Personnel		
	2020-21	2019-20	2018-19
Short-term employee benefits	12.26	9.61	28.42
Post-employment benefits	0.51	1.84	1.46

All transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash. For the year ended 31st March, 2021 ,31 March 2020, 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

c) Details of Balances eliminatined during the year ended 31st March 2021, 31st March 2020 and 31st March 2019

Particulars	Subsidiaries		
	31 March 2021	31 March 2020	31 March 2019
Amount due to / from related parties			
Trade Payable			
Lava International (H.K.) Limited	-	72.31	23.00
Advance from Customer			
Lava Technologies DMCC	-	-	4.90
Other receivables			
Lava International (H.K.) Limited	94.36	116.37	107.04
Sojo Distribution Private Limited	15.52	0.04	-
Sojo Infotel Pvt Limited	5.13	0.04	-
Sojo Manufacturing Services (AP) Private Ltd	0.33	0.14	0.01
Sojo Manufacturing Services Private Ltd	10.38	10.37	10.33
Lava Enterprise Limited	0.04	0.04	-
Lava Technologies DMCC	26.60	27.40	5.99
Trade receivable			
Lava International (H.K.) Limited	-	23.26	18.76
Lava Technologies	0.00	0.00	0.00
Lava Technologies DMCC	7.67	22.31	-
XOLO International (Hk) Ltd.	425.96	438.41	490.66
Advance given			
XOLO International (H.K.) Limited	101.92	299.25	384.76

d) Details of transaction eliminatined during the year ended 31st March 2021, 31st March 2020 and 31st March 2019

Particulars	Subsidiaries		
	31 March 2021	31 March 2020	31 March 2019
Purchase of goods			
LAVA International (HK) Limited	-	15.62	172.18
XOLO International (H.K.) Limited	-	32.30	-
Purchase of property, plant and equipment			
LAVA International (HK) Limited	-	-	4.17
Investment made In subsidiaries			
Sojo Manufacturing Services Pvt Limited	-	-	11.25
Lava Technologies L.L.C.	-	-	28.79
Lava Technologies DMCC	-	-	338.50
Expenses incurred on behalf of related parties			
Lava Technologies DMCC	-	20.83	6.08
Sojo Manufacturing Services (AP) Private Ltd	0.19	0.04	-
Sojo Manufacturing Services Private Limited	0.01	0.05	-
Sojo Distribution Private Limited	0.02	0.04	-
Sojo Infotel Pvt Limited	0.27	0.04	-
LAVA International (HK) Limited	-	-	82.28
Margin charged on Expenses incurred on behalf of related parties			
LAVA International (HK) Limited	-	-	11.11
Lava Technologies DMCC	-	-	0.82
Commission Charged on Bank guarantee			
LAVA International (HK) Limited	-	-	13.65
Advances given			
XOLO International (H.K.) Limited	-	-	283.85
Advance given			
Sojo Distribution Private Limited	15.31	-	-
Sojo Infotel Pvt Limited	4.82	-	-
Sale of Services			
Sojo Distribution Private Limited	0.14	-	-
Export Sales			
LAVA International (H.K.) Limited	-	2.63	18.48
Lava Technologies DMCC	7.80	91.71	5.15
LAVA Technologies	52.82	52.82	52.82
XOLO International (H.K.) Limited	-	0.13	366.65

(All amounts in Indian Rupees Million unless otherwise stated)

30 Commitments and contingencies

(A) Capital and other commitments

Particulars	31 March 2021	31 March 2020	31 March 2019
(a) Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Nil million (31 March 2020: Nil million, 31 March 2019: Nil million) and not provided for]	5.15	1.01	0.13

(B) Contingent liabilities

Particulars	31 March 2021	31 March 2020	31 March 2019
Bank guarantees	313.94	198.23	233.54
Sales tax demands [refer note (a)] (amount paid under protest Rs. 126.44 million (31 March 2020: Rs.86.80 million,As at 31 March 2019 : Rs.72.78 million)	469.83	438.55	229.17
	783.77	**636.78**	**462.71**

(a) Sales tax demands

(i) The Hon'ble Supreme Court of India vide its order dated 17 December 2014 in the case of State of Punjab Vs. Nokia India Pvt. Limited, has held that the mobile charger contained in the mobile phone retail pack is an independent part and shall be separately charged to VAT at rate as applicable to the chargers. The appellant has already approached the Hon'ble Supreme Court in a review petition challenging the judgement. In view of this judgement, the VAT Authorities of various states have raised demands along with interest and penalties aggregating to Rs. 126.11 million (31 March 2020: Rs. 102.63 million). the Company has filed appeal against these demands. Amount paid under protest against demands amounting to Rs. 46.50 million (31 March 2020: Rs. 42.02 million) have been disclosed under balance with statutory/government authorities in other assets.

Based on the legal assessment, management believes that the possibility of materialising sales tax demands is low. Accordingly, no provision is made in the financial statements for such demands.

(ii) Sales tax demands received of Rs 35.55 million (31 March 2020 : Rs. 34.31 million) (amount paid under protest of Rs 7.45 million (31 March 2020 : Rs. 7.39 million)) from various sales tax authorities for which the management believes that the possibility of materializing the demand is remote.

(iii) Sales tax demands received of Rs 283.70 million (31 March 2020 : Rs. 301.60 million) (amount paid under protest of Rs 70.93 million (31 March 2019 : Rs. 37.39 million)) classifying mobile phone under residuary entry under schedule-V, whereas as per lawyer's opinion product is well covered in specific entry 39 under schedule-IV for which management also believes that the possibility of materializing the sales tax demand is low. Accordingly, no provision is made in the financial statements for such demands.

(iv) Camera Module for mobile phone" is neither similar nor identical With Digital Still image video cameras" as claimed by company and thus the items " Camera Module for Mobile phone is totally different from " Digital still image video Cameras, hence availed exemption is not eligible to company.According to the Company, the company have rightly claimed exemption from the payment of SWS under SR N0 30 of the notification No 11/2018 CT dated 02.02.2018 which exempts " Digital Still Image video Cameras falling under the Heading 8525 8020, considering camera module & digital still image video cameras serving the same purpose which is capturing the image and stored in data bank. Therefore, the Company have done no mistake by claiming exemption under above said notification. The period in which company had claimed this exemption is 2nd Feb, 2018 to 31st Jul 2019. Total amount involved is Rs. 23.71 million (31 March 2020 : NIL). Against the order passed by Commissioner, the Company have filed an appeal before the CESTAT Delhi & deposited Rs. 1.56 million (31 March 2020 : NIL) of above amount for filing the appeal as prescribed under law. As per the consultant, the Company have a good case to argue and justify the claim.

(b) Others

(i) M/s Telefonaktiebolaget LM Ericsson ('Ericsson') filed a suit for infringement of patents against the Company in the month of March 2015. The said Suit was part of the series of suits being filed by Ericsson against many mobile handset manufacturers in India. During 2015, the Company has filed a counter civil suit against Telefonaktiebolaget LM Ericsson ('Ericsson') before the Hon'ble District Court, Gautam Budh Nagar due to certain breaches.

Subsequent to Lava's institution of the suit in the District Court of Gautam Buddha Nagar, Ericsson has filed a suit for permanent injunction against the Company before Hon'ble High Court, Delhi, on 23 March 2015 for infringement of Ericsson's certain patents.

Hon'ble District Court, Gautam Budh Nagar has issued notice to Ericsson. Before Ericsson filed its written statement, on application of the parties, Hon'ble Supreme Court ordered for transfer of the matter to Delhi High Court vide its order dated 31 July 2015 and the same is clubbed with the pending suit of Ericsson before the Delhi High Court.

Hon'ble High Court, Delhi vide its order dated 22 June 2016 has passed an interim order wherein the Company was injuncted from manufacturing, importing, selling its devices, subject to the condition of deposit of Rs. 300.00 million with the Registrar General of Delhi High Court. However, the operation of Interim Order was stayed till the final disposal of the main suit. The Company has complied with the said order and deposited a sum of Rs. 300.00 million. Presently the aforesaid appeal is pending adjudication before the Delhi High Court and the suit was posted for final arguments in Februray 2021 which has been adjourned for a future date. Based on legal advice the Company does not expect any financial statement exposure upon final settlement and accordingly no provision has been made in the financial statement of the Company.

Apart from above, there is no claim/case being contested with any other standard essential patent providers and the Company is confident that there is no infringement of patents.

(ii) On 01.07.2017, Research and Collaboration Agreement ('RCA') was executed between the Group, Mintellectuals LLP and Nokia Technologies as a confirming party. Under the RCA, the parties were to explore and work towards the possibility of technical and research collaborations between Mintellectuals/Nokia and the Group.

the Group made payments to Mintellectuals LLP under the RCA, with a view to receive the Research and Collaboration deliverables envisaged under the Agreement. The Parties also agreed not to challenge/assert any legal rights in relation to Technically Necessary Patents during the term of this agreement. The payments in question were being made by the Group in lieu of the executory consideration/promise/obligation of Mintellectuals/Nokia to enable and assist research and collaboration in terms of the RCA.

However, it is a matter of fact that nothing under the RCA was ever delivered by Mintellectuals/Nokia Technologies to the Group. As a result, the Group declared the RCA as frustrated and repudiated. As a result of the dispute between Mintellectuals and the Group, arbitration proceedings are going on wherein the Group has denied liability to pay any amount to Mintellectuals and also sought refund of the entire amounts already paid on the ground that the Agreement stood frustrated/repudiated. Mintellectuals has categorically denied any research and collaboration benefit to the Group under the RCA and has in fact taken a stand there is no research and collaboration deliverable under the scope of the agreement.

Management has also taken legal opinion from the lawyers and accordingly entire amount paid by Group under this agreement is fully recoverable on good legal grounds.

(iii.) On 29.11.2017, Share Subscription & Shareholder Agreement ('SSSHA') was executed between the Company, Sponsors of the Company and UNIC Memory Technology (HK) Ltd. ('UNIC'). There were certain disagreements on timing of exit by UNIC, hence the parties were going through an arbitration procedure.
In relation to such ongoing arbitration, the Company, Sponsors of the Company and UNIC entered into an agreement dated August 7, 2021 and in this respect, a consent award dated September 9, 2021 was passed by the arbitral tribunal. Also, in relation to the proceedings under section 9 of the Arbitration and Conciliation Act, 1996, UNIC had filed a withdrawal application in the Delhi High Court and the same has been withdrawn through an order dated September 16, 2021.

(All amounts in Indian Rupees Million unless otherwise stated)

31 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	15% of Equity Paid up Share capital
Method of settlement (Cash / Equity)	Cash/Equity
Vesting conditions	The employee should be on roll of the Company or its subsidiary

The details of activity under ESOP Schemes have been summarized below:

	31 March 2021		**31 March 2020**		**31 March 2019**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of year	20,147,360	10.69	20,147,360	10.69	20,187,360	10.69
Options granted during the year	28,554,342	6.56	-	-	-	-
Exercised / Settled during the year	-	-	-	-	40,000	10.95
Outstanding at the end of the year	48,701,702	8.27	20,147,360	10.69	20,147,360	10.69
Exercisable as at end of the year	20,147,360	10.69	20,147,360	10.69	20,147,360	10.69

The details of the ESOP outstanding are as follows:

	Options Outstanding as at 31 March 2021			**Options Outstanding as at 31 March 2020**			**Options Outstanding as at 31 March 2019**		
Range of exercise price per share	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 0.25 - Rs 3.125	20,444,744	4.76	2.50	-	-	-	-	-	-
Rs 3.125 - Rs 6.25	-	-	-	-	-	-	1,068,960	5.85	4.65
Rs 6.25 - Rs 9.375	1,639,200	5.18	1.93	6,556,800	6.18	1.93	2,719,200	7.27	7.72
Rs 9.375 - Rs 12.5	18,508,158	0.27	2.74	74,032,640	2.08	2.74	14,439,200	0.11	10.95
Rs 12.5 - Rs 15.625	-	-	-	-	-	-	1,920,000	0.78	13.30
Rs 15.625 - Rs 18.75	8,109,598	4.76	16.81	-	-	-	-	-	-

*Number of ESOPs and its exercise price has been calculated taking into account the following events happened post 31 March, 2021 :

a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each.

b) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08 September 2021.

The share based payment expense incurred during the year is shown in the following table:

	31 March 2021	**31 March 2020**	**31 March 2019**
Expense arising from equity-settled share-based payment transactions	-	-	4.45
(Income) / Expense arising from settlement of options	85.54	-	(0.13)
	85.54	**-**	**4.32**

(All amounts in Indian Rupees Million unless otherwise stated)

32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

S. No.	Particulars	31 Mar 2021	31 March 2020	31 March 2019
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year	20.37	11.07	20.49
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
4	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 this Act	Nil	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

33 Pursuant to the requirement of section 135 of Companies Act, 2013 and rules thereon, the Group is required to spend Rs.11.93 million (31 March 2020: Rs.21.56 million, 31 March 2019: Rs. 37.49 million) on corporate social responsibility. During the year the Group has spent Rs. 35.65 million (31 March 2020: Rs. 4.00 million, 31 March 2019: Nil), on various CSR activities for purpose other than construction or acquisition of any asset.

34 Import of mobile phones only attracts Special Duty of Customs in lieu of Excise (CVD) which is equivalent to excise duty applicable on like goods as if manufactured or produced in India. Accordingly, mobile phones manufactured in India are subject to excise duty at the rate of 13.5% (including NCCD of 1%) if Cenvat Credit on inputs and capital goods is availed (rate of duty was 7.21% (including NCCD of 1%) till 28 February 2015) and 2% (including NCCD of 1%) if such Cenvat Credit on inputs and capital goods is not availed.

This has been further clarified by the Hon'ble Supreme Court of India in the matter of M/S SRF Limited in Civil Appeal No. 9440 of 2003 by ruling that the benefit of exemption / concessional rate of excise duty, which is subject to a condition that no Cenvat credit on inputs or capital goods used in the manufacture of such goods shall be taken, is also available to the importers of like goods for payment of CVD under Customs.

During the financial years 2014 -2015 and 2015 - 2016, the Group was clearing the imported mobile phones by paying CVD of customs at higher rate of 7.21% before 1 March 2015 and 13.50% from 1 March 2015 instead of 2% during respective periods. The Group got re-assessed bills of entries amounting to Rs 638.47 million during the financial year 2017-18 Post clarification issued by the Hon'ble Supreme Court in M/s SRF case discussed above, and after re-assessment of bills of entries, the above said CVD amount became fully recoverable. Accordingly, the Group has claimed refund as per the Customs Act 1962.

35 As at 31st March 2021, total amount recoverable amounting to Rs. 391.64 million (31 March 2020: Rs. 737.18 million , 31 March 2019: Rs. 827.30 million) (including recoverable charges for delayed payment amounting to Rs. 331.98 million (31 March 2020: Rs. 331.98 million , 31 March 2019: Rs. 422.10 million) was recorded, has been disclosed under "Balance with statutory/government authorities" based on legal opinion obtained. Opening

(All amounts in Indian Rupees Million unless otherwise stated)

36 Investments accounted for using the equity method

Set out below are the associates and joint ventures of the group as at 31st March 2021 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group.The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Nature	Principal place of business	Carrying amount 31 March 2021	31 March 2020	31 March 2019
MagicTel Solutions Private Limited	Associate	India	13.99	15.71	21.26
Yamuna Electronics Manufacturing Cluster Private Limited*	Joint venture	India	48.07	48.08	48.17
Total			**62.06**	**63.79**	**69.43**

*Through the shareholder agreement of Yamuna Electronics Manufacturing Cluster Private Limited, the Group has joint control over the entity, even though it only holds 45.33%, effectively, of the voting rights.

(i) Commitments and contingent liabilities in respect of associates and joint ventures

The group has no contingent liabilities or capital commitments relating to its interest in MagicTel Solution Private Limited and Yamuna Electronics Manufacturing Cluster Private Limited as at 31st March 2021 ,31st March, 2020 and 31st March, 2019

The tables below provide summarised financial information for those joint ventures and associates of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Lava International Limited’s share of those amounts.

Summarised Balance Sheet

	MagicTel Solutions Private Limited			Yamuna Electronics Manufacturing Cluster Private Limited		
	31st March 2021	31 March 2020	31 March 2019	31st March 2021	31 March 2020	31 March 2019
Current assets	**27.62**	**26.67**	**61.07**	**0.08**	**0.22**	**0.22**
Non-current assets	**29.77**	**41.28**	**40.40**	**124.29**	**124.29**	**124.35**
Current liabilities	**1.40**	**4.63**	**16.37**	**19.40**	**19.51**	**19.38**
Non-Current liabilities	**-**	**0.47**	**0.07**	**-**	**-**	**-**
Net assets	**55.99**	**62.85**	**85.03**	**104.97**	**105.00**	**105.19**
Proportion of Group's ownership	25.00%	25.00%	25.00%	45.33%	45.33%	45.33%
Carrying amount of the Investment	13.99	15.71	21.26	48.07	48.08	48.17

Summarised statement of profit and loss

	MagicTel Solutions Private Limited			Yamuna Electronics Manufacturing Cluster Private Limited		
	31st March 2021	31 March 2020	31 March 2019	31st March 2021	31 March 2020	31 March 2019
Revenue	5.57	41.98	61.58	0.00	0.00	0.00
Other income	0.00	1.59	0.30		0.00	
Interest income	2.69	4.54	2.98	0.00	0.00	0.00
Cost of Sales	-2.67	-40.23	-42.90		0.00	
Depreciation and amortisation	-1.12	-0.84	-0.32	-0.00	-0.06	-0.06
Interest expense	-0.03	-0.08	-0.14	-0.00	-0.00	-0.00
Income tax expense/(income)	0.03	0.00	0.04	0.00	0.00	0.00
Employee benefit expense	-9.86	-24.94	-28.64	0.00	-0.10	-1.31
Other expenses	-1.48	-4.20	-4.57	0.01	-0.03	-0.13
Profit for the year	**(6.87)**	**(22.18)**	**(11.67)**	**0.01**	**-0.19**	**-1.50**
Other comprehensive income	-	-	-	0.00	0.00	0.00
Total comprehensive income	**(6.87)**	**(22.18)**	**(11.67)**	**0.01**	**-0.19**	**-1.50**
Tax adjustment of earlier years	**-**	**-**	**0.38**			
Proportion of Group's ownership	25.00%	25.00%	25.00%	45.33%	45.33%	45.33%
Gain/ (Loss) from profit of associate/ joint venture	-1.72	-5.54	-2.82	0.01	-0.09	-0.68

(All amounts in Indian Rupees Million unless otherwise stated)

37 Leases

The Group adopted Ind AS 116 using the Modified retrospective method of adoption, with the date of initial application on 1st April 2019. This has resulted in recognizing a right of use assets (an amount equal to lease liability, adjusted by the prepaid lease rent) of Rs.243.15 million as at 1st April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:-

Particulars	31 March 2021	31 March 2020	31 March 2019
Payable not later than 1 year	23.75	24.11	-
Payable later than 1 year and not later than 5 year	128.22	141.93	-
Later than 5 year	34.38	58.03	-
	186.35	**224.07**	**-**

Lease liability

Particulars	Office building	Factory building	Warehouse Building	Total
As at 31 March 2019	-	-	-	-
Addition in lease liability	72.45	159.15	11.55	**243.15**
Interest expense on lease liability	8.08	17.74	1.29	**27.11**
Payment made during CY	14.62	29.51	2.06	**46.19**
As at 31 March 2020	**65.91**	**147.38**	**10.78**	**224.07**
Addition in lease liability	-	-	-	-
Deletion in lease liability	6.87	-	7.96	**14.83**
Interest expense on lease liability	7.35	16.43	1.20	**24.98**
Payment made during CY	15.39	30.68	1.81	**47.89**
As at 31 March 2021	**51.00**	**133.13**	**2.21**	**186.33**
Non Current portion	**43.40**	**117.30**	**1.89**	**162.59**
Current maturities of lease liability	**7.60**	**15.83**	**0.32**	**23.75**

(All amounts in Indian Rupees Million unless otherwise stated)

38 Group Information

Additional information, as required under Schedule III to the Companies act, 2013 for entities consolidated as subsidiaries, Controlled trust, Associates and joint ventures :

S.NO.	Name of the entity in the Group	Country of Incorporation	Principal Activity	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
						As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(i)	**Parent**												
1	Lava International Limited	India	Production, trading, research and development of communication equipments	31 March 2021	-	66.59%	10,582.71	21.89%	377.86	99.99%	165.85	13.59%	212.01
				31 March 2020	-	70.40%	9,913.58	23.02%	248.05	73.09%	(324.85)	37.64%	572.90
				31 March 2019	-	76.95%	9,660.14	26.70%	195.37	-91.48%	161.21	39.27%	356.57
(ii)	**Subsidiaries**												
	Indian												
1	Lava Enterprises Limited	India	Investment	31 March 2021	99.05%	0.32%	51.31	0.00%	(0.08)	-	-	-0.01%	(0.08)
				31 March 2020	99.05%	0.36%	51.39	0.00%	(0.02)	-	-	0.00%	(0.02)
				31 March 2019	99.05%	0.41%	51.42	-0.01%	(0.04)	-	-	0.00%	(0.04)
2	Sojo Distribution Private Limited	India	Trading of communication equipment and related marketing services	31 March 2021	90.00%	-0.01%	(1.00)	-0.06%	(1.01)	-	-	-0.06%	(1.01)
				31 March 2020	90.00%	0.00%	0.01	0.00%	(0.02)	-	-	0.00%	(0.02)
				31 March 2019	90.00%	0.00%	0.03	-0.01%	(0.04)	-	-	0.00%	(0.04)
3	Sojo Manufacturing Services (A.P.) Private Limited	India	Investment	31 March 2021	99.97%	0.24%	38.75	0.00%	(0.04)	-	-	0.00%	(0.04)
				31 March 2020	99.97%	0.28%	38.78	0.03%	0.31	-	-	0.02%	0.31
				31 March 2019	99.97%	0.23%	28.78	-0.11%	(0.81)	-	-	-0.09%	(0.81)
4	Sojo Manufacturing Services Private Limited	India	Investment	31 March 2021	99.95%	0.13%	20.88	0.00%	(0.03)	-	-	0.00%	(0.03)
				31 March 2020	99.95%	0.15%	20.91	0.00%	(0.03)	-	-	0.00%	(0.03)
				31 March 2019	99.95%	0.17%	20.94	-0.02%	(0.16)	-	-	-0.02%	(0.16)
5	Sojo Infotel Private Limited#	India	Application development and distribution	31 March 2021	0.00%	0.00%	-	0.00%	-	-	-	0.00%	-
				31 March 2020	90.00%	0.00%	0.01	0.00%	(0.02)	-	-	0.00%	(0.02)
				31 March 2019	90.00%	0.00%	0.03	-0.01%	(0.06)	-	-	-0.01%	(0.06)
	Foreign												
1	LAVA International (H.K.) Limited	Hong Kong	Trading of communication equipments	31 March 2021	100.00%	28.49%	4,526.96	25.70%	443.61		-	28.44%	443.61
				31 March 2020	100.00%	30.00%	4,223.69	39.98%	430.83	-	-	28.31%	430.83
				31 March 2019	100.00%	27.22%	3,416.69	125.57%	918.89	-	-	101.20%	918.89
2	Xolo International (H.K) Limited	Hong Kong	Trading of communication equipments	31 March 2021	100.00%	4.37%	694.00	24.30%	419.36			26.88%	419.36
				31 March 2020	100.00%	2.05%	288.78	20.70%	223.06			14.66%	223.06
				31 March 2019	100.00%	0.37%	46.02	0.15%	1.10			0.12%	1.10
					-			-	-	-	-	-	-
3	Lava Technologies DMCC	UAE	Trading of communication equipments	31 March 2021	100.00%	8.24%	1,308.77	28.46%	491.16			31.48%	491.16
				31 March 2020	100.00%	6.03%	848.71	20.02%	215.79			14.18%	215.79
				31 March 2019	100.00%	4.52%	567.83	19.95%	145.98			16.08%	145.98

(All amounts in Indian Rupees Million unless otherwise stated)

4	Lava Tecnologies LLC (USA)	USA	Trading of communication equipments	31 March 2021	100.00%	0.22%	35.75	0.09%	1.58	-	-	0.10%	1.58
				31 March 2020	100.00%	0.25%	35.20	0.00%	2.77	-	-	-	2.77
				31 March 2019	100.00%	0.24%	29.66	0.00%	1.95	-	-	-	1.95
5	Pt. Lava Mobile Indonesia	Indonesia	Marketing Services	31 March 2021	95.00%	-2.59%	(411.06)	0.47%	8.08			0.52%	8.08
				31 March 2020	95.00%	-2.78%	(391.86)	-0.10% -	1.05			-0.07%	(1.05)
				31 March 2019	95.00%	-3.31%	(415.86)	-13.12%	-95.98	-	-	-10.57%	(95.98)
6	Lava International DMCC, UAE	UAE	Marketing Services	31 March 2021	100.00%	-0.28%	(44.76)	-1.73%	(29.84)			-1.91%	(29.84)
				31 March 2020	100.00%	-0.11%	(15.79)	-0.13%	(1.36)			-0.09%	(1.36)
				31 March 2019	100.00%	-0.11%	(13.33)	24.63%	180.21	-	-	19.85%	180.21
7	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	Marketing Services	31 March 2021	100.00%	0.01%	2.37	0.00%	-			0.00%	-
				31 March 2020	100.00%	0.02%	2.57	-0.09%	(0.98)			-0.06%	(0.98)
				31 March 2019	100.00%	0.03%	3.53	0.11%	0.82	-	-	0.09%	0.82
8	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	Marketing Services	31 March 2021	99.00%	-0.86%	(137.42)	0.00%	-			0.00%	-
				31 March 2020	99.00%	-0.86%	(121.56)	-0.03%	(0.32)			-0.02%	(0.32)
				31 March 2019	99.00%	-1.09%	(137.00)	-10.90%	(79.75)	-	-	-8.78%	(79.75)
9	Lava International (Myanmar) Co. Limited	Myanmar	Marketing Services	31 March 2021	99.00%	0.01%	1.49	0.00%	-			0.00%	-
				31 March 2020	99.00%	0.01%	1.56	0.00%	-			0.00%	-
				31 March 2019	99.00%	0.01%	1.31	0.00%	-	-	-	0.00%	-
10	Lava International (Thailand) Co Limited*	Thailand	Marketing Services	31 March 2021	0.00%	0.00%	-	0.00%	-			0.00%	-
				31 March 2020	97.00%	0.22%	30.56	0.13%	1.45			0.10%	1.45
				31 March 2019	97.00%	0.22%	27.75	1.19%	8.71	-	-	0.96%	8.71
11	Lava international (Nepal) Private Limited	Nepal	Marketing Services	31 March 2021	100.00%	-0.01%	(2.05)	0.00%	(0.06)			0.00%	(0.06)
				31 March 2020	100.00%	-0.01%	(1.98)	0.03%	0.29			0.02%	0.29
				31 March 2019	100.00%	-0.02%	(2.21)	0.19%	1.38	-	-	0.15%	1.38
12	Lava International (Bangladesh) Limited	Bangladesh	Marketing Services	31 March 2021	99.99%	0.07%	11.71	0.20%	3.37			0.22%	3.37
				31 March 2020	99.99%	0.06%	8.59	-0.08%	(0.83)	-	-	-0.05%	(0.83)
				31 March 2019	99.99%	0.07%	8.85	-0.17%	(1.26)	-	-	-0.14%	(1.26)
				31 March 2021		0.00%	0.51	0.00%	(0.01)	-	-	0.00%	(0.01)
	Non Controlling interest in all subsidiaries			31 March 2020		0.00%	0.51	0.00%	(0.01)	-	-	-1.78%	(0.01)
				31 March 2019		0.00%	0.52	0.00%	(0.01)	-	-	-1.78%	(0.01)
(iii)	**Associates (accounted for using equity method)**												
	Indian												
1	MagicTel Solutions Private Limited	India	Value added services and application distribution for communication equipment	31 March 2021	25.00%	0.09%	13.99	-0.10%	(1.72)			-0.11%	(1.72)
				31 March 2020	25.00%	0.11%	15.71	-0.51%	(5.54)			-0.36% -	5.54
				31 March 2019	25.00%	0.17%	21.26	-0.39%	(2.82)	-	-	-0.31%	(2.82)

(All amounts in Indian Rupees Million unless otherwise stated)

(iv)	**Joint venture (accounted for using equity method)**												
	Indian												
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Electronic Manufacturing cluster management	31 March 2021	45.33%	0.30%	48.07	0.00%	0.01			0.00%	0.01
				31 March 2020	45.33%	0.34%	48.08	-0.01%	(0.09)			-0.01% -	0.09
				31 March 2019	45.33%	0.00	48.17 -	0.00 -	0.68	-	- -	0.00 -	0.68
(v)	**Controlled Trust**												
	Indian												
1	Lava employee welfare trust	India	Employee welfare trust	31 March 2021	-	0.00%	0.33	0.00%	0.06			0.00%	0.06
				31 March 2020	-	0.00%	0.26	0.01%	0.11			0.01%	0.11
				31 March 2019	-	0.00%	0.16	-0.09%	(0.68)	0	0	-0.07%	(0.68)
					-			-	-	-	-	-	-
	Inter company eliminations / adjustments on consolidation			31 March 2021	-	-5%	(849.88)	0.79%	13.64	0.01%	0.02	0.87%	13.62
				31 March 2020	-	-6.51%	(916.61)	-3.23%	(34.79)	26.91%	(119.57)	5.57%	84.78
				31 March 2019	-	-9.27%	(1,163.85) -	0.59 -	433.96	1.91 -	337.43 -	0.46 -	418.94
	Total			**31 March 2021**		**100%**	**15,891.43**	**100%**	**1,725.95**	**100%**	**165.87**	**100%**	**1,560.07**
	Total			**31 March 2020**		**100%**	**14,081.10**	**100%**	**1,077.61**	**100%**	**(444.43)**	**100%**	**1,522.04**
	Total			**31 March 2019**		**100%**	**12,553.32**	**100%**	**731.80**	**100%**	**(176.22)**	**100%**	**908.02**

* On 21st June 2018, the registered share capital of Xolo Technology (Shenzhen) Ltd was increased to RMB 50.00 million of which 90% were alloted to Shenzhen Kai-Fai Tai Yu Investment Partnership (limited partnership) who can pay for its share capital in one lump sum on or before 14 May 2023. Consequently, the shareholding of Lava International (HK) Ltd in Xolo Technology (Shenzhen) Ltd has reduced to 10%. Hence, the same has not been considered for consolidation in the current year w.e.f 21st June 2018.

[#] Sojo Infotel Private Limited cease to exist as subsidiary in FY 2020-21 w.e.f 18th March 2021.

[*] Lava International (Thailand) Co Limited cease to exist as subsidiary in FY 2020-21 w.e.f 1st April 2020.

39 Research and development expenditure:

The Group has duly carried out its research and development activities during the year and the details of related expenditure are given below:

	31 March 2021	31 March 2020	31 March 2019
Amount charged to Statement of Profit and Loss	66.49	84.84	392.86
Amount capitalised			
Tangible Assets	-	4.52	17.25
	66.49	**89.36**	**410.11**

40 Previous year figures have been reclassed/regrouped, wherever considered necessary to make them comparable with those for the current year.

(A) The summary of regrouping related to consolidated balance sheet as at 31 March 2019 are as follows:

Particulars	Notes	31 March 2019	Regrouping	31 March 2019 Regrouped
Current assets				
Others	7(g)	1,013.25	596.75	1,610.00
Other current assets	9(b)	4,189.44	(596.75)	3,592.69

The summary of regrouping related to consolidated statement of profit and loss for the year ended 31 March 2019 are as follows:

Particulars	Notes	31 March 2019	Regrouping	31 March 2019 Regrouped
Revenue from operations	15	51,083.07	(0.45)	51,083.52
Other Income	16	26.92	(0.70)	26.22
Other Expenses	19	3,494.15	(0.25)	3,493.90

(B) The summary of regrouping related to Profit & loss as at 31 March 2020 are as follows

Particulars	Notes	31 March 2020	Regrouping	31 March 2020 Regrouped
Finance Income	16	(136.19)	136.19	-
Other income	16	(49.55)	(131.64)	(185.74)
Other Expenses	19	3,876.38	(4.55)	3,871.83

41 The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The manufacturing activities and the sales and distribution of the products of the Group were disrupted due to lock downs and the general economic slowdown.
The Group believes the current disruptions in operations are temporary in nature and based on the business outlook and various initiatives announced by the respective Central and state governments, this may not result in any significant financial impact on the Group. The Management has considered internal and external sources of information up to the date of approval of these financial statements, in assessing the recoverability of investments and assets, trade receivables, liquidity, financial position and operations of the Group and based on the management's assessment, there is no material impact on the financial results of the Group.
Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements, and this will continue to be monitored in future periods.

42 Events subsequent to 31 March, 2021

a) Pursuant to approval of Board of directors of the company in the meeting held on 18th May, 2021, the board of directors of the Company, accorded the right issue allotment of 13,50,844 equity shares of Rs. 10 each at the premium of Rs. 523 per shares.

b) Pursuant to approval of Board of directors of the company in the meeting held on 5th June, 2021, the board of directors of the Company, further accorded the right issue allotment of 562,851 equity shares of Rs. 10 each at the premium of Rs. 523 per shares.

c) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each. As a result of the above transaction, the authorised number of equity shares have been increased to 78,20,00,000 equity shares of the company having a face value of Rs. 5 each from 39,10,00,000 Equity Shares of the Company having a face value of Rs. 10 each.

d) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September 2021, the Company issued and allotted fully paid-up "Bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08th September 2021.

e) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September 2021, the company accorded to create, offer, issue and allot a total of 2,78,88,492 (Two Crore Seventy Eight Lakh Eighty Eight Thousand Four Hundred Ninety Two) equity shares at a face value of Rs. 5 each to Clipper Global S.A. for consideration other than cash on the Preferential cum Private Placement basis.

f) Pursuant to issuance of Preferential allotment of 278,88,492 Equity Shares to Clipper Global S.A., the company has acquired 100% shareholding of China Bird Centro America S.A. from Clipper Global S.A. The Company shall make use of the combined expertise to develop business in Latin America and nearby market with no cash burning and time overruns to build market.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants

Firm's Registration No.: 009571N/N500006

Prateet Mittal
Partner
Membership No. 402631

Place: Gurugram

Date: September 21, 2021

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Asitava Bose
Chief Financial Officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Noida
Date: September 21, 2021

(All amounts in Indian Rupees Million unless otherwise stated)

Part A: Statement of Adjustments to Audited Financial Statements

(i)(a)- There are no restatement adjustments made to the audited financiaI statements for the years ended 31 March 2021, 2020 and 2019.

Sr No	Particulars	31 March 2021	31 March 2020	31 March 2019
	Profit as per Ind AS	**1,726.08**	**1,077.61**	**731.82**
A	**Adjustments:**			
	Material Restatement Adjustments			
	(ExcIuding those on account of changes in accounting poIicies)			
	(i) Audit QuaIifications	-	-	-
	(ii) Other materiaI adjustments	-	-	-
	(iii)Deferred Tax adjustments	-	-	-
B	**Adjustments on account of changes in accounting policies**	-	-	-
	Total	1,726.08	1,077.61	731.82
	Profit as per Restated Statement of Profit and Loss	**1,726.08**	**1,077.61**	**731.82**

(i)(b)- There are no restatement adjustments made to the audited financiaI statements for the years ended 31 March 2021, 2020 and 2019.

Sr No	Particulars	31 March 2021	31 March 2020	31 March 2019
	Equity attributable to Equity Shareholders as per Ind AS	**15,891.15**	**14,080.59**	**12,552.80**
A	**Adjustments:**			
	Material Restatement Adjustments			
	(ExcIuding those on account of changes in accounting poIicies)			
	(i) Audit QuaIifications	-	-	-
	(ii) Other materiaI adjustments (refer note 7(a))	-	-	-
	(iii)Deferred Tax adjustments	-	-	-
B	**Adjustments on account of changes in accounting policies**	-	-	-
	Total	15,891.15	14,080.59	12,552.80
	Equity attributable to Equity Shareholders as per Restated Financial Statements	**15,891.15**	**14,080.59**	**12,552.80**

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Prateet Mittal
Partner
Membership No. 402631

Hari Om Rai
Chairman and Managing Director
(DIN - 01191443)

Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Asitava Bose
Chief Financial Officer

Bharat Mishra
Company Secretary
(Membership No.- ACS-35437)

Place: Gurugram
Date: September 21, 2021

Place: Noida
Date: September 21, 2021

OTHER FINANCIAL INFORMATION

In accordance with the SEBI IDCR Regulations:

1. the audited standalone financial statements of our Company as at and for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and the reports thereon dated September 18, 2021, July 31, 2020 and December 10, 2019, respectively**;** and

2. the standalone audited financial statements of XOLO International (HK) Limited, Hong Kong, and Lava Technologies DMCC (Dubai) and the consolidated audited financial statements of Lava International (H.K.) Limited, Hong Kong as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, as translated in Indian Rupee in accordance with Ind AS 21

(collectively the "**Audited Financial Statements**") are available at https://www.lavamobiles.com/investor-relations.aspx.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any of 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 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 Audited Financial Statements, or the opinions expressed therein.

Accounting Ratios:

The accounting ratios derived from the Restated Financial Information are given below:

Particulars	As on/ For the year ended March 31, 2021	As on/ For the year ended March 31, 2020	As on/ For the year ended March 31, 2019
Basic Earnings per Equity Share (₹) (Refer note 1)	3.46	2.16	1.47
Diluted Earnings per Equity Share (₹) (Refer note 1)	3.15	1.97	1.34
Return on Net Worth Ratio (Refer note 2)	10.86%	7.65%	5.83%
Net Asset Value Per Equity Share (₹) (Refer note 4)	31.71	28.09	25.03
Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in millions)	2,512.15	1,992.56	1,831.99

1. *Basic and Diluted EPS*: *Restated profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 – Earnings per share.*
2. *Return on net worth: Restated profit for the year/period attributable to equity shareholders of the Company divided by net worth as attributable to equity shareholders of the Company at the end of the year/period.*
3. *Net worth = net worth means the aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *Net assets value per Equity Share: Net asset value per share is calculated by dividing net worth at the end of the year/period by number of Equity Shares outstanding at the end of the year/period adjusted for the impact of bonus issue and stock split after the end of the year but before the date of filing of this Draft Red Herring Prospectus.*
5. *EBITDA: EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year/period.*
6. *Accounting and other ratios have been derived from the Restated Financial Information.*

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

*You should read the following discussion in conjunction with our Restated Consolidated Financial Information as of and for the financial years 2021, 2020 and 2019, including the related notes, schedules and annexures. Our Restated Consolidated Financial Information have been derived from our Audited Consolidated Financial Statements as of and for the financial years 2021, 2020 and 2019, which are prepared in accordance with the applicable provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) and the SEBI ICDR Regulations, as amended. The Restated Consolidated Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable, as well as in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI. For further information, see our Restated Consolidated Financial Statements under "Financial Statements" beginning on page 53.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Lava International Limited on a consolidated basis.

Unless otherwise indicated or the context otherwise requires, the financial information for the financial years 2021, 2020 and 2019 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with 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 Statements" beginning on page 239.

*The industry-related information contained in this section is derived from the Frost & Sullivan Report ("**F&S Report**"). We commissioned and paid for the F&S Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer. Neither we, nor any other person connected with the Offer, including the BRLMs, have independently verified the industry, market or third-party related information in such report or other publicly-available information cited in this Draft Red Herring Prospectus.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Our actual results may differ from those anticipated in these forward-looking statements, as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" beginning on pages 26 and 28, respectively.

Overview

We are a leading end-to-end focused mobile handset and mobile handset solutions company based in India, with operations in a number of countries. According to F&S, we are the third largest feature phone company in India with a market share of 13.4%, in terms of sales volume in the financial year 2021. We have presence in many emerging markets, such as Thailand, Sri Lanka, the Middle East, Bangladesh, Mexico, Indonesia and Nepal. According to F&S, we are the fifth largest feature phone company with a market share of 5.0% in the world, in terms of sales volume in the calendar year 2020, and the fifth, third and sixth largest feature phone company, respectively, in North America, Asia and the MEA region, in terms of sales volume in the calendar year 2020. According to F&S, we had a market share of 10.2% in the less than US$ 70 equivalent range market in India, in terms of sales volume in the financial year 2021. We generated revenue from operations of ₹55,128.74 million, of which approximately 29.33% was derived from the Indian market and approximately 70.67% was derived from the international markets for the financial year 2021.

We design, manufacture, market, distribute and service mobile handsets, tablets and other electronics accessories under our own "LAVA" and "XOLO" brands, and provide value added software services. We also offer mobile handsets solutions to original equipment manufacturers ("**OEMs**") ranging from sourcing, design, manufacturing, quality testing, embedding software and distribution. In the past, we have customized and manufactured white-label mobile handsets for leading multi-national companies such as HMD, Bhagwati Products Limited and TCL. We have also designed smartphones with healthcare functions. Recently, we have successfully signed (i) a partnership license agreement with Lenovo, which entitles us to distribute mobile handsets manufactured by us under the MOTOROLA brand in India and overseas and (ii) a multi-year contract with HMD for an end-to-end design, manufacturing, supply chain and distribution of mobile handsets under the Nokia brand in India and overseas.

Our ability to conceptualize, design and develop features, functions, applications and services tailored to the needs of our target customers has been a key factor for our success. Our research and development division is organized into software design, industrial design, mechanical design, hardware design, component selection, performance optimization and user interface and use experience teams, which comprised 83 personnel based in India, of whom 73 are trained engineers, as of July 31, 2021. Leveraging our in-house research and development capabilities, we have been able to introduce new products on a timely basis, rapidly scale up our product development output and deliver an increasingly broad range of products while enhancing the functions and features. Over the years, we have successfully developed (i) software such as "Star OS" and "Hive OS", (ii) mobile handset such as Prime X (the first "designed in India" feature phone), Z1 (the first "designed in India" smartphone) and myZ (the first smartphone in the world which can be customized by customers), and (iii) mobile applications such as Lava Pay, Lava Pulse with Heart Rate and Blood Pressure Monitor, and Lava Pulse 1 with thermometer functionality. In addition, we also have strong cooperation relationship with several companies on research and development of devices, operating systems and applications.

We manufacture and assemble our mobile handsets at our own manufacturing facility located in Noida, India (the "Noida Facility"), using surface-mount technology ("**SMT**") which is a leading technology in mobile handset manufacturing. As of August 31, 2021, we had four SMT lines and 12 assembly lines operated by 3,105 workers, with a production capacity of 42.52 million Feature Phone Equivalent handsets per annum. Our manufacturing facility has been certified with quality management systems, manufacturing execution system and environmental management systems for compliance with ISO9001: 2015 and ISO14001 and OHSAS45001 for occupational health and safety.

We are committed to our mission, "provide customer delight through empathy, in a pre-emptive/one stop solution, with guaranteed quality, at the most efficient cost". Our service offerings include one year replacement warranty for feature phones, extended warranty for all phones, screen damage protection for smartphones, two years handset warranty and a discount on out-of-warranty parts. As of July 31, 2021, we had 705 service centers and 60 service on wheels across India, an outsourced repair facility in Noida with 95 technicians and a call center that operates seven days a week offering customer support in ten different languages. We have demonstrated the efficiency to resolve the customer queries on the first call for approximately 99.15% customer calls with respect to our products during their respective warranty periods. As a result of our customer service efforts, we were awarded Stevie Award for "Most Valuable Response by a Customer Service Team" for our nomination "Service on Wheels: Making it Easier in Difficult times" in 2021, "Gold in SUVS award 2020" for our initiative service on wheels and Golden Peacock 2018 for "Money Back Challenge" powered by "Instant Consumer Refund" Mechanism.

We have established an extensive distribution network with a wide geographical reach in India through four channels of distribution: (i) general trade, (ii) online/e-commerce, (iii) organized/modern trade and (iv) B2B channel. We primarily sell our products through the general trade channel, where we supply our products directly to our distributors and retailers who in turn sell our products to the end-customers. Our domestic network consisted of 893 active distributors and 116,339 active retailers as of July 31, 2021, which provides us with significant depth and breadth of product distribution in India's largest cities as well as in tier 2 and tier 3 cities and enables us to roll out new products more quickly. Our products are also sold through e-marketplaces such as Flipkart and our Lava e-store on www.lavamobiles.com, and modern trade retail stores such as Poorvika Mobiles Private Limited, Sangeetha Mobiles Private Limited, Vijay Sales India Private Limited, B New Mobiles Private Limited, Big C Mobiles Private Limited, Lot Mobiles Private Limited, Sri Lakshmi Enterprises, Appario Retail Private Limited and other hypermarket stores. Our B2B customers include telecommunications operators, government departments and other institutions. We have been awarded as the "most trusted brand among Indian retailers" by CMR Research, owing to regular payments to retailers, price differentiation compared to other brands and process transparency in settlements.

Internationally, we sell mobile handsets, tablets and other electronic accessories through strategic collaborations with leading domestic telecommunications companies and local distributors and retailers. For example, we collaborate with large communication companies in Thailand and Egypt and local distributors such as Grameen Distribution Ltd in Bangladesh, Ambe Mobiles Pvt. Ltd. in Nepal and Golden Horse Foodstuff Company, El Khlood for Trade and Commercial Agencies, Al Basha for Trading and Almarwa for Trading in Egypt.

Our extensive distribution network is supported by our supply chain operation experience and empowered by our information technology capabilities. To achieve end-to-end automation, we have integrated SAP system and "My Lava" application. Our SAP system has different modules including financial accounting, raw material management, sale and distribution, production planning and marketing customised for our operating needs. "My Lava" application is a front-end retailer application that we developed in-house, which enables us to conduct inventory management, retail management, knowledge management, personnel management and marketing material management. It helps us achieve transparency of transactions in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to distributors, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network. We have been awarded the Express Logistics Leadership Awards 2017 "Outstanding supply chain in Express Logistics & Supply Chain Leadership Award" and Golden Peacock Award 2018 for "Innovative After Sales Supply Chain in Consumer Goods".

Our Company was co-founded by Hari Om Rai with Shailendra Nath Rai and Sunil Bhalla in 2009 and Vishal Sehgal joined the Company in 2010. Hari Om Rai, one of the promoters, is our Chairman and managing director, has approximately substantial experience in the field of telecommunications and the consumer electronics industry. He is also the co-chairman of the task force constituted by Department of Electronics and Information Technology for the "Make in India" programme of the Government of India. Sunil Bhalla, also one of our promoters, is experienced in the field of marketing and sales, strategy and business development. Shailendra Nath Rai, who is also one of our directors, co-founded a number of companies. Vishal Sehgal, who is also one of our promoters and a director, was previously the regional chief executive officer of a leading telecommunications company in India. We believe that we have benefited significantly from their vision and leadership, and they along with our senior management, have been instrumental in formulating and executing our core strategy.

Our total income increased from ₹51,287.48 million for the financial year 2019 to ₹55,236.78 million in the financial year 2021. Over the financial years 2019 to 2021, our total mobile handset sales increased from ₹37,512.70 million to ₹43,608.31 million and our EBITDA has increased from ₹1,831.99 million to ₹2,512.15 million over the same period, representing a CAGR of 17.10%. Our profit after tax was ₹1,726.08 million, ₹1,077.61 million and ₹731.82 million for the financial years 2021, 2020 and 2019, respectively.

Significant Factors Affecting Our Results of Operations

Economic conditions in the markets in which we operate

Our business and results of operations are affected by general factors affecting the telecommunication industry and mobile handset industry in the markets in which we operate, including India, Thailand, Sri Lanka, the Middle East, Bangladesh, Mexico, Indonesia and Nepal. These factors include:

- overall economic growth, level of per capita disposable income and consumer spending;
- growth of mobile internet usage and penetration rate;
- growth and competition of the feature phone and smartphone markets;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market; and
- new and advanced technology products and services.

Unfavourable changes in any of these general industry conditions could negatively affect demand for our products and services and material adversely affect our results of operations. For a discussion on macro-economic conditions in the industry in which we operate, see "*Industry Overview*" on page 132.

Ability to introduce new products and innovative technologies

The mobile handset industry is technology-intensive, and is characterised by rapidly changing consumer preferences, evolving technologies and frequent new product introductions. According to F&S, as technologies advance, the manner in which consumers use handset devices has evolved from solely making telephone calls to include listening to music, sending and receiving SMS messages and emails, viewing and taking videos and pictures, surfing the internet, and using handset devices as navigation devices, remote controls, gaming devices and personal organizers. According to F&S, such evolving usage patterns will be reflected in changing consumer demands with respect to features and functionalities of mobile devices, resulting in a growing demand for value-added services, including subscription-based applications. Over the years, we have introduced a range of mobile handsets at various price points based on a variety of combinations of features and functionalities. The sale of our products will continue to depend on our ability to introduce, on a continuous and timely basis, innovative products that address changing technological developments and customer preferences at attractive price.

Cost of goods sold

Cost of goods sold, relating to the cost of procurement of our mobile handsets, components, and spare parts for mobile handsets, constitutes the largest component of our cost structure. For the financial years 2021, 2020 and 2019, our cost of goods sold was ₹46,659.92 million, ₹44,969.41 million and ₹42,812.55 million and represented 84.64%, 85.42% and 83.81% of our revenue from operations, respectively. We depend on third-party vendors and suppliers for our supply of raw materials. While we have agreements in place to procure certain key raw materials, we also have alternative sources of procurement across various geographies based on relationships that we have nurtured with certain bulk manufacturers and suppliers, apart from the option of sourcing raw materials from the open market as well. We have historically sourced raw materials from multiple vendors in India and from other countries and continue to diversify our procurement base. While we are exposed to fluctuations in the prices of raw materials for the products that we manufacture, our contractual arrangements for procurement of raw materials are typically based on a transparent system wherein the prices are guided by an internationally published price index base. Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our business operations.

Research and development expenses

Our ability to conceptualize, design and develop features, functions and services tailored to the needs of our target customers has been a key factor for our success. Leveraging our research and development capabilities, we have been able to introduce new products on a timely basis, rapidly scale up our product development output and deliver an increasingly broad range of products while enhancing the functions and features we offer to satisfy constantly evolving customer needs and improve user experience. We have devoted significant resources towards the research and development of our products. Our research and development team comprised 83 personnel in India, of whom 73 are trained engineers as of July 31, 2021. Our research and development expenses accounted for approximately 0.1%, 0.2% and 0.8% of our revenue from operation in 2021, 2020 and 2019, respectively. We expect to spend a significant amount to strengthen our research and development capabilities and to commit significant investments in product development personnel over the next few years, which will impact our expenditure and profitability. While an investment in research and development for new products and technologies will not necessarily assure proportionate increase in revenue, the research and development that we undertake is critically important for us in developing a growing range of products and improving user experience, which cements our relations with our existing customers and builds our market reputation to gain traction from potential customers.

Global operations and foreign exchange

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We have a strong presence in many important emerging markets including Thailand, Sri Lanka, the Middle East, Bangladesh, Mexico, Indonesia and Nepal. Approximately 70.56%, 63.43% and 44.97% of our revenue were derived from international markets for the financial years 2021, 2020 and 2019, respectively, and denominated in U.S. dollars. We also incur a portion of our cost of sales in Renminbi and U.S. dollars due to our purchase of components and raw materials from international markets, such as China, Taiwan, Singapore and Korea. As a result, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies in foreign jurisdictions.

We selectively enter into foreign exchange forward contracts to hedge our exposure to fluctuations in foreign exchange rates. We cannot assure you that such measures will enable us to mitigate the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar or other relevant foreign currencies. In addition, since we enter into transactions in derivative financial instruments that are sensitive to movements in currency exchange rates, and changes in the fair values of our derivative financial instruments are recognized in our financial statement at the end of each financial reporting period, any resulting decrease in the fair value of such derivative financial instruments could adversely affect our results of operations.

Our overseas business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements and imposition of tariffs that make unjustified, unreasonable or discriminatory trade actions impacting the countries in which we have a presence. Our sales may also be impacted by changes in tariffs applicable on our products.

Advertising and marketing expenses

Our ability to advertise and market our products successfully affects our business operations, as it may help increase our brand recognition, acceptance and visibility, which in turn increases our sales of products and services. Our advertising and marketing expenses were ₹1,675.10 million, ₹1,469.56 million and ₹794.10 million for the financial years 2021, 2020 and 2019, respectively, representing 3.04%, 2.79% and 1.55% of our revenue from operations, respectively. We expect advertising and marketing expenses to continue to increase in the future as we continue to invest in the development of our brand and marketing campaigns for the successful launch of new products. We also incur significant selling expenses such as incentives, rebates and discounts extended on our products and other sales promotion activities.

Credit terms and inventory management

Our strong relationships with, and attractive credit terms provided by, our suppliers enable us to effectively manage our working capital requirements. We typically grant our suppliers a credit term of 30 to 180 days, depending on the category and nature of such cusomters. Under our distribution model, we offer marginal short-term credit or no credit to our distributors, with most of our distributors paying for our products at the time they accept delivery. In order to effectively manage our inventory, we obtain daily inventory and sales reports from our state and regional distributors detailing the location and models sold, and endeavour to maintain an optimal level of inventory. Our results of operations and cash flows and working capital requirements are impacted by our ability to effectively manage our supply chain and inventories and our ability to balance credit terms obtained from our suppliers with credit terms offered to our distributors.

Impact of COVID-19 pandemic or similar public health threats

The outbreak, or threatened outbreak, of any severe communicable disease or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could led to a significant downturn in the global economy and substantial curtailment of business activities worldwide, which adversely affected, and may adversely affect in the future, our results of operations, financial condition and cash flows. In response to the COVID-19 pandemic, the governments of many countries, including India, U.S., Europe and China have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Individuals' ability to travel both within and outside of India have been curtailed through mandated travel restrictions and may be further limited. These measures have impacted and may have a further impact on our workforce and operations in India and overseas jurisdictions in which we operate, our customers and suppliers. As a result, in the financial year 2020 and the period thereafter during which our manufacturing facility was shut down, we experienced overall low consumer demand in the mobile handset markets which has increased since the easing of restrictions. Although lockdown was partially and gradually eased since May 2020, as a result of the movement restrictions in India and globally to curb the spread of the COVID-19 pandemic, production in our manufacturing facility was adversely impacted due to manpower constraints, supply chain disruption, disruption in timely availability and transportation of raw materials, unavailability of personnel, delays in obtaining local approvals and clearances and cash flow challenges of suppliers.

We also incurred and may continue to incur additional expenses in complying with evolving government regulations, including with respect to social distancing measures, food safety norms, and sanitization practices. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, we will be required to quarantine some or all of these employees or suspend operations in our facilities for disinfection. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

There is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, operations or potential expansion plans in the future. The recent surge in COVID-19 infections has led to states in India having imposed and other states considering the imposition of additional regional or local lockdowns or curfews. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as temporary closures of manufacturing facility, reduced manufacturing activities, temporary closure of retail store operations, reduction of working hours at retail stores, logistical delays for essential raw materials and our products. The continuing impact of COVID-19 pandemic on our financial condition remains uncertain and is dependent on the spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our prediction. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. See "*Risk Factors – Internal Risk Factors – The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.*" on page 29.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These Restated Consolidated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the DRHP prepared by our Company in connection with the Offer in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

Statement of Compliance

The restated financial statements of our Company, the trust and our subsidiaries (collectively referred to as our "Group") and our Group's interest in joint ventures and associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

These financial statements are presented in Indian rupees, and all amounts have been rounded-off to the nearest millions up to two places of decimal, unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following financial assets and liabilities which have been measured at fair value:

- Investments in equity instruments of other entities (at fair value through other comprehensive income);
- Investment in mutual funds (at fair value through profit or loss); and
- Derivative financial instruments (at fair value through profit or loss)

The financial statements are presented in Indian rupees and all values are rounded to nearest millions up to two decimals, except when otherwise stated.

Use of estimates and judgements

The preparation of restated financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods. Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the restated financial statements include useful lives of depreciable/amortizable assets, defined benefit obligation, provisions for warranties, contingent liabilities, impairment of financial assets and evaluation of indicators for impairment of assets.

Principles of Consolidation

The following table sets forth certain information in relation to the Subsidiaries, Associates and Joint Ventures of our Company included in the Restated Financial Information as follows:

Name of Companies	Country of Incorporation	As of March 31,2021	As of March 31,2020	As of March 31,2019
Subsidiary				
Lava Enterprises Limited	India	99.05%	99.05%	99.05%
Sojo Distribution Private Limited	India	90.00%	90.00%	90.00%
Sojo Manufacturing Services (AP) Private Limited	India	99.97%	99.97%	99.97%
Sojo Manufacturing Services Private Limited	India	99.95%	99.95%	99.95%
Sojo Infotel Private Limited	India	NA	90.00%	90.00%
Lava Technologies LLC,USA	Outside India	100.00%	100.00%	100.00%
Xolo International (HK) Ltd	Outside India	100.00%	100.00%	100.00%
Lava Technologies DMCC	Outside India	100.00%	100.00%	100.00%
Lava International (H.K.) Limited	Outside India	100.00%	100.00%	100.00%
Step Down Subsidiary- LAVA HK				
Lava International (Bangladesh) Limited	Outside India	99.99%	99.99%	99.99%
Lava Mobility (Private) Limited	Outside India	100.00%	100.00%	100.00%
Lava International (Nepal) Private Limited	Outside India	100.00%	100.00%	100.00%
Lava International DMCC, UAE	Outside India	100.00%	100.00%	100.00%
Lava Technologies, Egypt (DMCC Subsi)	Outside India	NA	NA	90.00%
Lava Mobile Mexico, S. DE R.L.DE C.V, Mexico	Outside India	99.00%	99.00%	99.00%
Lava International (Myanmar) Company Limited,	Outside India	99.00%	99.00%	99.00%
PT. Lava Mobile Indonesia	Outside India	100.00%	100.00%	100.00%
Lava International (Thailand) Co. Limited	Outside India	NA	97.00%	97.00%
Xolo Technology (Shenzhen) Ltd., China	Outside India	NA	NA	70.00%
PT LCG Telecommunication And Technology(subsi of Xolo Technology (shenzhen) Ltd	Outside India	NA	NA	80.00%
Associates				
Yamuna Electronics Manufacturing Clusters Pvt. Ltd.	India	45.33%	45.33%	45.33%
Joint Venture				
Magictel Solutions Pvt. Ltd.	India	25.00%	25.00%	25.00%

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, its associates and joint venture. Control is achieved when we are exposed, or have rights, to variable returns from its involvement with the investee and have the ability to affect those returns through its power over the investee. Specifically, we control an investee if and only if we have:

- 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 our involvement with the investee; and
- The ability to use our 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 we have less than a majority of the voting or similar rights of an investee, we have 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;
- Our voting rights and potential voting rights; and
- The size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

We re-assess whether or not we control 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 we obtain control over the subsidiary and ceases when we lose 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 we gain control until the date we cease to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If one of our members 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 member's financial statements in preparing the consolidated financial statements to ensure conformity with our 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 company, i.e., year ended on March 31. 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.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between our entities (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of our parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with our accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between our members are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If we lose control over a subsidiary, we:

- Derecognise the assets (including goodwill) and liabilities of the subsidiary;

- Derecognise the carrying amount of any non-controlling interests;
- Derecognise the cumulative translation differences recorded in equity;
- Recognise the fair value of the consideration received;
- Recognise the fair value of any investment retained;
- Recognise any surplus or deficit in profit or loss; and
- Reclassify the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if we had directly disposed of the related assets or liabilities.

Investment in associates and joint ventures

An associate is an entity over which we have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. Our investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in our share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects our share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of our OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, we recognize our share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between us and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of our net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of our share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss. The financial statements of the associate or joint venture are prepared for the same reporting period as ours. When necessary, adjustments are made to bring the accounting policies in line with ours.

After application of the equity method, we determine whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, we determine whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, we calculate the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognise the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, we measure and recognize any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Current vs. non-current classification

We present assets and liabilities in the balance sheet based on current or non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

We classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Group recognises such parts as separate component of assets. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as below:

Assets	Useful Lives
Office Equipment	3-5 Years
Furniture and fixtures*	3-5 Years
Demonstration Fixtures*	2-5 Years
Vehicles*	5 Years
Computer and Components*	3 Years
Plant and Machinery*	
Jigs	1 Year
Other Plant and Machinery	5-15 Years
Electrical Installations	10 Years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives for these assets are different from useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold Improvements are amortized over the lease term or 10 years whichever is less.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The useful lives of intangible assets is assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired.

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Internally generated software	3- 5Years

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when we can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Leases

The Company adopted Ind AS 116 using the Modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Company has recognised a lease liability on initial application (i.e. April 1, 2019) at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset (Refer note 38).

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Impairment of non-financial assets

We assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

We base our impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, we extrapolate cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

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

<u>Recognition and initial measurement</u>

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

<u>Classification and Subsequent measurement</u>

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income ("**FVTOCI**");
- Debt instruments, derivatives and equity instruments at fair value through profit or loss ("**FVTPL**"); and
- Equity instruments measured at fair value through other comprehensive income ("**FVTOCI**").

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 most applicable to the Group. 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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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 Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered 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 statement of profit and loss. This category is applicable to investments in mutual funds.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments

All equity investments 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, we may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decide 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 statement of profit and loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

<u>De-recognition</u>

A financial asset is de-recognised only when

- The rights to receive cash flows from the asset have expired, or
- We have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

<u>Impairment of financial assets</u>

In accordance with Ind AS 109, we apply the expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance; and
- Loan commitments which are not measured as at FVTPL.

We follow a simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require us to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine 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 a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL 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 reporting date.

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

We use a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income or expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.

Financial liabilities

<u>Initial recognition and measurement</u>

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by us that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or loss are not subsequently transferred to statement of profit and loss. However, we may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by us are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised 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 recognised in the statement of profit and loss.

Reclassification of financial assets

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If we reclassify financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting financial instruments

Financial asset and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derivative financial instrument

We use derivative financial instruments i.e., forward and futures currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss. We have not applied hedge accounting.

Fair value Measurement

We measure our financial instruments such as derivative 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.

The principal or the most advantageous market must be accessible by us.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (Unadjusted) marked prices in the 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; and

- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per our accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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 and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyer which generally coincides with delivery of goods, as per the contractual terms with customers. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and is inclusive of excise duty and net of returns and allowances, trade discount, volume rebates and value added taxes. We have has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. We account for volume discount for pricing incentives to customers as a reduction of revenue based on estimate of applicable discount/incentives.

Sale of Services

Revenue from sales of services is from installation of third party mobile applications in the handset and is recognized by reference to the stage of completion, net of service tax. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend Income

Dividend Income is recognised when the Group’s right to receive the amount has been established.

Incentive Income

Group has recognized incentive income in form of, Merchant export incentive income (MEIS), Duty drawback income based on export made, UPSDM income based on training given to apprentice.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Group are measured using the respective currency of the primary economic environment in which in which the entity in Group operates i.e. the "functional currency". These financial statements are presented in Indian rupees, which is also the functional currency of the parent Group. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at yearly average exchange rates. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Income taxes

Current income tax

Current income 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 India.

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT) is included as part of current tax in statement of profit and loss.

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as at reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

MAT is applicable to us. Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account. We review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent it is no longer probable that we will pay normal income tax during the specified period.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related service. We have no obligation, other than the contribution payable to the provident fund.

We operate an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Accumulated leave is treated as short-term employee benefit as we have no unconditional right to defer the liability. We measure the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains or losses are immediately taken to the statement of profit and loss. There are no such plans in any of the subsidiaries, associates or joint venture.

Provisions and Contingent Liabilities

Provisions

General

Provisions are recognised when we have 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. 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.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Decommissioning liability

We record a provision for decommissioning costs of a leased facility. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. We do not recognize a contingent liability but discloses its existence in the financial statements.

Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year excluding the treasury shares.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Holding Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year, excluding treasury shares, plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

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).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Option Pricing Model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the 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 Group's 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.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Borrowing costs

Borrowing costs to the extent directly attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective property, plant and equipment up to the date such asset is ready for use. Other borrowing costs are charged to the statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Measurement of Earnings before Interest ,tax, depreciation and amortization (EBITDA)

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position /performance.
Accordingly, the Group has elected to present earnings before net finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs, and tax expense.

Treasury Shares

The group has created a Lava Welfare Trust ('the trust') for providing share-based payment to its employees. The group uses the trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The trust buys Company's shares from the employees of the Company as per the employee remuneration schemes. The group treats the trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in general reserve. Share options exercised during the reporting period are settled with treasury share.

Non-GAAP Measures

EBITDA, EBITDA Margin, Gross Margin, and others as given below (together, "**Non-GAAP Measures**") and presented elsewhere in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA, EBITDA Margin and Gross Debt to EBITDA to Profit before tax

The table below reconciles profit before tax to EBITDA, EBITDA Margin and Gross Debt to EBITDA. EBITDA is calculated as profit before taxes for the year plus interest costs and depreciation and amortization expense less other non-operating income, while EBITDA Margin is the percentage of EBITDA divided by operating income (calculated as revenue from operations, net of excise duty, plus export incentives received). Gross debt is calculated as long term debt plus short term debt and current maturity of long term debt.

(₹ *in millions*)

Particulars	Financial year ended March 31,		
	2021	**2020**	**2019**
Profit before tax (I)	1,834.29	1,266.47	812.10
Add: Finance cost (II)	285.76	389.94	601.44
Add: Depreciation and amortisation expenses (III)	390.37	330.51	414.95
Add: Other non-operating loss (IV)	1.73	5.64	3.50
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) V = I + II +III + IV	2,512.15	1,992.56	1,831.99
Operating income (VI)	55,128.74	52,643.29	51,083.52
EBITDA Margin (EBITDA as a percentage of operating income) VII = (V/VI)	4.56%	3.79%	3.59%
Gross debt	1,031.20	1,767.70	1,588.61
Gross debt / EBITDA	0.41	0.89	0.87

Interest Coverage Ratio

Interest coverage ratio is a non-GAAP measure that is calculated as the sum of profit before taxes for the year plus interest costs and depreciation and amortization expense less other non-operating income, divided by interest costs as per financial statements (including interest on term loans and banks and others). The following table sets forth the reconciliation of our interest coverage ratio for the periods indicated:

Reconciliation of Interest Coverage Ratio

(₹ *in millions*)

Particulars	Financial year ended March 31,		
	2021	**2020**	**2019**
Profit before tax (I)	1,834.29	1,266.47	812.10
Add: Interest cost (II)	200.46	222.86	273.97
Add: Other non-operating expense (III)	85.30	167.08	327.47
Add: Depreciation and amortisation expenses (IV)	390.37	330.51	414.95
Add: Other non-operating loss (V)	1.73	5.64	3.50
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) **A** = I + II +III + IV +V	2,512.15	1,992.56	1,831.99
Total interest costs (B)	200.46	222.86	273.97
Interest coverage ratio (A)/(B)	12.53	8.94	6.69

Components of our Income and Expenses

Our income and expenditure is reported in the following manner:

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations. Revenue from operations comprises revenue from sale of products and other operating revenue. The following table sets forth a breakdown of our revenue from operations for the financial years 2021, 2020 and 2019:

(₹ in millions)

Particulars	Financial year ended March 31,		
	2021	**2020**	**2019**
Sale of products	54,883.67	51,265.36	49,330.28
Sale of services	231.02	1,319.36	1,701.47
Other operating revenue			
- Scrap sale	4.78	5.70	11.25
- Export incentives	9.27	52.87	40.52
Revenue from operations (net)	**55,128.74**	**52,643.29**	**51,083.52**

Our revenue from sale of products was primarily generated from (i) sale of manufactured products, which consists of sale of feature phones, smart phones, tablets, laptops and mobile phone accessories under the brand names of LAVA and XOLO; (ii) sale of manufacturing white label products which consists of sale of feature phones, smart phones, tablets, laptops and mobile phone accessories under the name of other brands; and (iii) sale from trading business of tablets, laptops and mobile phone accessories. For the financial year 2021, approximately 29.3% of our revenue from operations was derived from the Indian market, as compared to approximately 70.7% from the international markets. Despite the competitive market conditions, we were able to grow our revenue from sales of products because of our various strengths, such as end-to-end control over product design, sourcing, manufacturing, branding and distribution, as well as our continuous improvement of product quality and consumer experience.

Our revenue from sale of services was primarily generated from the value-added services we provided, such as pre-bundling of games, interactive voice response (IVR) code bundling and wireless access protocol (WAP) page or browser revenue, as well as our software income.

Other operating revenue comprises of (i) scrap sale generated in the process of manufacturing; and (ii) export incentives which were primarily received from the government under the Merchandise Exports from India Scheme and Duty Drawback Scheme on export of goods.

Other income. Other income primarily comprises the following:

- recurring income, including interest income on fixed deposits with banks and interest income on financial asset at amortized cost; and

- non-recurring income, including net foreign exchange differences, net gain on sale of mutual fund investments, fair value gain on derivative financial instruments at fair value through profit or loss and provision for doubtful advances written back.

Expenses

Our expenses comprise cost of goods sold, employee benefits expense, other expenses, depreciation and amortization expense and finance costs.

Cost of goods sold. Cost of goods sold includes (i) cost of raw material consumed, such as LCD, PCBA, chipsets, keyboards, cameras, batteries, chargers and other related items; (ii) purchase of traded goods, which primarily consist of feature phones, smart phones, laptops and mobile phone accessories; and (iii) changes in inventories of finished goods, stock in trade and work-in-progress, which represent the net increase or decrease in finished goods, work-in-progress, by-products, traded goods and consignment stock at the beginning of the year and end of the year;

Employee benefits expense. Employee benefits expense comprises salary, wages and bonus, contribution to provident and other funds, gratuity expense, share based payment expense and staff welfare, recruitment and training.

Other expenses. Other expenses primarily comprises advertising and marketing expenses, warranty expenses, sales promotion expenses for in-shop advertising and retailer/dealer engagement, scheme expenses for incentives offered to dealers and retailers and provision for expected credit loss, freight and cartage, rent, repair and maintenance, legal and professional fees and net foreign exchange losses.

Finance costs. Finance costs primarily comprises interest on term loans, cash credit, lease liability, security deposits, instruments which are entirely liabilities in nature as well asn bank charges.

Depreciation and amortization expenses. Depreciation and amortization expenses comprises depreciation on tangible assets and right of use assets as well as amortization on intangible assets.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statements of profit and loss for the financial years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Financial Year ended March 31,					
	2021		2020		2019	
	₹ in millions	**% of Total Income**	**₹ in millions**	**% of Total Income**	**₹ in millions**	**% of Total Income**
Income						
Revenue from operations	55,128.74	99.80	52,643.29	99.66	51,083.52	99.60
Other income	108.04	0.20	181.19	0.34	203.96	0.40
Total Income (I)	**55,236.78**	**100.00**	**52,824.48**	**100.00**	**51,287.48**	**100.00**
Expenses						
Cost of goods sold	46,659.92	84.47	44,969.41	85.13	42,812.55	83.48
Employee benefits expense	1,902.22	3.44	1,990.68	3.77	3,229.96	6.30
Other expenses	4,162.49	7.54	3,871.83	7.33	3,412.98	6.65
Total Expense (II)	**52,724.63**	**95.45**	**50,831.92**	**96.23**	**49,455.49**	**96.43**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)	**2,512.15**	**4.55**	**1,992.56**	**3.77**	**1,831.99**	**3.57**
Depreciation and amortisation expense	390.37	0.71	330.51	0.63	414.95	0.81
Finance cost	285.76	0.52	389.94	0.74	601.44	1.17
Profit/(loss) before share of net profit of associate and joint ventures, exceptional items and tax	**1,836.02**	**3.32**	**1,272.11**	**2.41**	**815.60**	**1.59**
Share of loss of joint venture, associates (net of tax) (III)	1.73	0.00	5.64	0.01	3.50	0.01
Profit before tax	**1,834.29**	**3.32**	**1,266.47**	**2.40**	**812.10**	**1.58**
- Current tax	332.67	0.60	201.60	0.38	197.86	0.39
- Tax charge/(credit) relating to earlier years	(30.80)	(0.06)	22.99	0.04	(3.75)	(0.01)
- Deferred tax expense/(income)	(193.66)	(0.35)	(35.73)	(0.07)	(113.81)	(0.22)
Income tax expense	**108.21**	**0.20**	**188.86**	**0.36**	**80.30**	**0.16**
Profit for the year	**1,726.08**	**3.12**	**1,077.61**	**2.04**	**731.82**	**1.43**

Financial Year 2021 compared to Financial Year 2020

Income

Our total income increased by 4.57% to ₹55,236.78 million for the financial year 2021 from ₹52,824.48 million for the financial year 2020, primarily due to primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 4.72% to ₹55,128.74 million for the financial year 2021 from ₹52,643.29 million for the financial year 2020, primarily due to an increase in revenue from sale of products. Our revenue from sale of products increased by 7.06% to ₹54,883.67 million for the financial year 2021 from ₹51,265.36 million for the financial year 2020, primarily due to an increase in the volume of mobile handsets sold in the financial year 2021.

Other income. Our other income decreased by 40.37% to ₹108.04 million in the financial year 2021 from ₹181.19 million in the financial year 2020, primarily due to the decrease in the interest income on fixed deposits with banks as a result of a decrease in interest rates on deposits placed with banks. The decrease was also because of the net foreign exchange gain of ₹31.89 million for the financial year 2020, while we had net foreign exchange loss for the financial year 2021.

Expenses

Cost of goods sold. Our cost of goods sold increased by 3.76% to ₹46,659.92 million in financial year 2021 from ₹44,969.41 million for the financial year 2020, generally in line with the increase in our revenue from operations. Our cost of goods sold represented approximately 84.47% of our total income for the financial year 2021, as compared to approximately 85.13% for the financial year 2020, primarily as a result of our increased manufacturing efficiency.

Employee benefits expense. Our employee benefits expense decreased by 4.44% to ₹1,902.22 million for the financial year 2021 from ₹1,990.68 million for the financial year 2020, primarily due to the decrease in salary, wages and bonus to ₹1,557.08 million for the financial year 2021 from ₹1,762.22 million for the financial year 2020. Our employee benefit expense represented approximately 3.44% of our total income for the financial year 2021, as compared to approximately 3.77% for the financial year 2020, primarily as a result of our continuous efforts to automate our business process and system.

Other expenses. Other expenses increased by 7.51% to ₹4,162.49 million for the financial year 2021 from ₹3,871.83 million in financial year 2020, primarily due to (i) the increase in warranty expenses to ₹1,143.71 million for the financial year 2021 from ₹854.51 million in financial year 2020 as a result of the increased provision for warranty expenses, and (ii) the increase in advertisement and marketing expenses to ₹1,675.10 million for the financial year 2021 from ₹1,469.56 million in financial year 2020 as a result of the increased marketing expenses in the international markets. The increase was partially offset by the decrease in sales promotion, scheme expenses and ECL provision to ₹496.09 million for the financial year 2021 from ₹641.86 million in financial year 2020 as a result of efficient sales incentive and promotional schemes.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 18.11% to ₹390.37 million in the financial year 2021 from ₹330.51 million in the financial year 2020, primarily due to the increase in depreciation on tangible assets to ₹301.54 million for the financial year 2021 from ₹225.50 million in financial year 2020, which was generally in line with the increase in capital expenditure.

Finance costs. Our finance costs decreased by 26.72% to ₹285.76 million in financial year 2021 from ₹389.94 million in financial year 2020, primarily due to the decrease in bank changes to ₹85.30 million for the financial year 2021 from ₹167.08 million in financial year 2020 as a result of a decrease in bank charges for international business. The decrease was also due to the finance costs on the instruments which are entirely liabilities in nature, including the reclassification of compulsory convertible preference shares in the financial year 2021 as per the terms of the underlying investment agreement. We did not incur finance costs on such instruments for the financial year 2021.

Share of loss of joint venture, associates (net of tax). We had a share of loss of joint venture and associates of ₹1.73 million in the financial year 2021, as compared to ₹5.64 million in the financial year 2020.

Income tax expense. Our income tax expense decreased by 42.70% to ₹108.21 million for the financial year 2021 from ₹188.86 million for financial year 2020. Our current tax increased to ₹332.67 million for the financial year 2021 from ₹201.60 million for the financial year 2020, while our deferred tax income increased to ₹193.66 million for the financial year 2021 from ₹35.73 million for the financial year 2020, primarily because the deferred tax liabilities booked in the earlier years were realized during the financial year 2021.

Profit for the year. As a result of the foregoing, our profit for the year increased by 60.18% to ₹1,726.08 million for the financial year 2021 from ₹1,077.61 million for the financial year 2020.

Financial Year 2020 compared to Financial Year 2019

Income

Our total income increased by 3.00% to ₹52,824.48 million for the financial year 2020 from ₹51,287.48 million for the financial year 2019, primarily due to an increase in our revenue from operations.

Revenue from operations. Our revenue from operations increased by 3.05% to ₹52,643.29 million for the financial year 2020 from ₹51,083.52 million for the financial year 2019, primarily due to an increase in revenue from sale of products. Our revenue from sale of products increased by 3.92% to ₹51,265.36 million for the financial year 2020 from ₹49,330.28 million for the financial year 2019, primarily due to an increase in the volume of mobile handsets sold in the financial year 2020, partly offset by a decrease in mobile accessories sold.

Other income. Our other income decreased by 11.16% to ₹181.19 million for the financial year 2020 from ₹203.96 million for the financial year 2019, primarily due to the decrease in the interest income on fixed deposits with banks as a result of a decrease in interest rates on deposits placed with banks as well as a decrease in the average cash balance with banks. The decrease was partially offset by the net foreign exchange gain of ₹31.89 million for the financial year 2020, while we had net foreign exchange loss for the financial year 2019.

Expenses

Cost of goods sold. Our cost of goods sold increased by 5.04% to ₹44,969.41 million for the financial year 2020 from ₹42,812.55 million for the financial year 2019, generally in line with the increase in our revenue from operations. Our cost of goods sold represented approximately 85.13% of our total income for the financial year 2020, as compared to approximately 83.48% for the financial year 2019, primarily as a result of pricing pressure in the Indian market.

Employee benefits expenses. Our employee benefits expenses decreased by 38.37% to ₹1,990.68 million for the financial year 2020 from ₹3,229.96 million for the financial year 2019, primarily due to the decrease in salary, wages and bonus to ₹1,762.22 million for the financial year 2020 from ₹2,868.52 million for the financial year 2019. Our employee benefit expense represented approximately 3.77% of our total income for the financial year 2020, as compared to approximately 6.30% for the financial year 2019, primarily as a result of our continuous efforts to enhacen our information technology systema and automate our business process of sales and distribution, service provision, supply chain management and manufacturing.

Other expenses. Other expenses increased by 13.44% to ₹3,871.83 million for the financial year 2020 from ₹3,412.98 million in financial year 2019, primarily due to (i) the increase in advertisement and marketing expenses to ₹1,469.56 million for the financial year 2020 from ₹794.10 million for financial year 2019 as a result of our effort to enhance our brand visibility in new geographies we entered into through television commercials, sponsorships, digital marketing, print media and below-the-line advertising, (ii) the increase in warranty expenses to ₹854.51 million for the financial year 2020 from ₹533.90 million for financial year 2019 as a result of the increased provision for warranty expenses, and (iii) the increase in sales promotion, scheme expenses and expected loss provision to ₹641.86 million for the financial year 2020 from ₹420.44 million for financial year 2019 as a result of the increase in the incentives we offered to dealers. The increase was partially offset by (i) the decrease in freight and cartage to ₹198.51 million for the financial year 2020 from ₹379.57 million for financial year 2019 primarily as a result of our cost optimization initiatives, such as rate negotiations with logistic vendors and increased use of cost-efficient means of transportation, (ii) the decrease in traveling and conveyance to ₹119.07 million for the financial year 2020 from ₹255.81 million for financial year 2019 primarily as a result of the cost austerity measures we adopted and (iii) the decrease in rent to ₹134.54 million for the financial year 2020 from ₹262.84 million for financial year 2019 as a result of adoption of new lease accounting standard Ind AS 116: Leases.

Depreciation and amortization expense. Our depreciation and amortization expense decreased by 20.35% to ₹330.51 million in the financial year 2020 from ₹414.95 million in the financial year 2019, primarily due to the decrease in depreciation on tangible assets to ₹225.50 million for the financial year 2020 from ₹268.81 million in financial year 2019 primarily as a result of disposal of leasehold improvements.

Finance costs. Our finance costs decreased by 35.17% to ₹ 389.94 million for the financial year 2020 from ₹601.44 million for the financial year 2019, primarily due to (i) the decrease in bank changes to ₹167.08 million for the financial year 2020 from ₹327.47 million in financial year 2019 as a result of a decrease in the bank charges for our international business, and (ii) the decrease in the interest on term loans as a result of our repayment of certain term loans in 2019.

Share of loss of joint venture, associates (net of tax). We had a share of loss of joint venture and associates of ₹5.64 million for the financial year 2020, as compared to ₹3.50 million for the financial year 2019.

Income tax expense. Our income tax expense increased by 135.19% to ₹188.86 million for the financial year 2020 from ₹80.30 million for the financial year 2019, primarily due to (i) the increase in current tax to ₹201.60 million for the financial year 2020 from ₹197.86 million for the financial year 2019, and (ii) the decrease in deferred tax income ₹35.73 million for the financial year 2020 from ₹113.81 million for the financial year 2019.

Profit for the year. As a result of the foregoing, our profit for the year increased by 47.25% to ₹1,077.61 million for the financial year 2020 from ₹731.82 million for the financial year 2019.

LIQUIDITY AND CAPITAL RESOURCES

For the financial years 2021, 2020 and 2019, we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations and optimization of operating working capital, with the balance principally met using external borrowings. As of March 31, 2021, 2020 and 2019, we had cash and cash equivalents of ₹238.75 million, ₹186.38 million and ₹802.24 million, respectively.

Cash Flows

The following table sets forth certain information concerning our cash flows for the period indicated:

(₹ in million)

Particulars	As at March 31,		
	2021	2020	2019
Net Cash from / (used in) operating activities	1,517.80	(1,327.25)	(2,780.63)
Net Cash (used in) / from investing activities	(951.51)	566.12	3,456.59
Net Cash (used in) / from financing activities	(490.95)	18.10	(2,646.54)
Net increase / (decrease) in cash and cash equivalents	**75.34**	**(743.03)**	**(1,970.58)**

Operating Activities

Net cash flow from operating activities was ₹1,517.80 million for the financial year 2021. We had a profit before tax of ₹1,834.29 million and an operating profit before working capital changes of ₹2,664.58 million. The adjustments primarily comprising depreciation and amortisation of ₹390.37 million, provision for trade receivables and advances of ₹263.39 million and interest expense of ₹193.30 million. Our changes in working capital for the financial year 2021 primarily comprising an increase in inventories of ₹2,046.77 million, partially offset by a decrease in other assets of ₹922.15 million and a decrease in trade receivables of ₹494.41 million. In addition, our income taxes refunded was ₹289.95 million for the financial year 2021.

Net cash flow used in operating activities was ₹1,327.25 million for the financial year 2020. We had a profit before tax of ₹1,266.47 million and an operating profit before working capital changes of ₹1,706.74 million. The adjustments primarily comprising depreciation and amortisation of ₹330.51 million and interest expense of ₹218.96 million. Our changes in working capital for the financial year 2020 primarily comprising an increase in trade receivables of ₹3,010.14 million and a decrease in trade payables and other liabilities of ₹2,790.91 million, partially offset by a decrease in inventories of ₹1,912.56 million. In addition, our income taxes paid (net of refunds) was ₹12.60 million for the financial year 2020.

Net cash flow used in operating activities was ₹2,780.63 million for the financial year 2019. We had a profit before tax of ₹812.10 million and an operating profit before working capital changes of ₹1,261.64 million. The adjustments were primarily comprising depreciation and amortisation of ₹414.95 million and interest expense of ₹273.96 million. Our changes in working capital for the financial year 2019 primarily comprising a decrease of trade payables and other liabilities of ₹7,162.62 million, partially offset by decrease in inventories of ₹2,961.55 million and a decrease in trade receivables of ₹1,189.17 million. In addition, our income taxes paid (net of refunds) was ₹229.94 million for the financial year 2019.

Investing Activities

Net cash used in investing activities was ₹951.51 million for the financial year 2021, primarily comprising investments in bank deposits of ₹2,252.60 million, partially offset by proceeds from redemption/maturity of bank deposits of ₹1,867.28 million.

Net cash generated from investing activities was ₹566.12 million for the financial year 2020, primarily comprising proceeds from redemption of bank deposits of ₹2,762.85 million, partially offset by investment in bank deposits of ₹2,186.19 million.

Net cash generated from investing activities was ₹3,456.59 million for the financial year 2019, primarily comprising proceeds from redemption of bank deposits of ₹5,063.46 million, partially offset by investments in bank deposits of ₹2,770.77 million.

Financing Activities

Net cash used in financing activities was ₹490.95 million for financial year 2021, primarily comprising interest payment of ₹248.44 million, repayment of short-term borrowings of ₹129.10 million and repayment of long-term borrowings of ₹119.62 million.

Net cash generated from financing activities was ₹18.10 million for financial year 2020, primarily comprising proceeds from short-term borrowings of ₹296.56 million, partially offset by repayment of long-term borrowings of ₹120.69 million and interest payments of ₹130.66 million.

Net cash used in financing activities was ₹2,646.54 million for financial year 2019, primarily comprising repayment of short-term borrowings of ₹1,997.57 million, repayment of long-term borrowings of ₹714.40 million and interest payments of ₹205.95 million, partially offset by proceeds from long-term borrowings of ₹300.00 million.

Financial Indebtedness

As of March 31, 2021, we had outstanding consolidated total borrowings of ₹1,031.20 million. For details, see "*Financial Indebtedness*" on page 340. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could lead to current and any future defaults, which could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition. See "*Risk factors – Internal Risk Factors – Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition*" on page 50.

The following table sets forth certain information relating to outstanding indebtedness as of March 31, 2021, and our repayment obligations in the periods indicated:

(₹ in millions)

Particulars	As of March 31, 2021				
	Payment due by period				
	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Long term Borrowing:					
Current maturities of long term borrowings	65.88	65.88	-	-	-
Total Long term Borrowing (I)	**65.88**	**65.88**	**-**	**-**	**-**
Short term Borrowing:					
Short term loan (secured)	240.00	240.00	-	-	-
Cash credit from banks (secured)	725.32	725.32	-	-	-
Total Short term Borrowing (II)	**965.32**	**965.32**	**-**	**-**	**-**
Total Borrowings (III) = (I) +(II)	**1,031.20**	**1,031.20**	**-**	**-**	**-**

Capital and Other Commitments

As on March 31, 2021, our estimated amount of contracts on capital account remaining to be executed and not provided for was ₹5.15 million.

Capital Expenditure

For the financial years 2019, 2020 and 2021, our capital expenditure towards additions to property, plant and equipment was ₹430.35 million, ₹32.04 million and ₹720.55 million, respectively. Our property, plant and equipment includes computer equipment, furniture, vehicles, demonstration fixtures, leasehold improvement, land, electrical and office equipment.

We intend to augment our manufacturing base by establishing manufacturing facilities in India to address growing demand for our products globally and demand from our global blue-chip customers for white-label mobile handsets and accessories. We expect to incur capital expenditure of ₹350 million and ₹500 million for the financial years 2022 and 2023, respectively, in connection with the establishment of our manufacturing facility, which will have the capability of producing basic handset models as well as models with smart phone features.

Contingent Liabilities

The following table sets forth our contingent liabilities as of March 31, 2021:

(₹ in millions)

Particulars	As of March 31, 2021
Bank guarantees	313.94
Sales tax demands	469.83
Total	**783.77**

For details, see "*Financial Statements – Notes to Restated Consolidated Financial Statements – Note 30 – Commitments and contingencies*" on page 294.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal year or in the future.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

Our principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade payables. The main purpose of these financial liabilities is to raise finance for our operations. We have various financial assets such as trade receivables, cash and short-term deposits, which arise directly from our operations. We als hold mutual fund investments and enter into derivative transactions.

The main risks arising from our financial instruments are price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk.

Price Risk

We are mainly exposed to the price risk due to our investment in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage our price risk arising from investments in mutual funds, we diversify our portfolio in accordance with the limits set by the risk management policies. We do not have significant investment in equity instruments.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our borrowings with floating interest rates. Our policy is to manage our interest cost using a mix of fixed, floating rate borrowings.

Foreign Currency Risk

We have significant purchases from outside India. We have transactional currency exposures arising from sales or purchases by an operating unit in currencies other than the unit's functional currency. Accordingly, our financial state of affairs can be affected significantly by movements in the U.S. dollar exchange rates. We enter into derivative transactions, primarily in the nature of forward foreign exchange contracts on import payables. The purpose is to manage currency risks arising from our operations.

Our exposure to foreign currency arises in part where an entity in our Group hold financial assets and liabilities denominated in a currency different from the functional currency of that entity with U.S. dollars being the major non-functional currency of our main operating subsidiaries.

Credit Risk

We are also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.

Customer credit risk is managed by our established policy, procedures and control relating to customer credit risk management. All customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. We are exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. Trade receivables are non-interest bearing and are generally on original credit terms of 30 to 180 days depending upon category and nature of customers. Considering the request of certain distributors for becoming more competitive under the current market scenario and to enhance the overall market share, the management has decided to extend the credit terms on case-to-case basis to our distributors which shall be helpful to penetrate the potential opportunities of enhancing the overall market share. For this purpose, the management has done credit evaluation on the distributors based on their business relationships with us and the market credibility as well as established a mechanism of monitoring the availability and marketability of inventory levels lying with the retailer network.

Trade receivables include amounts of ₹7,852.15 million with the extended credit period at the reporting date. To ensure the recovery in such cases, we keep monitoring the stocks levels lying with the distributors and in the market with the retail network through our field sales forces. Our group territory managers are ensuring that the stocks available in the retail market are in marketable position and are also monitoring the movement of products, which helps us to keep the overall control that the recoveries are certain and not dependent only upon the financial strength of any distributor. In the post COVID scenario, we expect to benefit from the Atmanirbhar Bharat (self-reliant India) initiatives of the government of India, the increased thrust on manufacturing in India resulting in enhanced competitiveness of our products which in turn shall be helpful to our distributors to reduce the inventory levels and achieve higher sales. Considering the above, we are confident of the recoveries of our dues with extended credit period and the management is of the view that these amounts are completely recoverable within the extended credit period. Based on their credit evaluation, management considers these trade receivables as high quality and accordingly, no life time expected credit losses are recognized on such receivables. We consider that trade receivables are not credit impaired as these are receivable from credit worthy counterparties.

Liquidity Risk

We monitor our risk of shortage of funds using cash flow forecasting models. These models consider the maturity of our financial investments, committed funding and projected cash flows from operations.

Our objective is to provide financial resources to meet our business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. We also monitor compliance with our debt covenants.

Inflation

In recent years, India has experienced relatively high rates of inflation. Inflation generally impacts the overall economy and business environment and hence could affect us.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "Significant Factors Affecting Our Results of Operations" and the uncertainties described in the section "Risk Factors" on pages 308 and 28, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Seasonality of Business

Our sales may vary from fiscal period to fiscal period depending on the festival season in various parts of India, but we do not characterize our business as seasonal.

Future Relationship between Costs and Income

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28 and 306, respectively, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base in the form of distributors and our business is not dependent on any significant distributor or distributors.

Competitive Conditions

We expect competition in the Indian mobile handset market from existing and potential competitors to get stabilized as the market will mature and only the companies which have end-to-end control over their products will progress. For further details regarding our competitive conditions and our competitors, see the sections "Risk Factors" and "Our Business" on pages 28 and 170, respectively.

Significant Developments subsequent to March 31, 2021

Pursuant to the approval of our board of directors in the meeting held on May 18, 2021, our board of directors accorded the right issue allotment of 13,50,844 equity shares of ₹10 each at the premium of ₹523 per share.

Pursuant to the approval of our board of directors in the meeting held on June 5, 2021, our board of directors accorded the right issue allotment of 562,851 equity shares of ₹10 each at the premium of ₹523 per share.

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on September 10, 2021, we undertook a stock split of one existing equity share of ₹10 each into two fully paid up equity shares of ₹5 each. As a result of the above transaction, the authorised number of equity shares have been increased to 78,20,00,000 equity shares with a face value of ₹5 each from 39,10,00,000 equity shares with a face value of ₹10 each.

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on September 10, 2021, we issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of ₹5 each for every existing fully paid up equity share of ₹5 each held as on the record date of September 8, 2021.

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on September 10, 2021, we accorded to create, offer, issue and allot a total of 27,888,492 equity shares at a face value of ₹5 each to Clipper Global S.A. for consideration other than cash on the preferential cum private placement basis. Pursuant to issuance of preferential allotment of 278,88,492 equity shares to Clipper Global S.A., we have acquired 100% shareholding of China Bird Centro America S.A. from Clipper Global S.A. We shall make use of the combined expertise to develop business in Latin America and nearby market with no cash burning and time overruns to build market.

Except as disclosed above, and 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.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, on the basis of our Restated Financial Information. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 306, 239 and 28, respectively.

Particulars	Pre-offer as at March 31, 2021 (in ₹ million)	As adjusted for the proposed Offer#
Total Borrowings		
Current borrowings*	965.32	[●]
Non-current borrowings (including current maturity)*	65.88	[●]
Total borrowings	**1,031.20**	[●]
Total Equity		
Share Capital*	1,248.67	[●]
Instruments entirely equity in nature*	51.00	
Other Equity*	14,591.48	[●]
Total Equity	**15,891.15**	**[●]**
Ratio: Total long term borrowings/ total equity	0.004	[●]
Ratio: Total borrowings/total equity	0.065	[●]

** These terms shall carry the meaning as per Schedule III of the Companies Act.*

 # The corresponding post-Offer capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of book building process and hence, the same have not been provided in the above statement.

Notes:

1. *The above has been computed on the basis on amounts derived from the restated Ind AS summary of assets and liabilities of the company as on March 31, 2021.*
2. *The company is proposing to have public issue of shares comprising of Offer for Sale by the Selling Shareholders and a Fresh Issue by the Company.*
3. *Our Company allotted 1,350,844 equity shares of face value of ₹ 10 each to Sojo Infotel Private Limited on May 18, 2021 pursuant to the right issue.*
4. *Our Company allotted 562,851 equity shares of face value of ₹ 10 each to Sojo Infotel Private Limited on June 5, 2021 pursuant to the right issue.*
5. *Our Company allotted 1,528,834 equity shares of face value of 10 each to UNIC Memory pursuant to conversion of 175,828 Series B Preference Shares.*
6. *Pursuant to the share swap agreement dated August 4, 2021 entered into amongst our Company, China Bird Centro America S.A., Clipper Global S.A., Swire Holding Foundation, Fundacion Ferher, IDC Overseas LTD., Mobile Payment Solutions S.A., and our Promoters, the Company allotted 27,888,492 Equity Shares of our Company to Clipper Global S.A.*
7. *Pursuant to a resolution passed by our Shareholders on June 28, 2021, our Company increased the existing authorized share capital from (i) ₹ 1,479,000,000 divided into 147,900,000 equity shares of ₹ 10 each; (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each; and (iii) ₹ 50,000,000 into 500,000 Series B Preference Shares of ₹ 100 each to (i) ₹ 3,961,000,000 divided into 391,000,000 equity shares of ₹ 10 each; (ii) ₹ 1,000,000 divided into 100,000 Series A Preference Shares of ₹ 10 each; and (iii) ₹ 50,000,000 into 500,000 Series B Preference Shares of ₹ 100 each.*
8. *Pursuant to a resolution passed by our Shareholders on September 10, 2021, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each.*
9. *Our Company allotted one Equity Shares for every one Equity Share, to shareholders holding Equity Shares of the Company as on the record date dated September 8, 2021 by way of bonus issue and consequently, the paid-up equity share capital of our Company was increased to ₹ 2,566,188,620.*

FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities in its ordinary course of business for purposes such as, *inter alia*, meeting its working capital requirements. For further details regarding the resolution passed by our Shareholders on August 25, 2015, authorizing the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 218 of this Draft Red Herring Prospectus.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as on August 31, 2021*:

(in ₹ million)

Category of borrowing	Sanctioned Amount	Outstanding amount
Secured		
Term Loan	750.00	371.00
Working Capital Facilities - – Fund Based **	1,280.00	619.32
Working Capital Facilities – Non Fund Based**	5,520.00	3,242.32
Unsecured		
Term Loan	20.00	20.00
Working Capital Facilities**	Nil	Nil
Total	**7,570.00**	**4,252.64**

* *As certified by ASA & Associates, LLP, Chartered Accountants, by way of their certificate dated September 27, 2021.*
***Working Capital Facilities typically include sub-limits for other facilities like letter of credit, overdraft facility, cash credit, guarantees, including others.*

Further, our Company has entered into a Debenture Trust Deed with Axis Trustee Services Limited and pursuant to the Debenture Trust Deed dated September 23, 2021, our Company has to issue secured, unrated, unlisted, non-convertible debentures for an amount aggregating up to ₹ 250 million. The debentures have fixed rate of interest of 12.41% per annum to be paid on a quarterly basis. Each debenture holder has an option to require the Company to mandatorily redeem the debentures held by them, whether in part or in full, at any time on or after the initial public offering of the Company. Amongst others, primary infusion into the Company through an initial public offering is one of a repayment event under the Debenture Trust Deed.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the borrowing arrangements entered into by us:

1. ***Interest:*** In relation to the working capital facilities availed by our Company, the interest rate payable is based either on the marginal cost of fund-based lending rates or is linked to the base rate of a specific lender along with a spread per annum. The interest rate payable on our term loans ranges from 8.25% to 12.25 %.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

(a) create a charge on, *inter-alia*, the movable plant and machinery, stock, book debts, advance to suppliers and all the current assets of our Company, both existing and future;
(b) secure the loan by personal guarantees provided by the Promoters and their family members;
(c) provide counter indemnity;
(d) hypothecate goods purchased under a letter of credit;
(e) pledge a portion of the Equity Shares of the subsidiaries of the Company;
(f) create a charge by way of equitable mortgage on certain properties owned by the Promoters and their family members; and
(g) pledge a portion of fixed deposit receipts held under lien; pledge a portion of the Equity Shares held by our Promoters.

Typically, as per our borrowing arrangements, security created in favour of a lender is on a pari passu basis with the other lenders who are part of the same consortium except term loan secured by exclusive charge on fixed assets created out of term loan agreement and second pari passu charge on current assets of the Company.

Additionally, our Promoters, namely, Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla and Vishal Sehgal have provided personal guarantees to our lenders.

3. ***Repayment****:* Based on the nature of facility, our working capital facilities are repayable on demand by the lender, or within a stipulated maximum usance period ranging from 90 to 365 days. The repayment period for our term loans ranges from 39 months to 66 months, excluding a six/nine months moratorium period in some cases.

4. ***Prepayment:*** The loans availed by our Company typically have a prepayment provision which allows for prepayment of the outstanding loan amount. However, for some the borrowings, such prepayment is subject to penalties as may be decided by the lender at the time of such prepayment. While for some borrowings there are no prepayment charges, the prepayment penalty is typically 1-2% of the total amount sanctioned.

5. ***Events of Default:*** Borrowing arrangements entered into by our Company contain events of default, including but not limited:

   (a) breach of any covenants, conditions, representations or warranties;
   (b) not using the facility for the purpose it was borrowed;
   (c) default in the payment of principal or interest when due and payable;
   (d) non-creation of security as prescribed by the lender;
   (e) any guarantee provided is not in full force and effect;
   (f) deterioration or impairment of the security which causes the security to become unsatisfactory as to character or value;
   (g) enforcement of any attachment, distress, execution or other process against our Company or the security;
   (h) appointment of a receiver in respect of the property/assets of our Company;
   (i) any event or circumstance which is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan;
   (j) change in control of the Company by any person acting singularly or with any person (either directly or indirectly) or if there is a change in constitution or management of the Company;
   (k) in case our Company formulates any scheme of amalgamation or reconstruction, without the prior approval of the lender; and
   (l) our Company ceasing or threatening to cease to carry on its business

6. ***Consequences of occurrence of events of default*****:** In terms of borrowing arrangements entered into by our Company, the following, among others, are the consequnces of occurrence of events of default, whereby the lenders may:

   (a) declare any or all amounts outstanding under the facility, either whole or in part, as immediately due and payable to the lender;
   (b) freeze the accounts of our Company with them;
   (c) demand cure of the default;
   (d) charge a higher rate of interest as penalty;
   (e) disclose or publish our Company's and our directors' name as wilful defaulters in such a manner as deemed fit by the lender/RBI/CIBIL;
   (f) appoint a nominee to our Board; and
   (g) securitise the assets charged

7. ***Restrictive Covenants*****:** Our Company, under the financing arrangements availed by it, is required to intimate the relevant lender and/ or obtain the relevant lender's prior written consent, as applicable, for carrying out certain actions, including:

   (a) change in our capital structure;
   (b) implementing any scheme of expansion/diversification/modernization;
   (c) making investments, lending funds or placing deposits with any other concern;
   (d) acquiring or selling fixed assets;
   (e) renovating or modernizing of plant and machinery;
   (f) opening current accounts with any other lender, except as may be agreed;
   (g) amending our AoA or MoA;

(h) investing in shares and debentures of other companies;
(i) effecting any drastic change in the management setup;
(j) transferring controlling interest of our Company;
(k) approaching the capital market for mobilizing additional resources either in the form of debt or equity;
(l) entering into borrowing arrangements, secured or unsecured, with any other lenders apart from the consortium banks;
(m) undertaking any guarantee obligations on behalf of any third party or any other company;
(n) reducing our Promoters' contribution to our Company's capital; and
(o) undertaking any merger, acquisition, amalgamation or reconstruction.

Please note that the abovementioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by us.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, please see "*Risk Factors – Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.*" on page 50.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceeding involving our Company, Promoters, Directors and Subsidiaries ("**Relevant Parties**"); (ii) actions taken by regulatory or statutory authorities involving the Relevant Parties; (iii) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Fiscals, including outstanding action; (iv) claims related to direct and indirect taxes in a consolidated manner involving the Relevant Parties; (v) litigation involving our Group Companies which may have a material impact on our Company; and (vi) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**").*

For the purpose of (v) above, our Board in its meeting held on September 21, 2021, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals including outstanding action and tax matters, would be considered 'material' for disclosure in this Draft Red Herring Prospectus:

(a) if the aggregate monetary amount of claim by or against the Company, its Subsidiaries, Directors or Promoters in any such pending proceeding is in excess of 1.00% of the profit after tax of the Company for the last completed financial year covered in the Restated Financial Information (i.e., ₹ 17.26 million); or

(b) such pending litigation is material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board in its meeting held on September 21, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 254.09 million, which is 5% of the total consolidated trade payable of our Company as per the most recent period included in the Restated Financial Information of our Company included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as of March 31, 2021 any outstanding dues exceeding ₹ 254.09 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Further, pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by any of the Relevant Parties or our Group Companies shall not be considered as litigation until such time that any of the Relevant Parties or our Group Companies, as the case may be, is made a party to proceedings initiated before any judicial/arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

Except as disclosed below, there are no outstanding criminal proceedings initiated against our Company.

1. Pursuant to an inspection carried out by the Inspector, Legal Metrology Department ("**Inspector**"), it was found that one electronic weighing scale being used by our Company was being operated without prior verification. Subsequently, vide memo dated March 17, 2017 ("**Memo**"), the Inspector, under Section 15 of the Legal Metrology Act, 2009, ordered compounding of the electronic weighing scale. Aggrieved by the aforesaid order, our Company

filed a reply dated March 21, 2017 objecting to the legality of the said Memo and the related proceedings on the grounds, *inter alia*, that the subject weighing scale was being used solely for our internal purpose to cross verify the genuineness of the quantity of material purchased by or supplied to our Company, and not to deal in any product which was being sold by weight, rendering the Memo liable to be withdrawn. However, the Inspector initiated criminal proceedings under Sections 24 and 33 of the Legal Metrology Act, 2009 against Brijesh Verma (our employee). On February 8, 2018, the ACJM, Gautam Buddha Nagar passed an order for cancellation of any coercive process against Brijesh Verma and admitted him on bail. Our Company has filed a quashing petition under Section 482 of the Code of Criminal Procedure, 1973 dated May 3, 2015 before the High Court of Judicature at Allahabad. The matter is currently pending.

Criminal proceedings initiated by our Company

Except as disclosed below, there are no outstanding criminal proceedings initiated by our Company.

1. Our Company filed a criminal complaint dated October 28, 2015 under Section 156(3) of the Code of Criminal Procedure, 1973 against certain unknown persons before the Court of Chief Metropolitan Magistrate (Central), Tiz Hazari Courts, Delhi, accusing them of violation under the Trademarks Act, 1999 along with the Indian Copyrights Act, 1957, for illegally adopting and commercially using the trademarks belonging to our Company. Counterfeit products of our Company were being sold by the accused in Gaffar Market, Karol Bagh, New Delhi. Based on our complaint, the Additional Chief Judicial Magistrate directed the police to investigate and file an FIR. Subsequently, FIR No. 161/2015 dated December 1, 2015 was registered with Economic Offences Wing of the Delhi Police against unknown persons under Section 63 of the Copyright Act, 1957 and Sections 103 and 104 of the Trade Marks Act, 1999. The case is currently pending before the Metropolitan Magistrate, Tis Hazari Courts, Delhi.

Apart from the matters disclosed above, there are 8 cases filed by our Company against various individuals and/or entities under the provisions of the Negotiable Instruments Act, 1881. All these cases have been filed in order to recover sums due to our Company for which cheques issued in favour of our Company have been dishonoured. The total pecuniary value involved in all these matters is ₹ 36.67 million.

B. Action by statutory or regulatory authorities against our Company

Except as disclosed below, there are no outstanding actions by any statutory or regulatory authorities against our Company.

1. Our Company entered into a lease deed dated March 31, 2015 ("**Lease Deed**") for setting up of a plant to manufacture/ assemble mobile handsets. The Lease Deed was registered at the office of the Sub Registrar-III, Noida, Gautam Buddha Nagar ("**Sub-Registrar**"). Prior to such registration, our Company had moved an application for the exemption of 75% of the stamp duty on the registration of Lease Deed in terms of the Uttar Pradesh Avsthapna and Udhyogik Nivesh Policy, 2012 and in terms of notification by the 'Kar and Nibhandan Anubhag-7' bearing no. 7-79/11-2012-312(98) 2012 dated December 5, 2012 read with notification no. 141/77-6-13-15 (M) 05 dated June 4, 2013 issued by the State of Uttar Pradesh (together, the "**Exemption Notifications**"). The Exemption Notifications provided an exemption from payment of stamp duty up to 75% in case of conveyance/lease of industrial tenement in case of setting up or expanding an industrial unit. Our application for exemption was approved by the Noida Authority vide letter dated March 11, 2015. Subsequently, we duly paid the requisite stamp duty of ₹ 0.51 million. Thereafter, the Sub-Registrar vide letter dated February 4, 2016 requested the Deputy Inspector General (Registration) First Gautam Buddha Nagar to disallow the stamp duty exemption granted to our Company (the "**Letter**"). We objected to the Letter vide our reply addressed to the Sub-Registrar, stating that we were entitled to the stamp duty exemption and that their objection was based on a misinterpretation of the law. Despite our objections, the Additional Collector (Finance/Revenue), Gautam Buddha Nagar ("**Additional Collector**") directed our Company to appear on March 1, 2016 and thereafter, passed an ex parte order against our Company on May 30, 2016 for recovery of the stamp duty of ₹ 15.34 million along with a penalty of ₹ 61.38 million (the "**Ex Parte Order**"). Aggrieved by the Ex Parte Order, our

Company filed a writ petition bearing Writ-C No. 38407 of 2016 before the High Court of Judicature at Allahabad, seeking, *inter alia*, setting aside of the Ex Parte Order. The High Court granted a stay on the Ex Parte Order and remanded the matter back to the Additional Collector for adjudication on merits. The matter is currently pending.

2. Our Company had received a notice dated July 12, 2018, from Employee Provident Fund Organisation ("**EPFO**") under Section 7A (3) of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 for assessment of dues. The enforcement officers ("**Enforcement Officers**") had visited the office and examined the Company's books of accounts and agreements entered. The Enforcement Officers gave a report ("**Inspection Note**") dated June 6, 2019, to the EPFO with certain observations and determined the dues of ₹ 263 million payable by our Company. Our Company vide reply dated July 26, 2018, declined the same and claimed that the Inspection Note is legally incompetent and without jurisdiction and all the facts were not seen by the Enforcement Officers while doing the inspection. The matter is currently pending.

3. Our Company had received a notice dated October 26, 2019 ("**Notice**") from the Assistant Labour Commission, Gautam Budh Nagar under Section 15 of the Payment of Wages Act, 1936 to pay an amount of ₹ 0.132 million accrued to an employee of the Company namely Raju Lal along with four other employees pursuant to an ex-parte order dated March 16, 2019 ("**Ex-parte order"**). The Notice directed the Company to pay the said amount within 15 days of receiving the Notice. Thereafter, our Company filed an application before the Assistant Labour Commission, Gautam Budh Nagar for setting aside the Ex parte order since the same was not delivered to the Company and they had no knowledge about any of the ongoing proceedings. The matter is currently pending.

C. Material outstanding litigation involving our Company

Material civil litigation initiated against our Company

Except as disclosed below, there are no outstanding material civil litigation initiated against our Company.

1. M/s Telefonaktiebolaget LM Ericsson ("**Ericsson**") filed a suit bearing no. 764/2015 before the High Court of Delhi against our Company and some other mobile phone manufacturers for alleged infringement of eight of their patents (the "**Suit Patents**"), which it claimed were Standard Essential Patents ("**SEPs**"). For this alleged violation, Ericsson sought, *inter alia*, (i) a permanent injunction on manufacture/sale of devices of our Company that were found to be infringing the Suit Patents until an appropriate license for their use was obtained by our Company, (ii) damages of ₹500 million, (iii) quantification and payment of damages after rendition of account of sales and at fair, reasonable and non-discriminatory ("**FRAND**") rates once it is established which devices of our Company infringe the Suit Patents asserted by Ericsson. Additionally, till the disposal of the suit, Ericsson prayed for an interim injunction against our Company for manufacturing, importing and selling devices which allegedly infringe the Suit Patents. Vide order dated June 10, 2016, a single judge of the High Court of Delhi granted the interim injunction prayed for (the "**Impugned Order**") and directed our Company to not import mobiles which are the subject of the Suit Patents, and not to sell the same in the market. On an appeal preferred by our Company in case no. FAO(OS)(Comm) 43/2016, a division bench of the High Court of Delhi stayed the Impugned Order and directed our Company to deposit a sum of ₹300 million by way of fixed deposit receipts. Our Company has claimed that no infringement of Ericsson's patents is made out on the grounds, *inter alia*, that (i) the Suit Patents are invalid/non-patentable under the Indian Patents Act, 1970, (ii) the claim of essentiality has not been made out by Ericsson and (iii) failure to offer the Suit Patents on FRAND terms disentitles Ericsson from any relief. The matter is currently pending before the High Court of Delhi.

2. On February 14, 2017 Nokia Technologies Oy ("**Nokia**") had instituted pre-mediation proceedings before the mediation cell of the High Court of Delhi to discuss whether our Company was using and infringing any of Nokia's patented technologies and if so, whether our Company should obtain a patent licensing agreement from Nokia for use of such patented

technology. The parties arrived at a conclusion in that regard and our Company agreed to make payment for the access and use of the Nokia's essential patents. Thereafter, on August 4, 2017, the mediation proceedings were closed. On July 16, 2017, a Research and Collaboration Agreement ("**RCA**") was entered into between Mintellectuals LLP ("**Mintellectuals**") and our Company (with effect from July 1, 2017), with Nokia as a confirming party. Mintellectuals was represented to be a firm incorporated in India with certain rights granted to it by Nokia in relation to mobile communication technology. Under the RCA, our Company was to pay for value addition to its products derived from the collaborative engagements with Mintellectuals. Subsequently, Mintellectuals took the stand that the RCA did not contemplate any collaboration whatsoever, and that the payments being made by our Company were actually in the nature of royalty for use of Nokia's patents. Consequently, our Company declared the RCA to be frustrated as there was no consideration in its favour and consequently stopped making payments to Mintellectuals. As a result of this dispute, Mintellectuals initiated arbitration proceedings for recovery of amounts for the 1st to 5th quarter (i.e., July 1, 2017 to September 30, 2018) due to it under the RCA ("**First Arbitration**"). Later, Mintellectuals initiated another arbitration proceeding to claim amount allegedly due to it for the 6th quarter onwards, on the same grounds as the First Arbitration ("**Second Arbitration**"). On July 15, 2020, the arbitral tribunal passed an award in the First Arbitration in favour of Mintellectuals and directed our Company to pay an amount totalling ₹ 241.25 million (the "**Award**") and entitled the Mintellectuals to encash the bank guarantee for ₹ 60 million and cheque for ₹ 62.9 million issued by the Company in favour of them. Aggrieved by the award, our Company filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi, challenging the Award and praying for the Award to be set aside and seeking order of restitution of the amount of ₹122.9 million appropriated by the Mintellectuals by encashing the bank guarantee and cheque provided by the Company. The matter is currently pending before the High Court of Delhi.

3. Our Company had placed an order of 3,70,000 chargers from M/s Salom Electronics India LLP ("**Salom**"). Pursuant to the order, Salom had manufactured the chargers and supplied 3,09,960 chargers to our Company for its exclusive use. The dispute arose in relation to the payment of invoice. Our Company and Salom reached a settlement pursuant to a settlement agreement, however, Salom sent a demand notice dated May 20, 2020, to our Company asking them to pay ₹ 33.8 million along with an 18% interest from the date of default till the date of actual payment and realization thereof. Salom had also filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 dated June 18, 2020, against our Company before the National Company Law Tribunal, New Delhi ("**NCLT**"). In addition, Salom had also filed an application before the NCLT to initiate the insolvency resolution process. Our Company, through letter dated August 6, 2020, declined the huge amount that was said to be paid and claimed that they were ready to pay Salom and had also sent a post-dated cheque pursuant to the settlement agreement which was not accepted. Thereafter, our Company filed a reply dated December 23, 2020 before the NCLT denying all the allegation and to dismiss the application filed by Salom under Section 9 of the Insolvency and Bankruptcy Code, 2016. The matter is currently pending before NCLT for final hearing.

Material civil litigation initiated by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigation initiated by our Company.

II. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings against our Directors

Hari Om Rai and Alok Gupta

1. In complaint case no. 86/2015, Habib Ahmed ("**Complainant**") have alleged that the Company appointed him as authorised service partner ("**ASP**") to cater the aftersales services in the territory of Sultanpur, Uttar Pradesh vide Agreement dated July 10, 2011 ("**Agreement**") and also received a security of ₹ 0.03 million vide demand draft dated July 20, 2011 and further sum of ₹ 0.03 million

vide demand draft on August 20, 2013. The Agreement could be terminated with one month notice period from either side. It was alleged that on November 13, 2014, Mr. Alok Gupta and Mr Hari Om Rai terminated the contract without following the said notice period and procedure contemplated in the Agreement. Thereafter, the Complainant has repeatedly claimed that the said termination was made without any cause and is requesting to refund the security amount. Being aggrieved by the termination and non-refund of his security deposit, the Complainant has filed this case. Thereafter, Hari Om Rai on April 11, 2018 filed a criminal revision petition no. 294/2018 under section 397/401 of the Criminal Procedure Code, 1973 against the order dated July 23, 2016 and subsequent orders summoning Hari Om Rai to appear before the court for setting aside the summoning order dated July 23, 2016. The matter is pending in the High Court of Allahabad.

Criminal proceedings initiated by our Directors

Sunil Bhalla

1. Sunil Bhalla (the "**Complainant**") instituted a criminal complaint dated August 16, 2019 ("**Complaint**") before the Court of Chief Metropolitan Magistrate, Patiala House, New Delhi (the "**Court**") against M/s Ramprastha Promoters & Developers Private Limited and others ("**Accused**") under Section 200 read with Sections 403, 406, 409 and 420 of the Code of Criminal Procedure, 1973. It is alleged that the Complainant had purchased a plot in Gurgaon from the Accused for a consideration of ₹ 1.91 million, which was entirely paid by the Complainant through cheque. The Complainant was promised that a plot buyer agreement would also be executed in due course. However, after the receipt of the above-mentioned consideration, neither the plot buyer agreement was executed, nor any step was taken for development of the plot. Further, after seven years the Accused approached Complainant misleading him on further developments of the plot and thereafter took ₹ 1.44 million from the Complainant along with some other amount as development charges etc. The Complainant has paid a total sum of ₹ 5.29 million to the Accused and has not received the possession till date. The matter is currently pending.

2. Sunil Bhalla (the "**Complainant**") instituted a criminal complaint dated August 16, 2019 ("**Complaint**") before the Court of Chief Metropolitan Magistrate, Saket Courts, South-East Delhi, New Delhi (the "**Court**") against M/s Vatika Limited and others ("**Accused"**) under Section 200 read with Section 403, 406, 409 and 420 of the Code of Criminal Procedure, 1973. It is alleged that the Accused misled the Complainant into investing ₹12 million into 300 sq. yards area under "Vatika Towers" a project launched by the Accused in Gurgaon with a false promise that after a period of 12 months, the Complainant can either take ₹15.60 million from the Accused or the area that was purchased. An investment agreement dated October 17, 2010 was entered into by both the parties. After completion of 12 months, the Complainant demanded the money however, the Accused assured him that the plot will earn high returns in the future and got the Complainant to sign the allotment letter for the said plot i.e., Plot no. 39, E-14, Sector 88-A, Vatika Towers, Gurgaon. The Accused took all the money and did not execute the plot buyer agreement, nor was the plot developed. The matter is currently pending.

3. Sunil Bhalla (the "**Complainant**") instituted a criminal complaint dated August 16, 2019 ("**Complaint**") before the Court of Chief Metropolitan Magistrate, Saket Courts, South-East Delhi, New Delhi (the "**Court**") against M/s Vatika Limited and others ("**Accused"**) under Section 200 read with section 403, 406, 409 and 420 of the Code of Criminal Procedure, 1973. It is alleged that the Accused misled the Complainant into investing ₹12 million into 300 sq. yards area of "Vatika Towers" a project launched by the Accused in Gurgaon with a false promise that after a period of 12 months, the Complainant can either take ₹15.60 million from the Accused or the area that was purchased. An investment agreement dated October 17, 2010 was entered into by both the parties. After completion of 12 months, the Complainant demanded the money however, the Accused assured him that the plot will earn high returns in the future and got the Complainant to sign the allotment letter for the said plot i.e., Plot no. 37, E-14, Sector 88-A, Vatika Towers, Gurgaon. The Accused took all the money and did not execute the plot buyer agreement nor was the plot developed. The matter is currently pending.

4. Sunil Bhalla (the "**Complainant**") instituted a criminal complaint dated August 16, 2019 ("**Complaint**") before the Court of Chief Metropolitan Magistrate, Saket Courts, South-East Delhi, New Delhi (the "**Court**") against M/s Vatika Limited and others ("**Accused"**) under Section 200

read with Section 403, 406, 409 and 420 of the Code of Criminal Procedure, 1973. It is alleged that the Accused misled the Complainant into investing ₹12 million into 300 sq. yards area of "Vatika Towers" a project launched by the Accused in Gurgaon with a false promise that after a period of 12 months, the Complainant can either take ₹15.60 million from the Accused or the area that was purchased. An investment agreement dated October 17, 2010 was entered into by both the parties. After completion of 12 months, the Complainant demanded the money however, the Accused assured him that the plot will earn high returns in the future and got the Complainant to sign the allotment letter for the said plot i.e., Plot no. 11, E-11.2, Sector 88-A, Vatika Towers, Gurgaon. The Accused took all the money and did not execute the plot buyer agreement, nor was the plot developed. The matter is currently pending.

B. Pending action by statutory or regulatory authorities against our Directors

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

C. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Directors.

Material civil litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

III. Litigation involving our Promoter

A. Outstanding criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

Except as disclosed below, there are no outstanding criminal proceedings initiated against our Promoters.

For details of the case against Hari Om Rai, see – "*Litigation involving our Directors - Outstanding criminal proceedings involving our Directors – Criminal proceedings against our Directors" on page 347.*

Criminal proceedings initiated by our Promoters

For details of the case by Sunil Bhalla, see – "*Litigation involving our Directors - Outstanding criminal proceedings involving our Directors – Criminal proceedings by our Directors" on page 347.*

B. Pending action by statutory or regulatory authorities against our Promoter

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Promoters.

C. Material outstanding litigation involving our Promoters

Material civil litigations against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Promoters.

Material civil litigations initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Promoters.

D. Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years immediately preceding the date of filing of this Draft Red Herring Prospectus

There has been no disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years immediately preceding the date of filing of this Draft Red Herring Prospectus

IV. Litigation involving our Subsidiaries

A. Outstanding criminal proceedings involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiaries.

Criminal proceedings initiated by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Subsidiaries.

B. Pending action by statutory or regulatory authorities against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

C. Material outstanding litigation involving our Subsidiaries

Material civil litigations initiated against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

Material civil litigations initiated by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Subsidiaries.

V. Litigation involving our Group Companies which may have a material impact on our Company

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

VI. Tax claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Directors, Promoters and Subsidiaries.

Nature of case	Number of cases	Amount involved (in ₹ million) *
Company		
Direct tax	6	58.30**
Indirect tax	44	653.29
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Promoters		

Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Subsidiaries		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

***** *to the extent quantifiable.*
*** exclusive of the interest but includes the levy of corporate tax @ 34.5%.*

VII. *Outstanding dues to creditors*

As of March 31, 2021, we had 64,417 creditors to whom an aggregate outstanding amount of ₹ 5,081.80 million was due. Further, based on available information regarding status of the creditor as a micro, small or a medium scale enterprise as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2021, our Company owes an amount of ₹ 20.37 million to micro, small and medium enterprises.

As per the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 254.09 million, which is 5% of the consolidated trade payable of our Company as per the most recent period included in the Restated Financial Information of our Company included in this Draft Red Herring Prospectus, shall be considered as 'material'. As of March 31, 2021, there are 7 material creditors to whom our Company owes an aggregate amount of ₹ 2,945.95 million. The details pertaining to outstanding dues towards our material creditors and their names are available on the website of our Company at www.lavamobiles.com/investor-relations.aspx. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Details of outstanding dues owed to micro, small and medium enterprises and other creditors as of March 31, 2021 is set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	74	20.37
Material creditors	7	2945.95
Other creditors*	64,336	2,115.48
Total Outstanding Dues	**64,417**	**5,081.80**

*****_including provision for expenses_.

VIII. Material developments

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation"* on page 306, there have not arisen, since the last date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. We have set out below an indicative list of material approvals obtained by our Company and our material subsidiaries, namely XOLO International (HK) Limited, Hong Kong, Lava International (H.K.) Limited, Hong Kong and Lava Technologies DMCC (Dubai), which are necessary for undertaking their business. In view of these material approvals, our Company can undertake this Offer and its current business activities as disclosed in this Draft Red Herring Prospectus. Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue such business activities. Unless otherwise stated, these approvals 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 or is in the process of making such renewal applications. In relation to the business activities and operations of our Company we have disclosed below the approvals applied for but not received.

For details in relation to the risk involved, see "Risk Factors - We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected. In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business." on page 49. *For further details in connection with the applicable regulatory and legal framework within which we operate, see "Regulations and Policies" beginning on page* 189.

Corporate Approvals

1. Certificate of incorporation dated March 27, 2009 issued by the RoC, in the name of Lava International Limited.

2. Certificate of commencement of business dated April 2, 2009 issued by the RoC to our Company.

3. Corporate Identity Number U32201DL2009PLC188920 allotted by the RoC to our Company.

For further details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" beginning on page 196.

Approvals relating to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for this Offer*" on page 354.

Tax related approvals

1. Permanent account number of our Company issued by the Income Tax Department, Government of India: AABCL5987H.

2. Tax deduction account number of our Company, issued by the Income Tax Department, Government of India: DELL04144A

3. Our Company has obtained registrations in relation to the Goods and Services Tax in 22 states (as per the Central Goods and Services Tax Act, 2017).

4. Our Company has obtained registrations in relation to the Professional Tax in 7 states (as per the respective state regulations).

Key Approvals obtained by our Company in relation to business and operations

Approvals in relation to the manufacturing unit and the research and development unit

We have a manufacturing unit and a research and development unit located in Noida, Uttar Pradesh. In order to operate our manufacturing unit and the research and development unit, our Company requires various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses, *inter alia*, include, licenses under the Uttar Pradesh Fire Prevention and Fire Safety Act, 2005, license under the Factory Act, 1948, certificate under the U.P. Shops and Establishment Act, 1962, certificate under the Legal Metrology Act, 2009 and rules made thereunder, and approvals from the central and state and pollution control board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Extended Producer Responsibility (EPR) – authorisation under E-waste (Management) Rules, 2016 and, the Bureau of Indian Standards Act, 2016.

Approvals in relation to the products

In relation to our products, our Company has obtained registration under the Bureau of Indian Standards Act, 2016, certificate under the Legal Metrology Act, 2009; and international certifications such as Specific Absorption Rate ("**SAR**") and Reduction of Hazardous Substances ("**RoHS**").

Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, the Contract Labour (Regulations and Abolition Act), 1970.

Other approvals and registrations

We have a research and development unit located in Noida, Uttar Pradesh for which our Company has obtained the Certificate of Importer-Exporter Code from the Ministry of Commerce and Industry and granted approval under the Production Linked Initiative Scheme for Large Scale Electronics Manufacturing under the guidelines issued by the Ministry of Electronics and Information Technology.

Key Approvals which are required and for which applications have been made

1. Application dated March 25, 2021 for renewal of recognition of hardware and software R&D units submitted to the Department of Scientific and Industrial Research, for recognition of in-house R&D units.

Key Approvals obtained by the Material Subsidiaries in relation to business and operations

In respect of Lava Technologies DMCC, we have obtained trading license from DMCC authority and VAT registration from Dubai Federal Tax Authority. In relation to Lava International (H.K.) Limited, we have obtained radio dealer license (unrestricted) under its applicable laws.

Key Approvals which are required and for which applications have been made

In relation to XOLO International (HK) Limited, radio dealer license (unrestricted) as required under its applicable law is pending as on the date of this Draft Red Herring Prospectus.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has 98 trademark registrations in India, including LAVA, LAVA गर्व से भारतीय and #ProudlyIndian and 12 trademarks registered overseas. "LAVA" as a trademark is registered under classes 1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16 17, 19, 21, 22, 24, 25, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 42, 44, in the Company's name.

We have 33 pending trademark applications, of which 17 have been opposed, and 11 are under objection. In addition, our Company has filed 29 opposition applications against various entities and individuals for using the word "LAVA" or its likenesses.

Further, our Company has 3 registered copyrights for artistic works titled "LAVA" and "XOLO", and our copyright application for our brand's signature tune titled "LAVA SIGNATURE TUNE" is pending.

We have a pending design registration under Class 14-03 for the design of a mobile phone. We have also made 3 patent applications, including for "LAVA PAY' as a "system and method for off-line banking application', "a micro electro-mechanical based remote sensing thermometer integrated mobile phone", and "a photoplethysmogram based blood pressure and heart rate measurement integrated mobile phone". All of our patent applications are pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

Our Board has authorised the Offer, pursuant to their resolution dated August 23, 2021. Our Shareholders have authorised the Offer pursuant to their resolution dated September 10, 2021. Further, the Board has taken on record the Offer for Sale pursuant to its resolution dated September 27, 2021.

Each of the Selling Shareholders have severally and not jointly, specifically authorised the transfer of its respective proportion of Offered Shares pursuant to the Offer for Sale as set out below:

S. No.	Name of Selling Shareholders	Date of resolution by board or committee of directors	Date of Consent Letter	Maximum number of Equity Shares offered for sale
1.	Hari Om Rai	NA	September 23, 2021	Up to 12,540,649
2.	Shailendra Nath Rai	NA	September 23, 2021	Up to 3,135,162
3.	Sunil Bhalla	NA	September 23, 2021	Up to 7,837,906
4.	Vishal Sehgal	NA	September 23, 2021	Up to 7,837,906
5.	Amit Rai	NA	September 20, 2021	Up to 76,768
6.	Vikram Singh Parmar	NA	September 17, 2021	Up to 49,664
7.	UNIC Memory*	September 26, 2021	September 27, 2021	Up to 11,274,812
8.	Tapperware Kitchenware Private Limited	June 9, 2021	September 6, 2021	Up to 974,736
	Total			**Up to 43,727,603**

**UNIC Memory holds an aggregate 324,172 Series B Preference Shares which will be converted into 11,274,808 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the UNIC SSHA.*

This Draft Red Herring Prospectus has been approved by our Board pursuant to their resolution dated September 27, 2021. Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Authorities

Our Company, each of the Selling Shareholders, Promoters, members of the Promoter Group, Directors, and the persons in control of our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, each of the Selling Shareholders, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, in respect of its respective holding in our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are associated with the securities market. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Draft Red Herring Prospectus against our Directors.

Eligibility for the Offer

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

a) Our Company has net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;

b) Our Company has a minimum average operating profit of ₹150 million calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of the preceding three years;

c) Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each) calculated on a restated and consolidated basis; and

d) Our Company has not changed its name within the last one year.

Our Company's operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31, are set forth below:

(in ₹ million, except percentage values)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net Tangible Assets (A)	15,460.61	14,036.43	12,264.11
Operating Profits	2,013.74	1,480.86	1,213.08
Net Worth	15,891.15	14,080.59	12,552.80
Monetary Assets (B)	248.75	207.07	896.74
Monetary Assets as a percentage of Net Tangible Assets (B)/(A)(%)	1.61%	1.48%	7.31%

i. Net tangible assets is the sum of all assets of the Group, as applicable excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.

ii. Operating profit is defined as profit before finance costs, other income and tax expense.

iii. Net worth has been computed as sum of the fully paid-up capital and other equity.

Monetary assets represent the sum of cash and bank balances including deposits with banks and interest accrued thereon (net of book overdraft) and investment in mutual funds. Book overdraft includes balances where cheques have been issued in excess of bank balance but those cheques have not yet been presented for clearance to the bank.

Our Company has operating profits in each of the Fiscal Years 2019, 2020 and 2021 in terms of our Restated Financial Information.

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.

Our Company is in compliance with the following conditions specified under Regulations 5 of the SEBI ICDR Regulations:

(i) Our Company, each of the Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) None of the Promoters or the Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;

(iii) None of our Company, our Promoters or our Directors have been categorized as a Wilful Defaulter;

(iv) None of our Promoters and our Directors are Fugitive Economic Offenders; and

(v) Except for the options granted pursuant to the ESOP Plans, Series A Preference Shares and Series B Preference Shares, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each Selling Shareholder, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Further, in accordance with the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, BOB CAPITAL MARKETS LIMITED, DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*) AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, BOB CAPITAL MARKETS LIMITED, DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*) AND SBI CAPITAL MARKETS LIMITED 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 AXIS CAPITAL LIMITED, BOB CAPITAL MARKETS LIMITED, DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*) AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, the Selling Shareholders, our Directors, the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website www.lavamobiles.com or the respective websites of any of the Selling Shareholders, would be doing so at his or her or their own risk.

It is clarified that none of the Selling Shareholders, and neither, its respective directors, partners, trustees, affiliates, associates and officers accept and / or undertake any responsibility for any statements made and undertakings provided by any person, except such statements and undertakings specifically made or undertaken by it in this Draft Red Herring Prospectus specifically 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 to be entered into between the Underwriters, the Selling Shareholders and our Company. All information shall be made available by our Company, Selling Shareholders (with respect 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.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, BRLMs and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term ‘affiliate’ means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCI and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act), pursuant Section 4(a) of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law.

Our Company and the Promoter Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law. Any expense incurred by our Company on behalf of any Selling Shareholder with regard to interest on such refunds will be reimbursed by such Selling Shareholder. For the avoidance of doubt, subject to applicable law, each of the Selling Shareholders shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to such Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the BRLMs, Chief Financial Officer, legal counsel, bankers/lenders to our Company, F&S, our Statutory Auditors and the Registrar to the Offer, in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Bank(s), Public Offer Account Bank(s) the Sponsor Bank 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 Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

Except as stated herein, our Company has not obtained any expert opinions.

Our Company has received written consent dated September 27, 2021 from ASA & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 21, 2021 on our Restated Financial Information; and (ii) their report dated September 23, 2021 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 20, 2021 from the independent chartered engineer, namely Cogs Risk Management Services Private Limited, Chartered Engineer, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the installed production capacities and capacity utilisation of the manufacturing facility of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Public or rights issues by our Company during the last five years

Our Company has not made any public issue during the five years immediately preceding the date of this Draft Red Herring Prospectus. Further, except as stated below, our Company has not made any rights issues during the five years preceding the date of this Draft Red Herring Prospectus:

Year of Issue	Closing Date	Date of Allotment	Date of Refunds	Date of listing on the stock exchanges	Premium/discount amount (in ₹)
2021	April 23, 2021	May 18, 2021	N.A.	N.A.	523 (premium)
2021	May 14, 2021	June 5, 2021	N.A.	N.A.	523 (premium)

Commission and brokerage paid on previous issues

Since this is an initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Capital issue during the previous three years by our Company, our listed Group Companies, subsidiaries and associates

None of our Subsidiaries or Associate Company are listed on any stock exchange. Our Group Companies are not listed on any stock exchange. For details in relation to the capital issuances by our Company in the three years preceding the date of filing the Draft Red Herring Prospectus, see "*Capital Structure – Notes to Capital Structure*" beginning on page 85.

Performance vis-à-vis objects – our Company

Our Company has not made any public issue during the five years immediately preceding the date of this Draft Red Herring Prospectus. For details of rights issue made by our Company in the past five years, preceding the date of filing of this Draft Red Herring Prospectus, see "*Capital Structure*" beginning on page 85. Further, our Company has not experienced any shortfall or delays in the achievement of objects.

Performance vis-à-vis objects – Last issue of Subsidiaries or Promoters

The securities of our Subsidiaries are not listed on any stock exchange. Our Promoters being individuals do not have securities listed on any stock exchange.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*:

Sr. No.	Issue name	Issue size (₹ millions)	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	Ami Organics Limited	5,696.36	610.00	14-Sep-21	910.00	-	-	-
2	Chemplast Sanmar Limted	38,500.00	541.00	24-Aug-21	550.00	+2.06%, [+5.55%]	-	-
3	Nuvoco Vistas Corporation Limited	50,000.00	570.00	23-Aug-21	485.00	-5.91%, [+6.46%]	-	-
4	Cartrade Tech Limited	29,985.13	1,618.00	20-Aug-21	1,599.80	-10.31%, [+6.90%]	-	-
5	Clean Science and Technology Limited	15,466.22	900.00	19-Jul-21	1,755.00	+66.33%, [+5.47%]	-	-
6	India Pesticides Limited	8,000.00	296.00	5-Jul-21	350.00	+12.64%, [+1.87%]	-	-
7	Krishna Institute of Medical Sciences Limited!	21,437.44	825.00	28-Jun-21	1,009.00	+48.10%, [-0.43%]	+48.35%, [+12.89%]	-
8	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%, [-0.43%]	+40.02%, [+12.89%]	-
9	Shyam Metalics And Energy Limited@	9,085.50	306.00	24-Jun-21	380.00	+40.95%, [+0.42%]	+22.65%, [+11.22%]	-
10	Macrotech Developers Limited	25,000.00	486.00	19-April-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	-

Source: www.nseindia.com

@ Offer Price was ₹ 291.00 per equity share to Eligible Employees

! Offer Price was ₹ 785.00 per equity share to Eligible Employees

Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY is considered as the Benchmark Index.*
3. *Price on NSE is considered for all of the above calculations.*
4. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
5. *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 public issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			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%
2021-2022*	11	212,901.16	-	-	2	1	4	3	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
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.

B. BOB Capital Markets Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by BOB Capital Markets Limited*:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing(2) (3)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing(2) (3)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	+2.06%[+5.55%]	Not Available	Not Available
2.	Glenmark Life Sciences Limited	15,136.00	720.00	August 06, 2021	750.00	-6.40%[+6.68%]	Not Available	Not Available
3.	Macrotech Developers India Limited	25,000.00	486.00	April 19,2021	436.00	+30.22%[+5.21%]	+75.43%[+10.89%]	Not Available
4.	Kalyan Jewellers India Limited	11,748.16	87.00(1)	March 26, 2021	73.95	-24.60%[-1.14%]	-8.33%[+8.84%]	-21.95%[+21.06%]

Source: www.nseindia.com
Note:
(1) *A discount of ₹ 8.00 per equity share offered to the eligible employees. All calculations are based on the issue price of ₹ 87 per equity share.*
(2) *The 30th and the 90th calendar day from listing day have been taken as listing day plus 29 & 89 calendar days respectively. In the event any day falls on a holiday, the price/index of the previous trading day has been considered.*
(3) *The Nifty 50 index is considered as the Benchmark Index.*

(4) *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*

2. *Summary statement of price information of past public (during current financial year and two financial years preceding the current financial year) issues handled by BOB Capital Markets Limited*:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	78,636.00	-	-	1	-	1	1	-	-	-	-	-	-
2020-21	1	11,748.16	-	-	1	-	-	-	-	-	1	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Prospectus for issue details

Note:

1) *The above information is as on the date of this Draft Red Herring Prospectus.*
2) *The information for the financial year is based on issues listed during such financial year*.

C. DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

1. *Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited)*:

Sr. No.	Issue name	Issue size (₹ millions)	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	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%, [+24.34%]
2	Indian Railway Finance Corporation Limited	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]
3.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	+294.50%, [+21.45%]
4.	Glenmark Life Sciences Limited	15,136.00	720.00	August 6, 2021	750.00	-6.40%, [+6.68%]	Not applicable	Not applicable
5.	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	-18.04%, [+4.93%]	Not applicable	Not applicable
6.	Krsnaa Diagnostics Limited	12,133.35	954.00	August 16, 2021	1,005.55	-9.42%, [+4.93%]	Not applicable	Not applicable

Source: www.nseindia.com

Notes:

1. *Issue size derived from prospectus*
2. *Price on NSE is considered for all of the above calculations*

3. *% 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.*
4. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
5. *The Nifty 50 index is considered as the benchmark index*
6. *Not applicable – Period not completed*

2. *Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited)*:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			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%
2021-22	3	31,284.70	-	-	3	-	-	-	-	-	-	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:
1. *The information is as on the date of this offer document*
2. *The information for each of the financial years is based on issues listed during such financial year.*
3. *Since 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available*

D. SBI Capital Markets Limited

1. *Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited*:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (Rs.)	Listing date	Opening price on listing date (in Rs.)	+/- % 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	Nuvoco Vistas Corporation Limited	50,000.00	570.00	August 23, 2021	485.00	-5.91% [+6.46%]	NA	NA
2	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	-18.04% [+4.93%]	NA	NA
3	Glenmark Life Sciences Limited	15,136.00	720.00	August 06, 2021	750.00	-6.40% [+6.68%]	NA	NA
4	G R Infraprojects Limited [(1)]	9,623.34	837.00	July 19, 2021	1,715.85	90.82% [+5.47%]	NA	NA
5	Shyam Metalics and	9,085.50	306.00	June 24, 2021	380.00	40.95% [+0.42%]	22.65% [+11.22%]	NA

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (Rs.)	Listing date	Opening price on listing date (in Rs.)	+/- % 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
	Energy Limited [(2)]							
6	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [+5.21%]	75.43% [+10.89%]	NA
7	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	76.97% [+6.85%]	NA
8	Suryoday Small Finance Bank Ltd [(3)]	5,808.39	305.00	March 26, 2021	292.00	-18.38% [-1.14%]	-27.48% [+8.84%]	-40.20% [+21.06%]
9	Kalyan Jewellers India Ltd [(4)]	11,748.16	87.00	March 26, 2021	73.95	-24.60% [-1.14%]	-8.33% [+8.84%]	-21.95% [+21.06%]
10	Railtel Corporation of India Limited	8,192.42	94.00	February 26, 2021	109.00	35.64% [-0.15%]	37.50% [+5.32%]	31.01% [+14.42%]

Source: www.nseindia.com
***Notes**:*
** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa 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.*
** The Nifty 50 index is considered as the Benchmark Index*

1. *Price for eligible employee was Rs 795.00 per equity share*
2. *Price for eligible employee was Rs 291.00 per equity share*
3. *Price for eligible employee was Rs 275.00 per equity share*
4. *Price for eligible employee was Rs 79.00 per equity share*
5. *Disclosure in the above table is restricted to 10 issues.*

2. *Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by SBI Capital Markets Limited*:

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	7	1,17,388.93	-	-	3	1	2	1	-	-	-	-	-	-
2020-21*	7	1,05,087.00	-	-	5	-	2	-	-	1	3	-	2	1
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1

** The information is as on the date of this Offer Document.*
 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	BOB Capital Markets Limited	www.bobcaps.in
3.	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)	www.damcapital.in
4.	SBI Capital Markets Limited	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove. 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.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay ₹ 100/- per day or interest at the rate of 15% per annum whichever is higher for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay.

The Company has obtained authentication on the SCORES and comply with the SEBI circular no.CIR/OIAE/1/2013 dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee. For details, see "*Our Management*" on page 212.

Our Company has appointed Bharat Mishra as our Company Secretary and Compliance Officer for the Company who may be contacted in case of any pre-Offer or post-Offer related grievances. His contact details are as follows:

A-56, Sector-64, Noida – 201 301
Uttar Pradesh, India
Tel: +91 0120 463 7100
E-mail: compliance1@lavainternational.in

Each of the Selling Shareholders have severally and not jointly authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company 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.

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 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SEBI, by way of its circular dated March 16, 2021 ("**March 2021 Circular**") and as amended by the circular dated June 2, 2021, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
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 BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Offer shall rank pari passu with the existing Equity Shares in all respects including dividends. For further details, see "*Main Provisions of Articles of Association"* on page 396.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 238 and 396, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 5 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi, where our Registered Office is situated), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer shall be borne by the Company and the Selling Shareholders, in proportion to the Equity Shares contributed by them respectively in the Offer, upon the successful completion of the Offer. Upon the successful completion of the Offer, each Selling Shareholder shall severally and not jointly reimburse the Company for any expenses incurred by the Company on behalf of such Selling Shareholders in the proportion of their respective portion of the Offered Shares, as mutually agreed between the Company and the Selling Shareholders, in accordance with Applicable Law. It is clarified that in the event the Offer is not successful or withdrawn, all expenses in relation to the Offer shall be borne by the Company.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- **A.** Right to receive dividends, if declared;
- **B.** Right to attend general meetings and exercise voting rights, unless prohibited by law;
- **C.** Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- **D.** Right to receive offers for rights shares and be allotted bonus shares, if announced;
- **E.** Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- **F.** Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- **G.** Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 396.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 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, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated October 29, 2020 amongst our Company, NSDL and Registrar to the Offer.

- Tripartite agreement dated October 30, 2020 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in his Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" beginning on page 377.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with. Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

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

**Our Company 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 day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about [●]
Credit of the Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of 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. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company and the Promoter Selling Shareholders 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, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. 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.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time ("**IST**"))
Bid/ Offer Closing Date*	
Submission and Revision in Bids	Only between 10:00 am and 3:00 pm IST

***** *UPI mandate end time and date shall be at 12.00 p.m. on [●].*

On the Bid/ Offer Closing Date:

(i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded by 4.00 p.m. IST, and

(ii) In case of Bids by Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days, during the Bid/Offer Period

Our Company in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

(i) If our Company does not receive (a) a minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; (b) the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or (ii) if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date after technical rejections; or (iii) if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an undersubscription in the Offer, the Equity Shares offered will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed;

(ii) upon (i), the Equity Shares offered by UNIC Memory in the Offer for Sale will be Allotted such that UNIC Memory is able to complete the sale of its respective portion of the Offered Shares;

(iii) upon (ii) the Equity Shares of the Promoter Selling Shareholders will be Allotted, in proportion to the number of Equity Shares offered by each of the Promoter Selling Shareholders, in a pro-rata manner, to the extent required for repayment of the amount raised by Sojo Infotel Private Limited through issuance of non-convertible debentures;

(iv) Upon (iii) the remaining Offered Shares of the Promoter Selling Shareholders and other Selling Shareholders will be Allotted, in proportion to the number of Equity Shares offered by each of the other Selling Shareholders, in a pro-rata manner; and

(v) once Equity Shares have been Allotted as per (i), (ii), (iii) and (iv) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion.

Each of the Selling Shareholders shall reimburse, in proportion to its respective Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law. Provided that no Selling Shareholders shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission by it and any expenses and interest incurred shall be paid to the extent of its respective portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 85 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association"* beginning on page 396.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million (the "**Offer**"). The Offer comprises of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 5,000 million by our Company and an Offer for Sale of up to 43,727,603 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●]%, of the post-offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 5 each.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum net offer size requirements prescribed under Regulation 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment/ allocation*(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Net Offer or Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation	Approximately [●]% of the Offer
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; and	Proportionate.	Allotment to each Retail Individual Bidders 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	Proportionate(5)

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	(b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will 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 allotted on a proportionate basis. For further details, see the General Information Document.	
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeding the size of the Net Offer (excluding the QIB Portion), subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so as to ensure that the Bid Amount does not exceed ₹500,000 (net of Employee Discount)[5]
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can Apply[3]	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs), public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Eligible Employees

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.			
Terms of Payment[(4)]	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. **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 through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Assuming full subscription in the Offer.*

[(1)] *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 377.*

[(2)] *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations, Allotment will be first made towards the Fresh Issue from the valid Bids. For further details, please see "Terms of the Offer" on page 368.

[(3)] *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

[(4)] *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

[5] *Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount) in value.*

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and each of the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the 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 RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date and (xii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 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 RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation, 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 facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs 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. Retail Individual Investors bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders using UPI Mechanism must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*
Notes:
1. *Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).*
2. *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*
3. *Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of the Company.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, 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 RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, 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 and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank 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 will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer.

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 and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB (if they are Bidding directly through the SCSB) or conform to accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts

NRIs applying if Offer using UPI Mechanism are advised to enquire with relevant bank whether their bank account is UPI linked prior to making such applications.

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).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 395. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In 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 Non-debt Instruments 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. 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 Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 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 derivate 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.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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 shall not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹500,000.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.

(c) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.

(e) Eligible Employees can apply at Cut-off Price.

(f) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(g) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

(h) Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

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 and the Selling Shareholders in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, 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 and the Selling Shareholders in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof subject to applicable law.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our

Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms 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 in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion 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) Equity Shares Allotted in the Anchor Investor Portion will 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 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.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations,

which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. 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 have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only.

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. 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;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

26. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

27. Ensure that the PAN is linked with Aadhaar and are in compliance with notification dated February 13, 2020 and press release dated June 25, 2021 issued by Central Board of Direct Taxes;

28. 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;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. 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;

17. 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);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not Bid for Equity Shares in excess of what is specified for each category;

22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

28. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism; and

29. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "General Information" on page 76.

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.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi, where our Registered Office is situated).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- except for the Pre-IPO Placement, issue of Equity Shares upon conversion of Series A Preference Shares and Series B Preference Shares* and any allotment of Equity Shares upon any exercise of options vested pursuant to ESOP Plans, the Equity Shares allotted pursuant to the Offer, 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 unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
  ** As on the date of this Draft Red Herring Prospectus there are 100,000 outstanding Series A Preference Shares that are convertible into a maximum of 5,368,832 Equity Shares and 324,172 Series B Preference Shares that are convertible into 11,274,808 Equity Shares. All conversions mentioned herein will take place prior to the filing of the Red Herring Prospectus with the RoC.*

- Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof and, to the extent of its respective Offered Shares, respectively, 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.

- If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, undertake the following in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

- its respective portion of the Offered Shares are held in dematerialized form;

- it is the legal and beneficial owner of its respective portion of the Offered Shares; and

- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received by our Company.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the BRLMs.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name
***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 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.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

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 DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the FDI Circular has been amended to state that 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

As per the FDI Circular read with Press Note, 100% foreign direct investment is permitted under the automatic route for manufacturing companies, however, 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.

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.

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 381 and 382, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. 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.

The Articles of Association of the Company comprise two parts, Part A and Part B. Upon the receipt of final listing and trading approval from the BSE Limited and National Stock Exchange of India Limited pursuant to an initial public offering of the Equity Shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company or its shareholders.

PART A OF THE ARTICLES OF ASSOCIATION

AUTHORISED SHARE CAPITAL

Articles 3 provides that the authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

ALLOTMENT OF SHARES

Article 4 provides that subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit.

ALTERATION OF CAPITAL

Subject to the provisions of the Act, as per Article 33 the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a) Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided,

c) may determine that as between the holders of the shares resulting from such sub-division one or

d) more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

e) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

f) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

g) Convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

ISSUE OF CERTIFICATE

Article 9 provides that every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within 2 months from the date of allotment, or within 1 month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe. Moreover, every certificate shall specify the shares to which it relates and the amount paid-up thereon.

LIEN

Article 12 provides that The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect.

It also states that the company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

Article 13 provides that The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

a) Unless a sum in respect of which the lien exists is presently payable; or

b) Until the expiration of 14 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 to the person entitled thereto by reason of his death or insolvency or otherwise. No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or regarding which the Company has exercised any right of lien.

Article 14 provides that in exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding any irregularity or invalidity in the proceedings in reference to the sale.

CALLS ON SHARES

Article 17 provides that the Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by 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. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders in a General Meeting.

Article 18 provides that a call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.

Article 40 provides that if a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, the Board may, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 21 provides that any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Further, in case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 22 provides that the Board –

a) May, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest of 12% p.a. or at such rate as may be agreed upon between the Board and the Member paying the sum in advance.

Nothing contained in this Article shall confer on the Member any right to dividend or to participate in profits.

TRANSFER OF SHARES

Article 25 provides that the company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Article 26 provides that every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be.

Article 27 provides the instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

Article 30 states that the Board may decline to recognize any instrument of transfer unless

a) The instrument of transfer is in the form prescribed under section (1) of section 56;

b) The instrument of transfer is accompanied by the certificate of 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

c) The instrument of transfer is in respect of only one class of shares.

Article 32 provides that giving not less than 7 days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times. Provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year

Additionally, no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

TRANSMISSION OF SHARES

Article 35 provides that subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:

a) to be registered himself as holder of the share; or

b) to make such transfer of the share as the deceased or insolvent member could have made.

The Board shall, in either case, retain 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.

Article 37 provides for the rights on transmission. It states that a person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give a 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 days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Article 39 states that the Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

Article 40 provides, if a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

Article 41 provides that the notice must contain:

a) Name a further day (not being earlier than the expiry of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) 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 shall be liable to be forfeited.

According to Article 42 if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.

Article 44 states that a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % per annum. Such liability shall cease if and when the Company shall receive payments in full of all such money in respect of the shares.

Article 46 provides the provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

Article 47 further states that the forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.

Article 48 provides upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Article 49 states that upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall stand cancelled and become null and void and of no effect.

ALTERATION OF CAPITAL

Article 55 provides that the Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Article 61 states that the company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:

a) Its share capital;

b) Any capital redemption reserve account; or

c) Any share premium account

.
Article 62 enables the Company to reduce its share capital, by passing a special resolution and on compliance with the provisions of Section 66 of the Act.

Article 64 provides that the Company may pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

Article 65 states that the Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject, to the provisions of Section 230 to 232 of the Act.

GENERAL MEETINGS

Article 67 provides that all General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting".

According to Article 82 the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Article 69 states that no general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.

Article 70 mandates for every general meeting, to have a quorum of members is present. It also reiterates the quorum as per Section 103 of the Act, a minimum of:

a) Five members personally present if the number of members as on the date of meeting is not more than one thousand;

b) Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;

c) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

VOTE OF MEMBERS

Article 78 provides that Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up Equity Share capital.

Article 81 also allows a Member to exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 82 provides that no Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

Article 84 provides that instrument appointing a proxy and the power-of-attorney or other authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid

DIRECTOR

Article 87 states that the number of Directors of the Company shall not be less than three and not more than fifteen.

Article 88. names the first directors of the Company:

a) Shailendra Nath Rai

b) Sunil Bhalla

c) Hari Om Rai

Article 90. provides that subject to the provisions of the Act and Rules made there under:

a) each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding ₹ 100,000/-.

b) the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.

c) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

d) if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities as the Board may determine from time to time.

e) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them:

(i) In attending and returning from meetings or adjourned meeting of the Board or any committee thereof; or

(ii) In connection with the business of the Company.

Article 91 clarifies that the Directors shall not be required to hold any qualification shares in the Company.

Article 95 provides that subject to the provisions of Section 161 of the Act, the Board shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India

Article 96 states that the Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy, at a meeting of the Board. Any person so appointed shall held office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Article 99 enlists the situations resulting in a vacancy

a) on the happening of any of the events provided for in Section 167 of the Act;

b) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;

c) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 shall be Public Companies.

d) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or

e) on resignation of his office by notice in writing and is accepted by the Board

ROTATION AND RETIREMENT OF DIRECTOR

Article 89. states that at every Annual General Meeting of the Company one-third (or the number nearest to one third) of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act in accordance with the provisions of Sections 152 of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

Article 107 provides for the meeting of the Board. It states that the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.

Article 108 states that the participation of the Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum under clause 111 of the Articles.

Article 109 states that if a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.

Article 110 provides the following:

a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.

b) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

Article 111 enables the continuing Directors to act notwithstanding any vacancy in the Board, incase their number is reduced below the quorum fixed by the Act for a meeting of the Board, they may act only for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General meeting of the Company, but for no other purpose.

Article 112 states the following:

a) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.

b) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.

Article 113.provides that subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Article 116 states that a committee may meet and adjourn as it think proper and questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairman shall have a second or casting vote.

Article 117. states that all acts done by any meeting of the Board / committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors was invalid, the afore mentioned acts' validity shall not be affected.

NOMINEE DIRECTORS

Article 94 provides for appointment of a Nominee director

a) In the course of its business the Company shall, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board upon such terms and conditions as the Directors may deem fit.

b) Such nominees and their successors in office appointed under this Article shall be called Nominee Directors, they shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation.

c) As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS

Article 119 states that subject to provisions of the Act, the Board may, appoint one or more of their body to the office of Managing Directors or Whole Time Directors for a period not exceeding 5 years at a time and may also revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.

Article 120 provides that the Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time evoke, withdraw, alter or vary all or any of such powers.

Article 121 provides for appointment of, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, subject to Section 203 of the Act and any Secretary so appointed may be removed by the Board.

DIVIDENDS AND RESERVES

Article 123 states that the Company in General meeting may declare dividends not exceeding the amount recommended by the Board.

Article 124 enables the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

Article 125 states that

a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, (other than shares of the company) as the Board may, from time to time, thinks fit.

b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 126. states that

a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 127 states that the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

Article 131.provides that no dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Law.

CAPITALISATION OF PROFITS

Article 135 provides that:

a) The Company in General Meeting, may, on 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 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 the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).

c) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.

d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation..

WINDING UP

Article 138 provides that subject to the applicable provisions of the Act–

a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

Article 139 provides that every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bona fide liability incurred by him in defending any bona fide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquired or in connection with any application under section 463 of the Act, in which relief is granted to him by the Court.

PART B OF THE ARTICLES OF ASSOCIATION

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the agreement executed with certain shareholders of our Company. For more details on the shareholders' agreements, see "*History and Certain Corporate Matters – Shareholders' Agreements*" on page 199.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, and the Prospectus, as applicable, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office from 10.00 am to 4.00 pm on Working Days 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 among our Company, the Selling Shareholders and the BRLMs dated September 27, 2021, 2021.

2. Registrar Agreement among our Company, the Selling Shareholders and Registrar to the Offer dated September 27, 2021.

3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), the Sponsor Bank and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] between the Company, the Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Monitoring Agency dated [●] between our Company and the Monitoring Agency.

7. Underwriting Agreement dated [●] among our Company, the Selling Shareholders and the Underwriters.

Other Material Contracts in relation to our Company

1. Subscription and shareholders' agreement dated November 29, 2017 read with an amendment agreement dated August 7, 2021 executed by and amongst UNIC Memory, our Company, our Promoters and other certain shareholders of our Company namely, Shibani Sehgal, Sadanand Rai, Suneeti Bhalla, Manju Rai and Jamuna Rai, as amended by amendment agreement dated August 7, 2021.

2. Investment agreement dated August 1, 2017 read with amendment agreements dated December 4, 2017 and September 8, 2021 executed by and amongst Bennett Coleman, our Company and our Promoters.

3. Settlement agreement and share purchase agreement dated August 7, 2021 executed by and amongst UNIC Memory, our Company, our Promoters and Sojo Infotel Private Limited.

4. Share swap agreement dated August 4, 2021 entered into amongst our Company, China Bird Centro America S.A., Clipper Global S.A., Swire Holding Foundation, Fundacion Ferher, IDC Overseas LTD., Mobile Payment Solutions S.A., Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai read with the ROFR & drag right agreement dated August 4, 2021 entered into amongst our Company, Seller, Hari Om Rai, Sunil Bhalla, Vishal Sehgal and Shailendra Nath Rai.

5. American depository share purchase agreement dated February 17, 2020 by and amongst Lava International Limited and GEM Global Yield LLC SCS.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Our certificate of incorporation dated March 27, 2009.

3. Resolution of the Board of Directors dated August 23, 2021 authorising the Offer.

4. Resolution of the Shareholders dated September 10, 2021 under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.

5. Resolution of the Board dated September 27, 2021 approving this Draft Red Herring Prospectus.

6. Resolution of the Board dated September 27, 2021 taking on record the Offer for Sale and noting the Fresh Issue size.

7. Consent letters dated September 23, 2021 each from the Promoters Selling Shareholders, namely, Hari Om Rai, Shailendra Nath Rai, Sunil Bhalla, Vishal Sehgal,

8. Consent letters from the Selling Shareholders, namely, Vikram Singh Parmar and Amit Rai dated September 17, 2021 and September 20, 2021, respectively, for participating in the Offer for Sale.

9. Consent letter dated September 6, 2021 and authorisation of the board of directors dated June 9, 2021 of the Selling Shareholder, namely, Tapperware Kitchenware Private Limited for participation in the Offer for Sale.

10. Consent letter dated September 27, 2021 and authorisation of the board of directors dated September 26, 2021 of UNIC Memory for participation in the Offer for Sale.

11. Copies of annual reports of our Company for Financial Years 2019, 2020 and 2021.

12. Examination reports of our Statutory Auditors dated September 21, 2021, 2021 on the Restated Financial Information included in this Draft Red Herring Prospectus.

13. Statement of special tax benefits from our Statutory Auditors, dated September 23, 2021.

14. Agreement dated October 29, 2020 among NSDL, our Company and the Registrar to the Offer.

15. Agreement dated October 30, 2020 among CDSL, our Company and the Registrar to the Offer.

16. Industry report titled “Mobile Phones Industry Report in India” dated September 2021, prepared by F&S.

17. Written consent of our Statutory Auditors to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in respect of their report dated September 21, 2021, on the Restated Financial Information and their report dated September 23, 2021 on the statement of possible special tax benefits available for the Company and its shareholders.

18. Consent letter dated September 20, 2021 received from Cogs Risk Management Services Private Limited, Chartered Engineers to include their name as required under Section 26(5) of the Companies Act in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act

19. Consents of the Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Sponsor Bank, Directors of our Company, Company Secretary and Compliance Officer for the Offer, Public Offer Account Bank(s), ICRA, legal counsel of the BRLMs, Company and UNIC Memory, Refund Bank(s) as referred to, in their respective capacities.

20. In-principle listing approvals dated [●] and [●] received from NSE and the BSE, respectively.

21. Due diligence certificate dated September 27, 2021 to SEBI from the BRLMs.

22. SEBI observation letter [●] and our in-seriatim reply to the same 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 other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Hari Om Rai
Chairman and Managing Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____
Shailendra Nath Rai
Whole-time Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Sunil Bhalla
Non-executive Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Vishal Sehgal
Non-executive Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Vinod Rai
Independent Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Rahul Kansal
Independent Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Chitra Gouri Lal
Independent Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Vinod Sharma
Independent Director

Date: September 27, 2021

Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Asitava Bose
Chief Financial Officer

Date: September 27, 2021

Place: Noida

DECLARATION BY HARI OM RAI, AS THE SELLING SHAREHOLDER

I, Hari Om Rai, confirm and certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically about or in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct.

Hari Om Rai

Date: September 27, 2021

Place: Noida

DECLARATION BY SUNIL BHALLA, AS THE SELLING SHAREHOLDER

I, Sunil Bhalla, confirm and certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically about or in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct.

Sunil Bhalla

Date: September 27, 2021

Place: Noida

DECLARATION BY VISHAL SEHGAL, AS THE SELLING SHAREHOLDER

I, Vishal Sehgal, confirm and certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically about or in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct.

____

Vishal Sehgal

Date: September 27, 2021

Place: Noida

DECLARATION BY SHAILENDRA NATH RAI, AS THE SELLING SHAREHOLDER

I, Shailendra Nath Rai, confirm and certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically about or in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct.

____

Shailendra Nath Rai

Date: September 27, 2021

Place: Noida

DECLARATION BY TAPPERWARE KITCHENWARE PRIVATE LIMITED, AMIT RAI, VIKRAM SINGH PARMAR, AS THE SELLING SHAREHOLDERS

Tapperware Kitchenware Private Limited, Amit Rai and Vikram Singh Parmar acting through the undersigned, confirm and certify that all statements and undertakings made or confirmed by them in this Draft Red Herring Prospectus specifically about or in relation to itself, as the Selling Shareholder, and the Equity Shares which are being offered by them by way of the Offer for Sale pursuant to the Offer, are true and correct.

Signed for and on behalf of Tapperware Kitchenware Private Limited, Amit Rai, and Vikram Singh Parmar by Asitava Bose, the Chief Financial Officer of the Company, as the power of attorney holder for such Selling Shareholders.

____
Asitava Bose

Date: September 27, 2021

Place: Noida

DECLARATION BY UNIC MEMORY TECHNOLOGY (HONG KONG) LIMITED, AS THE SELLING SHAREHOLDER

We, UNIC Memory Technology (Hong Kong) Limited, confirm that all statements, and undertakings specifically made by us in this Draft Red Herring Prospectus specifically 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 or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF UNIC MEMORY TECHNOLOGY (HONG KONG) LIMITED

____

Authorised Signatory
Name: Weiguo Zhao
Designation: Director

Date: September 27, 2021

Place: Beijing