



IMAGINE MARKETING LIMITED

CORPORATE IDENTITY NUMBER: U52300MH2013PLC249758

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON |
|--|---|---|
| E-Wing, Unit- 505 Corporate Avenue Opp. Solitaire Park, Chakala, Andheri (East) Mumbai – 400 093 Maharashtra, India | Block No. 19 Ground, 1 st , 2 nd , 3 rd and 4 th Floor Hauz Khas Village South Delhi, Delhi – 110 016, India | Dhara Joshi Company Secretary and Compliance Officer |
| WEBSITE | TELEPHONE | EMAIL |
| www.boat-lifestyle.com | +91 11 4502 4237 | dhara.joshi@imaginemarketingindia.com |
| PROMOTERS OF OUR COMPANY: SAMEER MEHTA AND AMAN GUPTA | | |
| Initial public offer of up to [●] equity shares of face value of ₹1 each (“Equity Shares”) aggregating up to ₹20,000.00 million (the “Offer”) which comprises: | | |
| <ul style="list-style-type: none"> • Fresh issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million (the “Fresh Issue”); and • Offer for sale of up to [●] Equity Shares aggregating up to ₹11,000.00 million (“Offer for Sale”). | | |
| The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹15.00 million (constituting up to [●]% of the post-offer paid up equity share capital), for subscription by Eligible Employees (“Employee Reservation Portion”). | | |
| Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may consider a further issue of specified securities through a private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹1,800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). | | |
| The Offer is being made through the Book Building Process, 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 and in compliance with Regulation 6(1) of the SEBI ICDR Regulations. | | |
| DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND AVERAGE COST OF ACQUISITION | | |
| NAME OF THE SELLING SHAREHOLDER | AGGREGATE AMOUNT OF OFFER FOR SALE | AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)* |
| PROMOTERS / PROMOTER SELLING SHAREHOLDERS | | |
| SAMEER MEHTA | Up to ₹1,500.00 million | NIL [^] |
| AMAN GUPTA | Up to ₹1,500.00 million | NIL [^] |
| INVESTOR SELLING SHAREHOLDER | | |
| SOUTH LAKE INVESTMENT LTD | Up to ₹8,000.00 million | 141.87 |
| [^] Since the average cost of acquisition is negative, it has been considered as Nil. | | |
| *As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 26, 2022. | | |
| BID/OFFER PROGRAMME | | |
| BID/OFFER OPENS ON* | [●] | |
| BID/OFFER CLOSES ON** | [●] | |

* Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

** Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.



IMAGINE MARKETING LIMITED

Our Company was incorporated as "Imagine Marketing Private Limited" under the Companies Act, 1956 in Mumbai, Maharashtra, as a private limited company, pursuant to a certificate of incorporation dated November 1, 2013, issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Pursuant to a special resolution passed by our Shareholders on January 18, 2022, our Company was converted into a public limited company and consequently, the name of our Company was changed to "Imagine Marketing Limited" and a fresh certificate of incorporation dated January 24, 2022 was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 171.

Registered Office: E-Wing, Unit- 505 Corporate Avenue, Opp. Solitaire Park, Chakala, Andheri (East), Mumbai – 400 093 Maharashtra, India
Corporate Office: Block No. 19, Ground, 1st, 2nd, 3rd and 4th Floor, Hauz Khas Village, South Delhi, Delhi – 110 016, India
Telephone: +91 11 4502 4237; **Contact Person:** Dhara Joshi, Company Secretary and Compliance Officer
E-mail: dhara.joshi@imaginemarketingindia.com; **Website:** www.boat-lifestyle.com
Corporate Identity Number: U52300MH2013PLC249758

PROMOTERS OF OUR COMPANY: SAMEER MEHTA AND AMAN GUPTA

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF IMAGINE MARKETING LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹20,000.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹9,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,500.00 MILLION BY AMAN GUPTA, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,500.00 MILLION BY SAMEER MEHTA (THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹8,000.00 MILLION BY SOUTH LAKE INVESTMENT LTD (THE "INVESTOR SELLING SHAREHOLDER") AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹15.00 MILLION (CONSTITUTING UP TO [●] OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER" AGGREGATING UP TO [●] EQUITY SHARES, OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●] (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE NET OFFER WILL CONSTITUTE [●] OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES THROUGH A PRIVATE PLACEMENT, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹1,800.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"), THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL EITHER BE INCLUDED IN THE RED HERRING PROSPECTUS OR WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI, MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, 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 and in compliance 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 Qualified Institutional Buyers ("QIBs"), the "QIB Portion", provided that our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, 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"), 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-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 only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the 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 at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amount will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 338.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹1. The Floor Price, Cap Price and Offer Price (determined and justified by our Company, the Selling Shareholders in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "Basis for Offer Price" on page 106) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor 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 Bidders is invited to "Risk Factors" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from each of BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. 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 377.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

| | | | | |
|--|--|--|---|--|
| | | | | |
| <p>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: boat.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mayuri Arya SEBI Registration Number: INM000012029</p> | <p>BofA Securities India Limited Ground Floor, "A" Wing One BKC "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6632 8000 E-mail: dg.imagine_ipo@bofa.com Investor grievance e-mail: dg.india_merchantbanking@bofa.com Website: www.ml-india.com Contact Person: Abhrajeev Banerjee SEBI Registration Number: INM000011625</p> | <p>Credit Suisse Securities (India) Private Limited 9th Floor, Ceejay House Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3885 E-mail: list.boatipo@credit-suisse.com Investor grievance e-mail: list.igcellmer-bnkg@credit-suisse.com Website: https://www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html Contact Person: Abhishek Joshi SEBI Registration Number: INM000011161</p> | <p>ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: boat.ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact person: Sumit Singh/Akhil Mohod SEBI registration Number: INM000011179</p> | <p>Link Intime India Private Limited C 101, 247 Park L.B.S. Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: imagine.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance e-mail: imagine.ipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058</p> |

BID/OFFER PROGRAMME

| | |
|-----------------------------|-----|
| BID/OFFER OPENS ON* | [●] |
| BID/OFFER CLOSES ON* | [●] |

* Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

** Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

Notwithstanding the foregoing, terms in the sections “Basis for Offer Price”, “Statement of Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “History and Certain Corporate Matters”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Main Provision of Articles of Association” will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail. The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 2013, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

General Terms

| Term | Description |
|---|--|
| “the Company”/“our Company”/ “the Issuer” | Imagine Marketing Limited, incorporated under the Companies Act, 1956, in India with its registered office at E-Wing, Unit- 505 Corporate Avenue, Opp. Solitaire Park, Chakala, Andheri (East), Mumbai – 400 093 Maharashtra, India. |
| “we”/ “us”/ “our” | Unless the context otherwise requires, our Company together with our Subsidiaries, on a consolidated basis |

Company Related Terms

| Term | Description |
|--|---|
| Articles of Association | The articles of association of our Company, as amended |
| Associate / Associate Company | The associate company of our Company, namely Sirena Labs Private Limited |
| Audit Committee | The audit committee of our Board, as described in “ <i>Management</i> ” beginning on page 182 |
| Auditors/ Statutory Auditors | The statutory auditors of our Company, being B S R & Co. LLP |
| Board/ Board of Directors | The board of directors of our Company, or a duly constituted committee thereof |
| Chairman | Sameer Mehta, the chairman of our Company |
| Chief Financial Officer/ CFO | Ankur Sharma, the chief financial officer of our Company |
| Company Secretary and Compliance Officer | Dhara Joshi, the company secretary and the compliance officer of our Company |
| Corporate Office | The corporate office of our Company situated at Block No. 19, Ground, 1 st , 2 nd , 3 rd and 4 th Floor, Hauz Khas Village, South Delhi, Delhi – 110 016, India |
| CSR Committee | The corporate social responsibility committee of our Board, as described in “ <i>Management</i> ” beginning on page 182 |
| Director(s) | The director(s) on our Board |
| Dive Marketing | Dive Marketing Private Limited, one of the subsidiaries of our Company |
| Equity Shares | The equity shares of our Company of face value of ₹1 each |
| ESOP 2019 | Imagine Employees Stock Option Plan – 2019 |
| ESOP 2021 | Imagine Management Stock Option Plan – 2021 |
| ESOP Schemes | ESOP 2019 and ESOP 2021 |
| Executive Director(s) | Executive director(s) on our Board |
| Fireside | Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust) |
| Fireside Series A SSA | Share subscription agreement dated April 4, 2018, entered into among the Company, Sameer Mehta, Aman Gupta and Fireside |
| Fireside Series A1 SSA | Series A1 Share Subscription Agreement dated December 31, 2018 entered into among the Company, Sameer Mehta, Aman Gupta and Fireside |
| Group Companies | Group companies of the Company, identified in terms of SEBI ICDR Regulations, and as set forth in “ <i>Group Companies</i> ” beginning on page 202 |
| HOB Ventures | HOB Ventures Private Limited, one of the subsidiaries of our Company |
| Imagine Marketing Singapore | Imagine Marketing Singapore Pte. Ltd., one of the subsidiaries of our Company |
| Independent Director(s) | The independent Director(s) on our Board |

| Term | Description |
|---|---|
| IPO Committee | The IPO committee of our Board formed pursuant to a resolution of our Board dated December 15, 2021 |
| KaHa China | KaHa Technologies Shenzhen Co. Ltd. |
| KaHa Entities | Collectively, KaHa Singapore, KaHa India and KaHa China. For further details, please see “ <i>History and Certain Corporate Matters – Details regarding acquisitions or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, etc. in the last 10 years</i> ” on page 173 |
| KaHa India | KaHa Technologies Private Limited |
| KaHa India SPA | Share purchase agreement dated January 6, 2022 entered into among our Company, KaHa Pte. Ltd., KaHa Technologies Private Limited, Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung |
| KaHa Investor SPA | Share purchase agreement dated January 10, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd., Nott Hariprasad, Tan Hwee Hua, Yourest Angel Fund Trust, Metals International B.V., IOTPlus Singapore Pte. Ltd., Seeds Capital Pte. Ltd., Tembusu ICT Fund I Pte. Ltd., Tembusu Partners Pte. Ltd. and Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung |
| KaHa Promoter SSPA | Share purchase and share subscription agreement dated January 14, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd., Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung |
| KaHa Singapore | KaHa Pte. Ltd. |
| Kimirica Lifestyle | Kimirica Lifestyle Private Limited |
| KMP/ Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act 2013 and as described in “ <i>Management - Key Managerial Personnel</i> ” on page 197 |
| Materiality Policy | The policy adopted by our Board at its meeting held on January 18, 2022 for identification of group companies, material outstanding litigation and material dues outstanding to creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations |
| Memorandum of Association | The memorandum of association of our Company, as amended |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board, as described in “ <i>Management</i> ” beginning on page 182 |
| Preference Shares | Series A Preference Shares, Series A1 Preference Shares, Series B Preference Shares and Series B1 Preference Shares |
| Promoter Group | Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Promoters and Promoter Group-Promoter Group</i> ” beginning on page 199 |
| Promoters | Sameer Mehta and Aman Gupta |
| Qualcomm | Qualcomm Ventures LLC |
| Qualcomm Series B1 SSA | Share subscription agreement dated April 9, 2021 entered into among our Company, Sameer Mehta, Aman Gupta and Qualcomm |
| RedSeer Report | Report titled “ <i>Report on Consumer Devices In India</i> ” dated January 2022, issued by RedSeer Management Consulting Private Limited which has been commissioned and paid for by our Company |
| Registered Office | The registered office of our Company situated at E-Wing, Unit- 505 Corporate Avenue, Opp. Solitaire Park, Chakala, Andheri (East), Mumbai – 400 093 Maharashtra, India |
| Registrar of Companies/ RoC | Registrar of Companies, Maharashtra at Mumbai |
| Restated Consolidated Financial Information | The restated consolidated financial information of our Company, Dive Marketing, one of our Subsidiaries and Sirena Labs, our Associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information, as approved by our Board at its meeting held on January 25, 2022 for the purpose of inclusion in this Draft Red Herring Prospectus prepared by our Company in connection with the Offer prepared in terms of the requirements of: <ul style="list-style-type: none"> (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI; and (iv) E-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, instructing lead managers to ensure that the companies provide consolidated financial statements prepared in accordance with Ind AS for all the three years and stub period, |

| Term | Description |
|--------------------------------------|---|
| | as included in “ <i>Financial Information</i> ” on beginning page 205. |
| Risk Management Committee | The risk management committee of our Board, as described in “ <i>Management</i> ” beginning on page 182 |
| Series A Preference Shares | Series A Compulsorily Convertible Preference Shares of face value of ₹10 each |
| Series A1 Preference Shares | Series A1 Compulsorily Convertible Preference Shares of face value of ₹10 each |
| Series B Preference Shares | Series B Compulsorily Convertible Preference Shares of face value of ₹6,000 each |
| Series B1 Preference Shares | Series B1 Compulsorily Convertible Preference Shares of face value of ₹6,000 each |
| SHA Waiver and Amendment Agreement | Waiver cum amendment agreement to the Shareholders’ Agreement dated January 25, 2022 entered into among our Company, Sameer Mehta, Aman Gupta, Fireside, South Lake and Qualcomm |
| Shareholders | The shareholders of our Company, from time to time |
| Shareholders’ Agreement/ SHA | Amended and restated shareholders’ agreement dated April 9, 2021 entered into among our Company, Sameer Mehta, Aman Gupta, Fireside, South Lake and Qualcomm, as amended by the SHA Waiver and Amendment Agreement |
| Sirena Labs | Sirena Labs Private Limited |
| South Lake | South Lake Investment Ltd |
| South Lake Series B SSPA | Share subscription and purchase agreement dated December 14, 2020 entered into among our Company, Sameer Mehta, Aman Gupta and Fireside and South Lake |
| Stakeholders’ Relationship Committee | The stakeholders’ relationship committee of our Board, as described in “ <i>Management</i> ” beginning on page 182 |
| Subsidiaries | The subsidiaries of our Company, namely Dive Marketing, Imagine Marketing Singapore, and HOB Ventures. For further details, please see “ <i>History and Certain Corporate Matters – Subsidiaries of our Company</i> ” on page 179 |

Offer Related Terms

| Term | Description |
|-----------------------------------|--|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf |
| Acknowledgement Slip | The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allotment Advice | The note or advice or intimation of Allotment, sent to each Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |
| Allotted/ Allotment/ Allot | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the successful Bidders |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Escrow Accounts | Accounts opened with Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit, NEFT, RTGS or NACH in respect of the Bid Amount when submitting a Bid |
| Anchor Investor | A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million |
| Anchor Investor Allocation Prices | The price at which allocation of the Equity Shares is done to the Anchor Investors in terms of the Red Herring Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bid / Offer Period. |
| Anchor Investor Application Form | Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus |
| Anchor Investor Bid/ Offer Period | The day being one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs |
| Anchor Investor Portion | Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is 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-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion |

| Term | Description |
|---|---|
| Application Supported by Blocked Amount/ ASBA | An application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked by SCSB upon acceptance of UPI Mandate Request |
| ASBA Account | A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism |
| ASBA Bidders | All Bidders except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by Bidders Bidding through the ASBA process, 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 | The Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank, as the case may be |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 338 |
| Bid | In relation to each Bid, the highest value of the Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders, Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder, and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid. |
| Bid Amount | The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer |
| Bid cum Application Form | The form in terms of which the Bidder shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus |
| Bid Lot | [●] Equity Shares, and in multiples of [●] Equity Shares thereafter |
| Bid/ Offer Closing Date | Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language in Maharashtra where our Registered Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and also intimated to the Designated Intermediaries. Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations |
| Bid/ Offer Opening Date | Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi regional daily newspaper Marathi being the regional language in Maharashtra where our Registered Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries, as required under the SEBI ICDR Regulations |
| Bid/ Offer Period | Except in relation to Bids received from Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders, 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, in accordance with SEBI ICDR Regulations. 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 |

| Term | Description |
|--|--|
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| BofA Securities | BofA Securities India Limited |
| Book Building Process | The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| Book Running Managers/ BRLMs | Axis, BofA Securities, Credit Suisse and I-Sec |
| Broker Centres | Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. 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 |
| CAN/ Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period |
| Cap Price | The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof |
| Cash Escrow and Sponsor Bank Agreement | The agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Banker(s) to the Offer and the Sponsor Bank for collection of the Bid Amounts, and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof |
| Client ID | Client identification number of the Bidder's beneficiary account |
| Collecting Depository Participants/ CDPs | The depository participants, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who are eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI |
| Credit Suisse | Credit Suisse Securities (India) Private Limited |
| Cut-off Price | The Offer Price, finalized by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. 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 Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Demographic Details | The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation, PAN, bank account details and UPI ID, wherever applicable |
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time |
| Designated CDP Locations | Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time |
| Designated Date | The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Offer Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC and finalization of basis of allotment with the Designated Stock Exchange |
| Designated Intermediaries | In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion (not using the UPI mechanism) 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, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| Designated RTA Locations | Such centres of the RTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and |

| Term | | Description |
|------------------------------------|----------|---|
| | | contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time |
| Designated Stock Exchange | | [●] |
| Draft Red Herring Prospectus/ DRHP | | This draft red herring prospectus dated January 26, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto |
| Eligible Employees | | Permanent employees of our Company or of our Subsidiaries, as may be decided, 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 our Subsidiaries, as applicable, until and as on the date of submission of the ASBA Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be available for allocation and Allotment 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 |
| Eligible FPIs | | FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices |
| Eligible NRI | | A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for 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 and the Selling Shareholders, in consultation with the BRLMs, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date |
| Employee Reservation Portion | | The portion of the Offer being up to [●] Equity Shares aggregating ₹15.00 million which shall not exceed 5% of the post-Offer equity share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis |
| Escrow Collection Bank(s) | | The bank(s) which is/are clearing members and are registered with SEBI as an escrow bank, with whom the Anchor Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●] |
| First Bidder | | The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bidders, whose name appears as the first holder of the beneficiary account held in joint names |
| Floor Price | | The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares |
| Fresh Issue | | The issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million by our Company |
| General Information Document | | 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 circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Investor Selling Shareholder | | South Lake |
| IPO | | Initial public offering |
| I-Sec | | ICICI Securities Limited |
| Minimum Promoters' Contribution | | Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters which shall be provided towards minimum promoters' contribution and locked-in for a period of 18 months from the date of Allotment |
| Mutual Fund Portion | | 5% of the Net QIB Portion (other than the Anchor Investor Portion) which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Net Offer | | The Offer less the Employee Reservation Portion |
| Net Proceeds | | The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue |
| Net QIB Portion | | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors |
| Non-Institutional NIBs | Bidders/ | All Bidders, that are not QIBs (including Anchor Investors), Retail Individual Bidders, and Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |

| Term | Description |
|------------------------------|--|
| Non-Institutional Portion | The portion of the Offer, being not less than 15% of the Net Offer available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received at or above the Offer Price |
| Offer | The initial public offer of Equity Shares comprising the Fresh Issue and the Offer for Sale. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended |
| Offer Agreement | The agreement dated January 26, 2022 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer |
| Offer for Sale | Offer of up to [●] Equity Shares to be offered for sale by the Selling Shareholders aggregating up to ₹1,000.00 million pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus. For further information, see “ <i>The Offer</i> ” beginning on page 63 |
| Offer Price | The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus on the Pricing Date. 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 and the Selling Shareholders, in consultation with the BRLMs |
| Offered Shares | Up to [●] Equity Shares, offered for sale pursuant to the Offer for Sale, comprising up to [●] Equity Shares by Sameer Mehta aggregating up to ₹1,500.00 million, up to [●] Equity Shares by Aman Gupta aggregating up to ₹1,500.00 million and up to [●] Equity Shares by South Lake aggregating up to ₹8,000.00 million. |
| Pre-IPO Placement | A further issue of Specified Securities through a private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹1,800.00 million, at its discretion, which may be undertaken by our Company and the Selling Shareholders, in consultation with the BRLMs, prior to the 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 the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects. |
| Price Band | Price band of the Floor Price of ₹[●] and a Cap Price of ₹[●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language in Maharashtra where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites |
| Pricing Date | The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalize the Offer Price |
| Promoter Shareholders | Selling Sameer Mehta and Aman Gupta |
| Prospectus | The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account Bank(s) | The bank(s) with which the Public Offer Account(s) shall be maintained, in this case being [●] |
| Public Offer Account(s) | The account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act 2013 to receive monies from the Anchor Escrow Accounts and the ASBA Accounts on the Designated Date |
| QIB Portion | The portion of the Offer, being not more than 50% of the Net Offer, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which |

| Term | Description |
|---|---|
| | allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs, subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable) |
| Qualified Institutional Buyers/ QIBs | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| Red Herring Prospectus/ RHP | The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto |
| Refund Account(s) | Account(s) opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors |
| Refund Bank(s) | The bank(s) with whom the Refund Account(s) will be opened, in this case being, [●] |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 and the SEBI UPI Circulars, issued by SEBI |
| Registrar Agreement | The agreement dated January 26, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| Registrar and Share Transfer Agents/ RTAs | 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 and the SEBI UPI Circulars, issued by SEBI |
| Registrar to the Offer | Link Intime India Private Limited |
| Retail Individual Bidders/ RIBs | Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the Bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) |
| Retail Portion | The portion of the Offer, being not less than 35% of the Net Offer, available for allocation to Retail Individual Bidders, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. |
| | 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 Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| SEBI UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular no. 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 |
| Self-Certified Banks/ SCSBs | <p>Syndicate</p> <p>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 updated from time to time</p> <p>Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website</p> |
| Selling Shareholders | Investor Selling Shareholder and Promoter Selling Shareholders, collectively |
| Share Escrow Agreement | The agreement dated [●] entered into among our Company, the Selling Shareholders and a share escrow agent, in connection with the transfer of the respective portion of Offered Shares and credit of such Equity Shares to the demat account of the Allottees |

| Term | Description |
|-------------------------------------|---|
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms from the Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time |
| Sponsor Bank | The Banker to the Offer registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to make the mandate collect requests and / or payment instructions of the RIBs into the UPI and carry out any other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in this case being, [●] |
| Stock Exchanges | BSE Limited and National Stock Exchange of India Limited |
| Syndicate Agreement | The agreement dated [●] entered into among our Company, the Selling Shareholders, the members of the Syndicate, and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate |
| Syndicate Members | Intermediaries (other than the BRLMs) registered with SEBI and permitted to carry out activities as an underwriter, in this case being, [●] |
| Syndicate/ members of the Syndicate | The BRLMs and the Syndicate Members |
| Underwriters | [●] |
| Underwriting Agreement | The agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters, to be entered into on or after the Pricing Date |
| UPI | Unified payments interface which is an instant payment mechanism, developed by NPCI |
| UPI ID | Identity document created on UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds in the relevant ASBA Account through 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 RIB to make a Bid in the Offer in accordance with the SEBI UPI Circulars |
| UPI PIN | Password to authenticate UPI transaction |
| Working Day(s) | All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the SEBI UPI Circulars |

Conventional and General Terms and Abbreviations

| Term | Description |
|-------------------------|---|
| AIF(s) | Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations |
| BSE | BSE Limited |
| CDSL | Central Depository Services (India) Limited |
| Central Government | Government of India |
| CIN | Corporate Identity Number |
| Companies Act | Companies Act, 1956 and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder |
| Companies Act, 2013 | Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder |
| Consolidated FDI Policy | The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CSR | Corporate social responsibility |
| Depositories Act | Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DP ID | Depository Participant’s identity number |
| DPIIT | Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India |
| EPS | Earnings per share |

| Term | Description |
|---|--|
| ESOP | Employee stock options |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign direct investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019, issued by the Ministry of Finance, Government of India |
| “Financial Year”/ “Fiscal”/ “Fiscal Year”/ “FY” | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor as defined under the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP | Gross Domestic Product |
| GST | Goods and services tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Income Tax Act / IT Act | Income-tax Act, 1961 |
| Ind AS | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2006 and the Companies (Accounts) Rules, 2014 |
| INR/Indian Rupee/₹/Rs. | Indian Rupee, the official currency of the Republic of India |
| IT | Information Technology |
| Mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NACH | National Automated Clearing House |
| NBFC | Non-banking financial company |
| NEFT | National Electronic Funds Transfer |
| NPCI | National Payments Corporation of India |
| “NR”/ “Non-resident” | A person resident outside India, as defined under the FEMA and includes an NRI |
| NRI | Non-Resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| Patents Act | The Patents Act, 1970 |
| RBI | Reserve Bank of India |
| Regulation S | Regulation S under the U.S. Securities Act |
| SCRA | Securities Contract (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI 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 | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI SBEBSE Regulations | SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 |
| STT | Securities Transaction Tax |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Trademarks Act | The Trademarks Act, 1999 |
| “US\$”/ “USD”/ “US Dollar” | United States Dollar, the official currency of the United States of America |
| “USA”/ “U.S.”/ “US”/ “United States” | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | United States Securities Act of 1933 |

| Term | Description |
|-----------|---|
| UK | The United Kingdom |
| VAT | Value Added Tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations |
| Water Act | Water (Prevention and Control of Pollution) Act, 1974 |

Industry Related Terms/Abbreviations

| Term | Description |
|--|--|
| Adjusted EBIT | Adjusted EBIT is calculated as Adjusted EBITDA minus depreciation and amortisation expense |
| Adjusted EBITDA | Adjusted EBITDA is calculated as EBITDA plus share based payment expense |
| Adjusted EBITDA Margin | Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided revenue from operations. |
| AR/VR | Augmented Reality/Virtual Reality |
| CAGR | Compounded annual growth rate is calculated as: $\left(\frac{\text{End Year Value}}{\text{Base Year Value}} \right)^{\frac{1}{\text{No. of years between Base year and End year}}} - 1$ [^ denotes 'raised to'] |
| Consumer Devices | Consumer devices includes personal care appliances, gaming accessories, mobile accessories, home audio, wearables, and wearables (and does not include mobiles, large appliances (air conditioners, washing machines, microwaves, refrigerators, televisions, geysers, water purifiers) and laptops, cameras.) |
| Currency conversion rate | Conversion rate assumed at 1 USD = 75 INR, unless otherwise specified |
| D2C | Direct to Customer |
| D2C Websites/Apps | Direct-To-Customer E-commerce players |
| Digital-first Brands | Digital-first brands are those with >60% of gross sales coming from online |
| EBITDA | EBITDA is calculated as restated profit for the period / year plus total tax expenses, depreciation and amortisation expense and finance costs. |
| EBITDA Margin | EBITDA Margin is calculated as EBITDA divided by the revenue from operations |
| E-commerce | Electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, |
| E-commerce Marketplace | Ecommerce players that trade in all categories |
| Gaming Accessories | The gaming accessories market includes static and portable consoles, AR/VR headsets for gaming, and controllers (keyboard, mouse, joysticks) |
| GenZ | Anyone in the age group of 10-24 years |
| Hearables | Includes wired earphones/headphones, wireless earphones/headphones (neckbands), TWS devices |
| Home Audio | Home Audio includes home theatre systems, sound bars, wired speakers, portable speakers, luxury audio systems (Hi Fi Systems) |
| IDC | International Data Corporation (Market Research Company) |
| Internet users | Internet users are those who use the Internet from any location. The Internet is defined as a world-wide public computer network that provides access to a number of communication services including the World Wide Web and carries email, news, entertainment and data files. |
| Legacy Brands | Traditional brands– majorly offline |
| MEA | Middle-East and Africa |
| Metro | Top 8 cities by population i.e. Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Pune and Ahmedabad. |
| Millennials | Anyone in the age group 25-39 years |
| Mobile Accessories | Mobile accessories market, includes chargers, cables, protective cases, memory cards and power banks |
| Monetary Assets | Restated and consolidated Monetary Assets, is the sum of cash on hand, balance with bank in current accounts, balance with bank in deposit accounts and fixed deposits with original maturity of more than 3 months but less than 12 months on restated basis |
| Monetary Assets as restated as a percentage of the Net Tangible Assets | Monetary Assets as restated as a percentage of the Net Tangible Assets means Monetary Assets as restated divided by Net Tangible Assets, as restated, expressed as a percentage. |
| Net Asset Value (NAV) Per Equity Share | Net Asset Value Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with Instruments entirely equity in nature and other equity as per Restated Consolidated Financial Information) as at the end of the fiscal year divided by the number of Equity Shares outstanding at the end of the year. |
| Net Worth | Unless otherwise specified, Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and |

| Term | Description |
|--------------------------------------|---|
| | debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. |
| Net Tangible Assets | Net Tangible Assets, restated and consolidated, mean the sum of all net assets of our Company and excluding intangible assets, each on restated basis and as defined in Indian Accounting Standard 38 |
| ODM | Original Design Manufacturer, who designs and manufactures the product according to the specifications and requirement laid down by digital-first brands |
| Omni-Channel | Multi-channel approach to sales with both online and offline modes |
| Operating Profit | Operating Profit, restated and consolidated, has been calculated as restated and consolidated profit before tax excluding other income and finance costs each on a restated and consolidated basis |
| Operating ROCE | Operating ROCE is calculated as Adjusted EBIT divided by Operating Average Capital Employed. |
| Operating Capital Employed | Operating Capital Employed is calculated as total equity plus borrowings minus Cash and cash equivalents and Bank balance other than cash and cash equivalents |
| Operating Average Capital Employed | Operating Average Capital Employed is calculated as Operating Capital Employed at the beginning of the period / year plus Operating Capital Employed at the end of the period / year divided by 2 |
| Personal Care Appliances | The personal care appliances market, includes beauty and grooming appliances (hair care appliances, shavers, trimmers, and facial cleansing appliances) |
| PFCE | Expenditure incurred by the resident households and non-profit institutions serving households on final consumption of goods and services, whether made within or outside the economic territory. |
| Real GDP | Value of all goods and services produced by an economy in a given year (expressed in base-year prices) |
| Return on Net Worth (RoNW) | Return of Net Worth is calculated as restated profit for the year of our Company divided by Net Worth. |
| Rural | All population, housing and territories not included within "urban" |
| SEA | South-East Asia |
| SKU | Stock Keeping Unit |
| Tier 1 | Cities other than Metro with population above 1 Million |
| Tier 2 / Semi –urban | Cities, towns, urban establishments with population less than 1 Million |
| TWS | Truly Wireless Stereo or True Wireless Stereo |
| Urban | Includes urbanized areas of 50,000 or more people and urbanized clusters (at least 2,500 and at most 50,000 people) |
| Wearables | Includes smartwatches and activity bands |
| Weighted Average Return on Net Worth | Weighted Average Return on Net Worth is calculated as aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. $\{(RoNW \times Weight) \text{ for each year}\} / \{\text{Total of weights}\}$ |

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer 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 in the sections entitled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Business”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of Articles of Association” beginning on page 28, 63, 80, 99, 114, 141, 309, 338 and 361, respectively.

Summary of Business

We are a digital-first consumer products company and one of the largest Indian digital-first brands in terms of revenue from operations for the financial year 2021. (Source: RedSeer Report). We have an attractive offering of wide-ranging, high-quality and aspirational lifestyle-focused consumer products at accessible price points, under our multiple brands. Founded in 2013 and led by our flagship brand “boAt” launched in 2014, we have established leading market positions in volume and value terms in India across multiple, high-growth consumer categories such as audio and smartwatch as of September 30, 2021 (Source: RedSeer Report).

Summary of Industry

Our Company operates in the consumer devices market in India and based on our current suite of offerings, our addressable market comprises of the hearables and wearables, home audio, gaming accessories, personal care appliances, mobile accessories categories of the consumer devices market (Source: RedSeer Report). We have a large addressable market of approximately ₹660 billion in 2020 in India for the categories in which we are present, and which is projected to grow to approximately ₹1,400 billion to ₹1,800 billion by 2025 (Source: RedSeer Report).

Promoters

Our Promoters are Sameer Mehta and Aman Gupta. For more details, see “Promoters and Promoter Group” beginning on page 199.

Offer Size

| | |
|---|---|
| Offer* | Up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating up to ₹20,000.00 million |
| <i>of which</i> | |
| Fresh Issue ⁽¹⁾ | Up to [●] Equity Shares aggregating up to ₹9,000.00 million |
| Offer for Sale ⁽²⁾ | Up to [●] Equity Shares by the Selling Shareholders aggregating up to ₹11,000.00 million |
| Employee Reservation Portion ⁽³⁾ | [●] Equity Shares, aggregating up to ₹15.00 million |
| Net Offer | [●] Equity Shares, aggregating up to ₹19,985.00 million |

* Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,800.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

- (1) The Fresh Issue has been authorized by a resolution of our Board dated January 25, 2022 and by a special resolution of our Shareholders dated January 25, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 25, 2022.
- (2) Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares and where applicable, such outstanding Preference Shares that will convert into its respective portion of the Offered Shares, has been held by such Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorization by the Selling Shareholders in relation to the Offered Shares, see “The Offer” beginning on page 63.
- (3) The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹15.00 million, for subscription by Eligible Employees. Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent of ₹[●] per Equity Share) to the Offer Price to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date. The Offer less the Employee Reservation Portion is the Net Offer. The Offer and Net Offer shall constitute [●] % and [●] % of the post-Offer paid-up equity share capital of our Company.

For further details, see “The Offer” and “Offer Structure” beginning on pages 63 and 335, respectively.

Objects of the Offer

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

| Particulars | (in ₹million) | |
|--|---------------------------------|--|
| | Estimated amount ⁽¹⁾ | |
| Repayment/prepayment, in full or part, of certain borrowings availed of by our Company | 7,000.00 | |
| General corporate purposes ⁽¹⁾ | [●] | |
| Total⁽¹⁾ | [●] | |

(1) To be finalized upon determination of the Offer Price. The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one of the Objects.

For further details, see “Objects of the Offer” beginning on page 99.

Aggregate pre-Offer shareholding of our Promoters, the members of the Promoter Group (other than our Promoters) and the Selling Shareholders

The members of the Promoter Group do not hold any Equity Share in our Company. The aggregate pre-Offer shareholding of Promoters as on the date of this Draft Red Herring Prospectus is as follows:

| S. No. | Name of the Shareholder | No. of Equity Shares | Pre-Offer Equity Share capital % of paid-up Equity Share capital | No. of Equity Shares to be held after conversion of Preference Shares* | % of the pre-Offer Equity Share Capital to be held on a fully diluted basis (%)* |
|--------------|-------------------------|----------------------|--|--|--|
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 2. | Aman Gupta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| Total | | 76,740,000 | 80.10 | 76,740,000 | 56.52 |

*Assuming conversion of the Preference Shares into Equity Shares and exercise of vested stock options. For details of the Preference Shares, see “Capital Structure” beginning on page 80.

The details of the pre-Offer shareholding of the Selling Shareholders as on the date of the Draft Red Herring Prospectus is as follows:

| S. No. | Name of the Shareholder | No. of Equity Shares | Pre-Offer Equity Share capital % of paid-up Equity Share capital | No. of Equity Shares to be held after conversion of Preference Shares* | % of the pre-Offer Equity Share Capital to be held on a fully diluted basis (%)* |
|--------------|-------------------------|----------------------|--|--|--|
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 2. | Aman Gupta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 3. | South Lake | 18,510,000 | 19.32 | 49,524,000 | 36.48 |
| Total | | 95,250,000 | 99.42 | 126,264,000 | 93.00 |

*Assuming conversion of the Preference Shares into the Equity Shares and exercise of vested stock options. For details of the Preference Shares, see “Capital Structure” beginning on page 80.

Summary of Restated Consolidated Financial Information

A summary of the financial information of our Company as per the Restated Consolidated Financial Information is as follows:

| Particulars | (in ₹ million except otherwise stated) | | | |
|-----------------------------|--|----------|-------------|--------|
| | Six months period ended September 30, 2021 | 2021 | Fiscal 2020 | 2019 |
| Total Equity ⁽¹⁾ | 6,329.67 | 4,641.68 | 715.29 | 230.97 |

| Particulars | Six months period ended September 30, 2021 | 2021 | Fiscal 2020 | 2019 |
|--|--|-----------|-------------|----------|
| Net Worth ⁽²⁾ | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| Total income | 15,531.51 | 13,203.75 | 6,099.59 | 2,261.12 |
| Restated total profit for the period/year | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Earnings per share (basic and diluted) | | | | |
| - Basic (in ₹) | 11.77 | 8.53 | 4.78 | 0.80 |
| - Diluted (in ₹) | 11.71 | 7.97 | 4.42 | 0.79 |
| Net Asset Value (NAV) Per Equity Share ⁽³⁾ (in ₹) | 62.97 | 46.18 | 7.15 | 2.31 |
| Borrowings | 7,310.57 | 415.33 | 488.11 | 267.35 |

(1) Total Equity means equity share capital, instruments entirely equity in nature and other equity.

(2) Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(3) Net Asset Value (NAV) Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with Instruments entirely equity in nature and other equity as per Restated Consolidated Financial Information) as at the end of the fiscal year divided by the number of Equity Shares outstanding at the end of the year.

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

Except as disclosed in “Financial Information – Restated Consolidated Financial Information - Independent Auditors’ Examination Report on Restated Consolidated Financial Information” on page 206, our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Consolidated Financial Information. For matters of emphasis, see “Financial Information – Restated Consolidated Financial Information - Independent Auditors’ Examination Report on Restated Consolidated Financial Information” on page 206.

Also, see “Risk Factors - For the Financial Year 2019 but not in any subsequent period, our Statutory Auditors have included certain comments in their examination report and report on the adequacy and operating effectiveness of the internal financial controls of our Company with reference to our Restated Consolidated Financial Information. If similar comments are included in the Statutory Auditors’ reports or their annexures for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.” on page 54.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, our Subsidiaries and litigation involving our Group Companies which have a material impact on our Company, as on the date of this Draft Red Herring Prospectus is as follows:

| Name | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against the Promoters | Material civil litigation** | Aggregate amount involved * (in ₹ million) |
|--------------------------|----------------------|-----------------|---------------------------------|---|-----------------------------|--|
| Company | | | | | | |
| By our Company | 1 | - | N.A. | N.A. | 1 | 15.27 |
| Against our Company | - | 3 | - | N.A. | - | 342.80 |
| Subsidiaries | | | | | | |
| By our Subsidiaries | - | - | N.A. | N.A. | - | - |
| Against our Subsidiaries | - | - | - | N.A. | - | - |
| Directors | | | | | | |
| By the Directors | - | - | N.A. | N.A. | - | - |
| Against our Directors | - | - | - | N.A. | - | - |
| Promoters | | | | | | |

| Name | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against the Promoters | Material civil litigation** | Aggregate amount involved * (in ₹ million) |
|-----------------------|----------------------|-----------------|---------------------------------|---|-----------------------------|--|
| By the Promoters | - | - | N.A. | N.A. | - | - |
| Against the Promoters | - | - | - | - | - | - |

*to the extent quantifiable

**This comprises the pending proceedings which may have a material impact on our Company, in accordance with the Materiality Policy.

Further, there are no litigation involving the Group Companies having a material impact on our Company.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” beginning on page 309.

Risk Factors

For details of the risks applicable to us, please see “*Risk Factors*” on beginning page 28.

Summary of Contingent Liabilities of our Company

A summary of our contingent liabilities as on September 30, 2021 as indicated in our Restated Consolidated Financial Information is as follows:

| Particulars | (in ₹ million) | |
|--|--------------------------|--|
| | As of September 30, 2021 | |
| Indirect tax matters | 341.98 | |
| Dividend on 0.01% cumulative compulsory convertible preference shares of ₹6,000 each | 0.01 | |

For details, see “*Restated Consolidated Financial Information – Note 33 – Contingent Liabilities and Contingent Assets*” on page 251.

Summary of Related Party Transactions

A summary of related party transactions, as per the requirements under Ind AS 24, are as follows:

| Particulars | (in ₹ million) | | | |
|----------------------------------|---|--------------------------|--------------------------|--------------------------|
| | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Sales of goods | | | | |
| Sirena Labs Private Limited | - | 0.10 | 3.86 | - |
| Kanwaljit Singh | - | - | 0.03 | - |
| Kores (India) Limited | - | 0.09 | 0.89 | 0.23 |
| Purchase of goods | | | | |
| Sirena Labs Private Limited | 32.40 | 5.44 | 3.36 | - |
| Redwood Interactive | 0.01 | 15.79 | - | - |
| Kores (India) Limited | - | - | 0.01 | - |
| Purchase of Services | | | | |
| Sirena Labs Private Limited | - | - | 3.00 | - |
| Kores (India) Limited | 0.08 | - | - | - |
| Royalty expense | | | | |
| Dive Marketing Private Limited * | 0.32 | - | - | - |
| Rent income | | | | |
| Dive Marketing Private Limited * | 0.05 | - | - | - |
| Rent expenses | | | | |

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|---|---|--------------------------|--------------------------|
| Redwood Interactive | - | 0.28 | 0.30 | 0.30 |
| Reimbursement of expenses received | | | | |
| Sirena Labs Private Limited | - | 0.18 | - | - |
| Sameer Mehta | - | 0.01 | - | - |
| Redwood Interactive | - | 0.02 | - | - |
| Reimbursement of expenses paid | | | | |
| Aman Gupta | 4.17 | 78.15 | 55.40 | - |
| Redwood Interactive | 0.01 | 0.01 | - | - |
| Vivek Gambhir | 0.02 | - | - | - |
| Dhara Joshi | 0.01 | - | - | - |
| Contribution paid towards equity share capital | | | | |
| Dive Marketing Private Limited * | 0.10 | - | - | - |
| Sirena Labs Private Limited | - | - | 50.00 | - |
| Advance given | | | | |
| Sirena Labs Private Limited | - | - | 40.00 | - |
| Advance received back | | | | |
| Sirena Labs Private Limited | - | 6.50 | 20.00 | - |
| Loan given | | | | |
| Dive Marketing Private Limited * | 27.00 | - | - | - |
| Interest income on loan given | | | | |
| Dive Marketing Private Limited * | 0.40 | - | - | - |
| Repayment of short-term borrowings (including interest) | | | | |
| Aman Gupta | - | 1.25 | - | - |
| Sameer Mehta | - | 7.45 | - | - |
| Interest expense on short-term borrowings | | | | |
| Sameer Mehta | - | 0.38 | 0.45 | 0.50 |
| Kores (India) Limited | - | - | - | 0.69 |
| Purchase of brand (excluding stamp duty) | | | | |
| Redwood Interactive | - | 50.00 | - | - |
| Issue of preference share capital | | | | |
| South Lake Investment Ltd | - | 4,400.10 | - | - |
| Payment made for buy back of equity shares | | | | |
| Aman Gupta | - | 567.75 | - | - |
| Sameer Mehta | - | 567.75 | - | - |
| Remuneration to Key management personnel | | | | |
| Aman Gupta | 5.00 | 10.00 | 10.00 | 60.00 |
| Sameer Mehta | 5.00 | 10.00 | 10.00 | 60.00 |
| Vivek Gambhir | 12.29 | 3.44 | - | - |
| Ankur Sharma | 2.86 | - | - | - |
| Dhara Joshi | 0.63 | - | - | - |
| Share based payments | | | | |
| Vivek Gambhir# | - | 2,749 options at exercise price of Rs 283,749 per share # | - | - |

* Transaction with Dive Marketing Private Limited (a wholly owned subsidiary of the Company) are eliminated on consolidation.

2,749 options at exercise price of ₹ 283,749 per share were issued to Vivek Gambhir in FY 2020-21. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs in accordance with their terms of issuance as set out in the ESOP Scheme from ₹ 283,749 to ₹ 1,418.745 per share.

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see “Restated Consolidated Financial Information – Note 37 – Related Party Disclosures” on page 257.

Financing Arrangements

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

Details of price at which specified securities were acquired by our Promoters, the members of the Promoter Group, the Selling Shareholders, and Shareholders with special rights in the last three years preceding the date of this Draft Red Herring Prospectus

The details of price at which specified securities were acquired by our Promoters, the members of the Promoter Group, the Selling Shareholders and Shareholders with special rights in the last three years preceding the date of this Draft Red Herring Prospectus, are as follows:

| Name of the acquirer/ shareholder | Nature of securities | Face value (in ₹) | Date of acquisition of | Number of shares acquired | Acquisition price per share^ (in ₹) | Nature of transaction |
|---|-----------------------------|-------------------|------------------------|---------------------------|-------------------------------------|---|
| Promoters / Promoter Selling Shareholders | | | | | | |
| Sameer Mehta | Equity shares | 10 | May 26, 2021 | 3,817,815 | Not applicable | Bonus issue in the ratio of 1:199 |
| Aman Gupta | Equity shares | 10 | May 26, 2021 | 3,817,815 | Not applicable | Bonus issue in the ratio of 1:199 |
| Investor Selling Shareholder | | | | | | |
| South Lake | Equity Shares | 10 | January 5, 2021 | 3,348 | 283,749 | Acquired from Sameer Mehta |
| | Equity Shares | 10 | January 5, 2021 | 3,348 | 283,749 | Acquired from Aman Gupta |
| | Series A Preference Shares | 10 | January 5, 2021 | 2,559 | 283,749 | Acquisition from Fireside |
| | Series B Preference Shares | 6,000 | January 5, 2021 | 15,507 | 283,749 | Private Placement |
| | Equity Shares | 10 | May 13, 2021 | 2,559 | Not applicable* | Conversion of Series A Preference Share into equity shares of face value of ₹10 each at a conversion ratio of 1:1 |
| | Equity Shares | 10 | May 26, 2021 | 1,841,745 | Not applicable | Bonus issue |
| Promoter Group | | | | | | |
| Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Shareholders with Special Rights (other than the Promoters and Investor Selling Shareholder) | | | | | | |
| Fireside | Series A Preference Shares | 10 | May 26, 2021 | 161,588 | Not applicable | Bonus issue |
| | Series A1 Preference Shares | 10 | May 26, 2021 | 345,862 | Not applicable | Bonus issue |
| Qualcomm | Series B1 Preference Shares | 6,000 | April 20, 2021 | 1,762 | 283,749 | Private Placement |

*Consideration was paid at the time of allotment of the Series A Preference Shares.

^As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 26, 2022.

Weighted average price at which the specified securities 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 the Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

| Name | Number of Equity Shares acquired in the one year preceding the date of the Draft Red Herring Prospectus* | Weighted average price of Equity Shares acquired in the last one year** |
|--|--|---|
| Promoters / Promoter Selling Shareholders | | |
| Sameer Mehta | 38,178,150 | Nil [^] |
| Aman Gupta | 38,178,150 | Nil [^] |
| Investor Selling Shareholder | | |
| South Lake | 18,443,040 | 39.37 |

[^] The weighted average price takes into account the buy-back of equity shares dated February 24, 2021. Accordingly, the weighted average price is negative, and has been considered as Nil.

* As adjusted for the sub-division of face value of equity shares from ₹10 per equity share to ₹1 per equity share, pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021.

**As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 26, 2022.

The Promoters and the Selling Shareholders have not acquired any Preference Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

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

| Name | Number of Equity Shares held | Average cost of acquisition per Equity Share (in ₹)* |
|--|------------------------------|--|
| Promoters / Promoter Selling Shareholders | | |
| Sameer Mehta | 38,370,000 | Nil [^] |
| Aman Gupta | 38,370,000 | Nil [^] |
| Investor Selling Shareholder | | |
| South Lake | 18,510,000 | 141.87 |

[^] Since the average cost of acquisition is negative, it has been considered as Nil.

*As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 26, 2022.

Details of pre-IPO Placement

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a further issue of Specified Securities through private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹1,800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

Issue of equity shares for consideration other than cash or bonus issue in the last one year

Except for the bonus allotment made on May 26, 2021, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Draft Red Herring Prospectus. For details, see “*Capital Structure*” beginning on page 80.

Split / Consolidation of Equity Shares in the last one year

Except as stated below, our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each.

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

An exemption application dated January 26, 2022, under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted by our Company to the SEBI along with this Draft Red Herring Prospectus, for (i) excluding Sirena Labs from being considered as “group company” of our Company; and (ii) from including any confirmations required from an associate company under SEBI ICDR Regulations in respect of Sirena Labs in the Offer Documents. For details, see “*Group Companies*” beginning on page 202.

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

Certain Conventions

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

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

Financial Data

Unless indicated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Draft Red Herring Prospectus comprises the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information, as approved by the Board of Directors at their meeting held on January 25, 2022 for the purpose of inclusion in this Draft Red Herring Prospectus prepared by our Company in connection with the Offer prepared in terms of the requirements of: (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI; and (iv) E-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, instructing lead managers to ensure that the companies provide consolidated financial statements prepared in accordance with Ind AS for all the three years and stub period. For further information, see “*Summary Financial Information*” and “*Restated Consolidated Financial Information*” on pages 65 and 205, respectively.

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

Our Restated Consolidated Financial Information have been prepared in accordance with Ind AS. Our Company has transitioned from Indian GAAP to Ind AS with effect from April 1, 2020. There are significant differences between International Financial Reporting Standards (“**IFRS**”) and Generally Accepted Accounting Principles in the United States of America (“**U.S. GAAP**”). The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Accordingly, any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of our financial condition.*” on page 57.

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

in this Draft Red Herring Prospectus as rounded off to such number of decimal points as provided in their respective sources.

Unless the context otherwise indicates, any percentage or amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 28, 141, and 276, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information of our Company.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, EBITDA, EBITDA Margin, Net Asset Value (NAV) Per Equity Share, Net Worth, Operating Average Capital Employed, Operating Capital Employed, Operating ROCE, Return on Net Worth, Weighted Average Return on Net Worth, Net Tangible Assets, Operating Profit, Monetary Assets and Monetary Assets as restated as a percentage of the Net Tangible Assets have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by generally accepted accounting principles, including Ind AS and may not be comparable to similarly titled measures presented by other companies.

The reconciliation to EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin is as follows:

(All amounts are in ₹ millions, except as otherwise stated)

| Particulars | Six months period ended September 30, 2021 | 2021 | Fiscal 2020 | 2019 |
|--|--|-----------------|---------------|---------------|
| Profit for the year (A) | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Add: Total tax expenses (B) | 400.98 | 316.82 | 167.53 | 33.76 |
| Add: Depreciation and amortisation expense (C) | 31.83 | 31.98 | 13.49 | 2.80 |
| Add: Finance costs (D) | 99.77 | 118.78 | 100.39 | 24.47 |
| EBITDA (E = A + B + C + D) | 1,715.73 | 1,332.95 | 759.39 | 141.40 |
| Revenue from operations (F) | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| EBITDA Margin (G = E/F) | 11.08% | 10.15% | 12.47% | 6.26% |
| EBITDA (E) | 1,715.73 | 1,332.95 | 759.39 | 141.40 |
| Add: Share based payment expense (H) | 17.92 | 11.82 | 3.00 | - |
| Adjusted EBITDA (I = E + H) | 1,733.65 | 1,344.77 | 762.39 | 141.40 |
| Adjusted EBITDA Margin (J= I/F) | 11.20% | 10.24% | 12.52% | 6.26% |

Notes:

- EBITDA is calculated as restated profit for the period / year plus total tax expenses, depreciation and amortisation expense and finance costs. EBITDA Margin is the percentage of EBITDA divided by revenue from operations
- Adjusted EBITDA is calculated as EBITDA plus share based payment expense. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided revenue from operations.

The calculation of Operating ROCE is as follows:

(All amounts are in ₹ millions, except as otherwise stated)

| Particulars | As at and for the six months period ended September 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|--|---|---|---|
| Adjusted EBITDA (A) | 1,733.65 | 1,344.77 | 762.39 | 141.40 |
| Less: Depreciation and amortisation expense (B) | (31.83) | (31.98) | (13.49) | (2.80) |
| Adjusted EBIT (C = A - B) | 1,701.82 | 1,312.79 | 748.90 | 138.60 |
| Total Equity (D) | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| Borrowings (E) | 7,310.57 | 415.33 | 488.11 | 267.35 |
| Less: Cash and cash equivalents (F) | (351.14) | (1,443.93) | (73.15) | (0.22) |

| Particulars | As at and for the six months period ended September 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|--|--|---|---|---|
| Less: Bank balance other than cash and cash equivalents (G) | (1,166.41) | (45.00) | (12.50) | - |
| Operating Capital Employed (H = D + E - F - G) | 12,122.69 | 3,568.08 | 1,117.75 | 498.10 |
| Operating Average Capital Employed (I = (Operating Capital Employed at the beginning of the period/year + Operating Capital Employed at the end of the period/year)/2) | 7,845.39 | 2,342.92 | 807.93 | NA |
| Operating ROCE (J = C/I) | 21.69% | 56.03% | 92.69% | NA |

(i) Operating ROCE is calculated as Adjusted EBIT divided by Operating Average Capital Employed. Adjusted EBIT is calculated as Adjusted EBITDA minus depreciation and amortisation expense. Operating Capital Employed is calculated as Total Equity plus borrowing minus cash and cash equivalents and bank balance other than cash and cash equivalents. Operating Average Capital Employed is calculated as Operating Capital Employed at the beginning of the period / year plus Operating Capital Employed at the end of the period/year divided by 2

Note: For six months period ended September 30, 2021, the Operating ROCE calculation only considers Adjusted EBIT from April to September unlike the calculation of Operating ROCE for financial years 2021, 2020 and 2019, which consider Adjusted EBIT from the full financial years.

The reconciliation to Net Worth and Net Asset Value (NAV) Per Equity Share is as follows:

(All amounts are in ₹ millions, except as otherwise stated)

| Particulars | Six months period ended September 30, 2021 | 2021 | Fiscal 2020 | 2019 |
|--|--|-----------------|---------------|---------------|
| Equity Share capital | 95.25 | 0.45 | 0.50 | 0.50 |
| Instruments entirely equity in nature | 108.71 | 93.09 | - | - |
| Other equity | 6,125.71 | 4,548.14 | 714.79 | 230.47 |
| Net Worth | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| Net Worth (restated and consolidated) | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| Total of equity shares and instruments completely in the nature of equity (post share split) | 100,522,690 | 100,505,070 | 100,000,000 | 100,000,000 |
| Net Asset Value (NAV) Per Equity Share (in ₹) | 62.97 | 46.18 | 7.15 | 2.31 |

Notes:

- Net Asset Value (NAV) Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with other equity as per Restated Consolidated Financial Information) as at the end of the fiscal period/year divided by the number of Equity Shares outstanding at the end of the period/year
- Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

The reconciliation to Net Tangible Assets, Operating Profit, Monetary Assets, Monetary Assets as restated as a percentage of the Net Tangible Assets is as follows:

(All amounts are in ₹ millions)

| Particulars | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|-----------------|----------------|----------------|
| Total assets | 6,784.27 | 1,905.00 | 839.34 |
| Less: Intangible assets | (48.92) | - | - |
| Total (I) | 6,735.35 | 1,905.00 | 839.34 |
| Non-current liabilities | 79.07 | 177.85 | 147.18 |
| Add: Current liabilities | 2,063.52 | 1,011.86 | 461.19 |
| Total (II) | 2,142.59 | 1,189.71 | 608.37 |
| Net Tangible Assets (restated and consolidated) (A=I-II) | 4,592.76 | 715.29 | 230.97 |

Net Tangible Assets, restated and consolidated, mean the sum of all net assets of the Company and excluding intangible assets, each on restated basis and as defined in Indian Accounting Standard 38.

(All amounts are in ₹ millions)

| Particulars | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|--------------------|----------------|----------------|----------------|
| Profit before tax | 1,182.19 | 645.51 | 114.13 |
| Less: Other income | (66.59) | (8.52) | (2.63) |

| Particulars | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|-----------------|----------------|----------------|
| Add: Finance cost | 118.78 | 100.39 | 24.47 |
| Operating Profit (restated and consolidated) (B) | 1,234.38 | 737.38 | 135.97 |

Restated and consolidated Operating Profit has been calculated as restated and consolidated profit before tax excluding other income and finance costs each on a restated and consolidated basis.

(All amounts are in ₹ millions)

| Particulars | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|-----------------|----------------|----------------|
| Cash on hand | 0.07 | 0.01 | 0.10 |
| <i>Balance with banks:</i> | | | |
| in current accounts | 42.00 | 73.14 | 0.12 |
| in deposit accounts | 1,401.86 | - | - |
| Fixed deposits with original maturity of more than 3 months but less than 12 months | 45.00 | 12.50 | - |
| Total monetary assets (restated and consolidated) (D) | 1,488.93 | 85.65 | 0.22 |

Restated and consolidated Monetary Assets = Cash on hand + balance with bank in current accounts + balance with bank in deposit accounts + fixed deposits with original maturity of more than 3 months but less than 12 months on restated basis.

(All amounts are in ₹ millions, except as otherwise stated)

| Particulars | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|----------------|
| Monetary Assets (A) | 1,488.93 | 85.65 | 0.22 |
| Net Tangible Assets (B) | 4,592.76 | 715.29 | 230.97 |
| Monetary Assets as restated as a percentage of the Net Tangible Assets (A/B) | 32.42% | 11.97% | 0.10% |

'Monetary Assets as restated as a percentage of the Net Tangible Assets' means Monetary Assets as restated divided by Net Tangible Assets, as restated, expressed as a percentage.

Industry and Market Data

We have paid and commissioned a report titled Report on Consumer Devices In India dated January 2022 (“**RedSeer Report**”), prepared by RedSeer Management Consulting Private Limited, for the purpose of confirming our understanding of the industry in connection with the Offer. Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus, including in “*Business*” and “*Industry Overview*” beginning on pages 141 and 114, respectively, have been obtained or derived from the RedSeer Report.

Industry publications generally state that the information contained in such publications has been obtained from sources generally considered reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The excerpts of the industry report are disclosed in this Draft Red Herring Prospectus and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Accordingly, no investment decisions should be made based solely on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page 28.

RedSeer has requested following disclaimer for inclusion of the information in the RedSeer Report, in this DRHP:

*“The market information in RedSeer Management Consulting Private Limited’s report titled Report on Consumer Devices in India (the “**Report**”) is arrived at by employing an integrated research methodology which includes secondary and primary research. RedSeer’s primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer’s estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer’s research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. RedSeer shall not be liable for any loss suffered by any person on account of reliance on the information contained in the Report.*”

While RedSeer has taken due care and caution in preparing the Report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, and data availability, amongst others. Therefore, RedSeer does not guarantee the accuracy or completeness of the underlying data or the Report.

Forecasts, estimates and other forward-looking statements contained in the Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has significantly affected economic activity in general and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

The Report is not a recommendation to invest/disinvest in any entity covered in the Report and the Report should not be construed as investment advice within the meaning of any law or regulation.

Without limiting the generality of the foregoing, nothing in the Report should be construed as RedSeer providing or intending to provide any services in jurisdictions where it does not have the necessary permission and/or registration to carry out its business activities in this regard. No part of the Report shall be reproduced or extracted or published in any form without RedSeer's prior written approval."

The RedSeer Report is available at <https://www.boat-lifestyle.com/pages/investor-relations>.

Currency and Units of Presentation

All references to:

- "Indian Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India; and
- "US\$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents "10 lakhs" or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

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

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees are provided below.

| Currency | As on September 30, 2021 | As on March 31, 2021 | As on March 31, 2020 | As on March 31, 2019 |
|----------|--------------------------|----------------------|----------------------|----------------------|
| 1 USD | 74.26 | 73.50 | 75.39 | 69.17 |

Source: www.fbil.org.in

Note: In case March 31/ September 30 of any of the respective years/ period is a public holiday, the previous Working Day not being a public holiday has been considered.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “will continue”, “seek to”, “will pursue” or other words or phrases of similar import. Statements that describe our strategies are also forward-looking statements.

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

- Any inability to maintain and develop our flagship brand “boAt” and other brands.
- Any inability to successfully identify and respond to changing customer preferences and market developments in a cost-effective and timely manner.
- Failure to compete successfully against existing or new competitors.
- Any shortage and cessation in supply from contract manufacturers or component suppliers.
- Risks associated with overseas procurement, such as geographical concentration and foreign currency exchange risks.
- Disruptions to our relationships with online marketplaces and offline distributors, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information, or conflicts among our channels of distribution.
- Any variations in consumer demand as well as market sentiment for our products.
- Inability to protect our flagship “boAt” brand, other brands and intellectual property and any infringement of the intellectual property rights of others by our Company.

For a further discussion of factors that could cause our actual results to differ, see “Risk Factors”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on beginning pages 28, 141 and 276, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we consider that the assumptions on which such statements are based to be reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

Our Company, our Directors, the Selling Shareholders, the Syndicate, or any of their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer.

In accordance with SEBI ICDR Regulations, each Selling Shareholder severally and not jointly will ensure that Bidders in India are informed of material developments in relation to statements and undertakings specifically

made (severally and not jointly) by the respective Selling Shareholders in relation to itself or its respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall, severally and not jointly, deemed to be statements and undertakings made by such Selling Shareholders.

SECTION II - RISK FACTORS

Unless otherwise indicated or the context otherwise requires, in this section, references to the “Company” or our “Company” are to Imagine Marketing Limited on a standalone basis, and references to the “Group”, “we”, “us”, “our”, are to Imagine Marketing Limited and its Subsidiaries 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 “Business”, “Industry Overview” “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 141, 114, 205 and 276, 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 12-month period ended March 31 of that year. Financial information for the six months period ended September 30, 2021 is not indicative of full year results and is not comparable with the annual financial information presented in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2021 and the financial years 2021, 2020 and 2019 included herein is derived from the Restated Consolidated 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 Information” beginning on page 205.

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 “Report on Consumer Devices In India” dated January 2022 (the “RedSeer Report”) prepared by RedSeer Management Consulting Private Limited (“RedSeer”) and commissioned and paid for by us exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer 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 21.

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 strength of our flagship “boAt” brand and other brands is crucial to our success and we may not succeed in continuing to maintain and develop our brands.*

We believe that our flagship “boAt” brand and other brands are one of the key factors in sale of our products, and that our future success and competitiveness may be influenced by the performance of our flagship “boAt” brand and other brands, as well as our ability to communicate effectively about our products with our target customers through consistent and focused marketing messages. Maintaining and enhancing the reputation of our ‘boAt’ brand is critical to our future success and competitiveness. 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. For instance, there could be negative public perception of our brand and products relating to product quality issues and undetected errors or defects and after-sales customer service. In addition, our brands may be adversely affected by the retail of counterfeit products in the market. Also, insufficient investments in marketing and advertisements towards brand building could also erode or impede the development of our brands. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our advertisement and promotion expenses were ₹123.48 million, ₹202.88 million, ₹478.63 million, and ₹461.66 million constituting 5.47%, 3.33% 3.64% and 2.98% of our revenue from operations, respectively. We continue to expend resources on establishing and maintaining our flagship “boAt” brand and other brands. However, 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 flagship “boAt” 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.

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

The markets for the product categories that we offer or intend to offer in the future are characterized by rapidly-changing technology, evolving industry standards, changing consumer preferences and demand for features, and constant product innovation. Our product categories and products are also dependent on peripheral industries. For instance, the sales of our gaming accessories products are dependent on the popularity of the gaming industry. Our success depends on our ability to anticipate, gauge and react to change in customer tastes for our product categories and products, as well as to where and how customers shop for these products, technological developments, enhance existing products and technology, develop new product categories and products and technologies and bring 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 within existing and new product categories on a timely and continuous basis and enhance existing products with improved features including higher voice clarity, longer battery life, among others, while maintaining their 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 continually work to stock new product categories and 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 aim to introduce new products or variants, we recognize 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. Market acceptance of new designs and products is subject to uncertainty and we cannot assure you that our efforts will be successful.

Further, in order to develop and introduce new product categories and 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. Our growth strategies include investing in our research and development capabilities and technology partnerships to develop new and innovative products within existing as well as new categories. See “*Business — Our Strategies — Investing ahead of the curve in our research and development capabilities and technology partnerships to develop new and innovative products within existing as well as new categories*” on page 154. We cannot assure you that the new or innovative products that we may develop in the future will achieve broad market acceptance. If we fail to accurately anticipate technological trends or our end users’ needs and preferences, or if we are unable to respond 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 lose our market share. While we aim to develop new products 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 our business and results of operations.

3. *We operate in an industry with several competitors, including large and established ones, 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 across product categories.*

We operate in an industry with several competitors, and face competition from domestic and international competitors in the markets in which we operate. Our competitors include legacy audio brands and foreign brands, emerging Indian brands, Chinese smartphone OEMs, as well as private labels of online marketplaces. We believe that we are able to remain competitive across the product categories that we offer, such as audio and smartwatch. For further details, see “*Business — Description of Our Business — Competition*” on page 161.

It is possible that some of our existing and potential competitors may have greater brand recognition in India or globally, longer operating histories, greater financial, research, distribution and technological resources, product development, sales and 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, including audio products that have features similar to ours, in order to gain market share. If market prices are substantially reduced by our competitors in the respective markets, our business in those markets could be adversely affected. 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, 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 and discounts to our manufacturing partners. 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. Further, some of our competitors may have the ability to devote greater resources to the marketing, advertising and product endorsement. As a result, these competitors may be better equipped to influence consumer preferences or otherwise increase their market share. 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.

To remain competitive in the consumer products industry, we may need to continue to invest resources in capital expenditure, research and development and sales and marketing. 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, among other things, a slowdown in the growth of our corporate customers, a loss of our market share, price reductions, reduced demand for our products, reductions in revenues and reduced margins and profitability.

4. *We rely on a number of third-party contract manufacturers and component suppliers for production of our products. Any shortage and cessation in supply from these contract manufacturers or component suppliers could adversely affect our business, results of operations and cash flows.*

We rely upon a number of contract manufacturers for production of our products, including audio products, wearables, personal care trimmers and other accessories. We rely on these contract manufacturers to manufacture our products, and our contract manufacturers, in turn, rely on third-party suppliers for many of the components used in our products. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, ₹1,160.92 million, ₹3,408.33 million, ₹7,176.18 million and ₹9,910.81 million, or 57.79%, 69.34%, 57.19% and 60.73% of our purchases of stock-in-trade were made from five of our most used suppliers, respectively. Our supply contracts are for a short term, which can be terminated without cause by either us or our suppliers with notice. Under our contracts with our suppliers, they are generally required to supply products to us exclusively. However, in certain cases, such exclusivity arrangements may be limited to India and the suppliers may still continue to sell products to other buyers outside India. In some instances, the exclusivity with the suppliers might cease to exist if we do not push our supplier’s products and cooperate with them on new projects.

Thus, our manufacturing model presents risks on our ability to receive an adequate supply of quality products at acceptable prices. These risks include:

- delays of or disruptions in the supply of products or components to us from our contract manufacturers or suppliers arising from factors such as shortage of components, power supply outages and supply chain issues in China, Vietnam and India;
- geopolitical risk affecting our contracts and arrangements with suppliers in China due to possible political and other tensions. For further details, see “— *We are subject to risks associated with overseas procurement, such as geographical concentration and foreign currency exchange risks, which could adversely affect our business, results of operations and financial condition.*” on page 31;
- interruptions to the manufacturing operations of our contract manufacturers or third-party suppliers due to strikes, lockouts, work stoppages or other forms of labour unrest, breakdown or failure of equipment, earthquakes, floods, pandemics and other natural disasters as well as accidents and the need to comply with the directives of relevant governmental authorities;
- failures to comply with product specifications, insufficient quality and safety controls or failures in the quality and safety controls of our manufacturing partners or third-party suppliers;
- disruptions or failure to deliver products to us due to penalties imposed as a consequence of violations of local laws by contract manufacturers or third party suppliers, as well as failure to obtain, validly maintain and renew relevant government approvals for their business in the relevant jurisdictions;
- significant adverse changes in the financial or business conditions of contract manufacturers or third-party suppliers;
- performance by our contract manufacturers or their third-party suppliers falling below the expected levels of output or efficiency;
- any inability of our contract manufacturers 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 or imposition of import tariffs or duties which lead to increases in the contract prices in new contracts or renewed contracts that we enter into with contract manufacturers;
- the possibility that our competitors may engage our contract manufacturers 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 contract manufacturers and third-party suppliers, respectively;
- risks related to the supply chain network of our contract manufacturers and third-party suppliers, resulting in delays or disruptions to deliveries to India, as a large proportion of our contract manufacturers and third-party suppliers are based outside of India; and
- misappropriation of our intellectual property by our third-party manufacturers and suppliers.

We intend to continue to build our relationships with certain of our contract manufacturers. For instance, in January 2022, we entered into a joint venture agreement to manufacture certain products in India. While such arrangements may increase collaboration and sharing of information and diversify our supply chain, such arrangements could render us more susceptible to the risks stated above.

Any of these events could delay the successful and timely delivery of products that meet our quality, safety, security and other requirements. Although we believe we have maintained stable relationships with these manufacturing partners in the past, we cannot assure you that, if we are unable to source adequate quantities of products in a timely manner from our existing suppliers in the future, we will be able to find alternative manufacturers at acceptable prices and quality levels or at all. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

5. We are subject to risks associated with overseas procurement, such as geographical concentration and foreign currency exchange risks, which could adversely affect our business, results of operations and financial condition.

We procured ₹2,008.68 million, ₹4,915.06 million, ₹12,536.59 million and ₹16,240.64 million of our products or 100.00%, 100.00%, 99.92% and 99.51% of landed costs of products procured locally and imported for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, respectively. For the periods presented, all or substantially all of our contract manufacturing is from several manufacturers located in China, with a developing group of manufacturers in Vietnam and India. In the event that China is affected by any adverse conditions that disrupt production and/or deliveries from our contract manufacturers, 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, in the past, we have experienced delays of up to three weeks during floods caused by cyclones in India, as well as delays of up to three months due to the impact of the COVID-19 pandemic in India. For instance, in the financial year 2021, our Company had entered into an agreement with a third party manufacturer based in China for purchase of digital wearable technology and had advanced a payment of US\$129,400. However, due to certain financial difficulties and other challenges, US\$119,400 had been written off as the third party manufacturer was unable to deliver the products. We cannot assure you that there will not be further regulatory restrictions on conducting business activities with enterprises in China. Any new regulations promulgated by India or China, which further restrict trade and investments, could adversely impact our business, results of operations and financial condition. We may also be unable to enforce our contractual claims against contract manufacturers overseas. Such occurrence may adversely affect our business, results of operations and financial condition.

Leveraging the “Make in India” campaign launched by the Indian government in 2014, we plan to continue to diversify our supply base and further increase the resilience of our supply chain by engaging new suppliers based in India. For further details, see “*Business — Our Strategies — Diversifying our supplier and contract manufacturer network and investing in our “Make-in-India” initiative*” on page 154. However, we cannot assure you that we will be able to find suitable suppliers and manufacturers in India and on acceptable terms. Engaging new suppliers may involve setting up additional measures for quality control and vetting. Further, foraying into contract manufacturing in India may also take substantial time and attention of management and may result in diverting management attention from the strategies in respect of growing and expanding the market and the demand for products. In the event of a shortage of raw materials for production or an increase in the cost of our production in India, we cannot assure you that we will be able to maintain the supply of our products or correspondingly increase the price of our products due to competitive pricing globally.

We are exposed to risks that are specific to each country and region in which we procure as well as risks associated with overseas procurements 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. Compliance with the local laws of the locations where our contract manufacturers or suppliers are located, including import/export controls, legal constraints on ownership and corporate structure, environmental, health, safety, labor, accounting and laws, may impose onerous and expensive obligations on us. In addition, 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 procure our products. If we are unable to comply with such laws, our business, results of operations and financial condition may be adversely affected.

Further, ₹1,739.12 million, ₹4,496.74 million, ₹10,199.88 million and ₹12,026.56 million of our invoice value of imported stock-in-trade were in foreign currencies, comprising U.S. Dollars, constituting 81.00%, 82.55%, 84.85% and 86.23% of our total expenses for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, respectively. Volatility in exchange rates and specifically any depreciation of the Indian Rupee against these foreign currencies may 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, who are the end-consumers. Any of these risks could have an adverse effect on our business, results of operations and financial condition.

6. We are heavily reliant on our relationships with certain online marketplaces and offline distributors. Disruptions to such relationships, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information, or conflicts among our channels of distribution could adversely affect our business, cash flows and results of operations.

We are heavily reliant on online marketplaces for the sale of our products, and also have an extensive offline sales channel comprised of over 51 distributors and over 180 sub-distributors with presence in over 23,000 retail stores across approximately 32 states and Union Territories in India as of September 30, 2021. Our primary sales channel is through online marketplaces, and for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, 85.11%, 86.26%, 85.84% and 83.24% of our revenue from operations was derived from online marketplaces, and 78.59%, 81.35%, 83.72% and 75.02% of our revenue from operations was derived from our top two online marketplaces, respectively. Our arrangements with our top two online marketplaces are on a non-exclusive basis. For a few customers, under our contracts with them, we are obligated to re-purchase or provide additional price support on products that are unsold after a certain period of time.

We are also reliant on our distributors, including modern retailers, and for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, we derived 9.95%, 7.80%, 6.41% and 7.03% of our revenue from operations from five of our most used distributors including modern retailers, respectively. We have entered into exclusive and non-exclusive agreements with our distributors for distribution of our products within specific territories. We have not entered into long-term agreements with our distributors. Further, our distributors may unilaterally terminate their existing agreements with us at short notice, thereby adversely affecting our offline distribution network and consequently, our business, cash flows and results of operations. For details, see “*Business – Description of Our Business*” on page 155.

We monitor the prices at which the online marketplaces sell our products to customers and which our distributors sell our products to retailers and in turn by retailers to customers. For instance, pursuant to our agreements with certain online marketplaces, we mutually agree on price ranges and discounts (where applicable) at which they are obligated to retail our products. We also have a dedicated resource monitor that monitors the prices of our products on the online marketplaces. This is to ensure that our products are not sold at a larger discount than that permitted by us. Such policies may impact inventory levels maintained by online marketplaces, our distributors or retailers. If our competitors offer online marketplaces, 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. Further, we cannot assure you that we will be able to secure promotions on online marketplaces, and our inability to do so may affect our brand visibility on these online marketplaces.

Purchase orders made by online marketplaces and distributors may also be amended or cancelled prior to finalization. Further, the online marketplaces and distributors have the right to verify and determine whether the products supplied by us are in accordance with the specifications stated in purchase orders. In the event the products are not as per the specifications of the purchase orders, the customers or distributors may reject the entire consignment at the time of the delivery. We are also responsible for collecting the damaged or defective products. In addition, the online retail channels of online marketplaces may be disrupted due to technological disruptions. Should such amendments, cancellations or disruptions occur, it may adversely impact our production schedules and inventories. Further, most of 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. In addition, in certain possible scenarios, the online marketplaces or distributors may have the right to return the products to us, and in certain situations where there are a high number of returns, we may be required to re-purchase the entire quantity of products at the original price we sold them for. For certain of such contracts, the contract may be terminated by the relevant online marketplace or distributor if there are delays in the delivery of our products. In certain instances, our Company has also provided indemnity to the online marketplaces for any bodily injury or death or injury to any tangible or intangible property from the usage of our products resulting from negligent act or omission or willful misconduct by our Company.

The online marketplaces and offline distributors could change their business practices, such as inventory levels, or seek to modify their contractual terms, such as payment terms. For instance, in the past, due to temporary changes in the operations of certain online marketplaces, we experienced delays in collecting payments from such parties. We may face the pressure to modify our trading terms if the online marketplaces and our distributors are unable or unwilling to continue observing our distribution model. Additionally, unexpected changes in inventory levels or other practices by the online marketplaces and our distributors or other their retail outlet customers could negatively affect our business, cash flows and results of operations.

We intend to maintain or further develop our existing relationships with online marketplaces that retail our products, and continue to jointly promote our brands and products on their platforms. Due to increased collaboration and information sharing, such arrangements could render us more susceptible to the risks stated above.

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, cash flows and results of operations may suffer.

7. *Our business is concentrated in the audio as well as to a lesser extent the wearables category, and variations in consumer demand as well as market sentiment for these product categories could adversely affect our business, results of operations and financial condition.*

Our business is concentrated in the audio as well as to a lesser extent the wearables category. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our sales from the audio category were ₹2,168.29 million, ₹5,947.07 million, ₹12,285.73 million and ₹12,867.96 million, constituting 96.01%, 97.64%, 93.52% and 83.13% of our revenue from operations, respectively. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our sales from the wearables category were nil, nil, ₹548.05 million and ₹2,175.16 million, constituting nil, nil, 4.17% and 14.05% of our revenue from operations, respectively. We may be susceptible to changes in consumer demand as well as market sentiment for and within the audio and wearables product categories in general. See also “— *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.*” on page 36. Further, the growth of our business is dependent upon the growth in the market for the kind of products we offer. Stagnancy or a decrease in the market for the kind of products we offer could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that demand for our audio and wearables categories will continue at current levels in the future, or that if demand for such product categories decreases, that we would be able to pivot to alternative product categories. Any decline in the sales of our audio and wearables categories may adversely affect our business, results of operation and financial condition.

8. *We may not be able to adequately protect our flagship “boAt” brand, other brands and intellectual property and may be subject to claims that we infringe on the intellectual property rights of others, each of which could harm our business.*

We depend on our flagship brand, “boAt” and other brands for their brand image and their consumer recognition. See “*Business — Our Strengths — Our flagship brand “boAt” is a consumer brand with strong market positioning and a clear value proposition*” on page 147. We cannot assure you that our other brands will have similar growth, visibility and awareness as our “boAt” brand. 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 161.

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 potential 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. One of our trademark applications has been opposed in India, relating to the mark “Stone”. Further, we have previously abandoned our application for the mark “Bassbuds”. Additionally, we have made applications for assignment of the trademarks pertaining to the “TAGG” and “RedGear” brands acquired by us from its former proprietors. Further, our trademark “Boat-Plug into Nirvana” is registered in China in the name of Sameer Mehta, one of our Promoters and not our Company. An application has been made for getting the trademark assigned to the Company. Further, we have not registered some of our existing brands and campaign names such as “Immortal” and “TRRebel”.

Our inability to secure a trademark could adversely impact our business and operations. We also oppose the intellectual property proposed to be registered by third parties which are deceptively similar to, or may potentially infringe our Company’s trademarks. For instance, our Company has filed a suit against a third party for infringement, passing off and unfair competition for its trademarks, taglines, product names and in relation to the use of the trademarks “BOULT”, which are phonetically and deceptively similar to our Company’s trademarks

“BoAt”. For further information, see *“Outstanding Litigation and other Material Developments - Outstanding material civil proceedings involving our Company - Civil proceedings by our Company”* on page 310.

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 brands, 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, results of operations and financial condition.

We update and modify our products to keep abreast with prevalent technology. While we obtain licenses of third-party intellectual property prior to their usage, we cannot assure that our products do not or will not inadvertently infringe third party intellectual property rights, which may expose us to claims and legal proceedings.

In addition, we typically enter into non-disclosure agreements, confidentiality agreements and non-competition agreements with certain of our distributors and suppliers to protect our proprietary rights. While we have not encountered breaches of such agreements in the past, we cannot assure you that (i) such non-disclosure, confidentiality or non-competition agreements will not be breached; (ii) we will receive adequate remedies for any breach; or (iii) third parties will 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.

9. *We may be unable to sustain our past growth or accomplish our growth strategy, and our business may suffer if we fail to manage our growth efficiently or effectively.*

Our revenue from operations increased from ₹2,258.49 million for the financial year 2019 to ₹13,137.16 million for the financial year 2021 and ₹15,478.66 million for the six months period ended September 30, 2021. Our operations have expanded partially as a result of our strategy to expand into new product categories and new channels. We aim to grow our business through further investment towards our existing flagship “boAt” brand and other brands, and by way of acquisitions of other consumer products brands. We also plan to drive organic growth by expanding into new product categories adjacent to our existing lines of business. For further details, see *“Business — Our Strategies — Expand our presence into other adjacent product categories, either via our existing brands or brand extensions, by creating new brands or through acquisitions”* on page 153. We cannot, however, assure you that we will be successful in our expansion endeavors or sustain our growth, which may vary from quarter to quarter, and you should not consider our historical revenue growth or operating expenses as indicative of our future performance. Further, as we expand into new product markets, we may not be able to sustain the profit margins that we have achieved in the past, which may affect our profitability. 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, profitability 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 business;
- 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 our manufacturers, online marketplaces and online distributors;
- managing larger scale operations, including retaining a larger number of manufacturers and distributors;
- identifying, understanding and responding to challenges and risks in the markets 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.

10. If we pursue acquisitions, joint ventures and investments, we may not be able to successfully consummate favorable transactions or successfully integrate or leverage from such businesses.

We continue to evaluate opportunities for potential acquisitions and other corporate transactions that would further our strategic objectives. In January 2022, our Company along with our Subsidiary, Imagine Marketing Singapore entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries. Further, our Subsidiary, HOB Ventures entered into agreements to invest in Kimirica Lifestyle, and for the transfer of certain business from Kimirica Hunter International LLP to Kimirica Lifestyle. These transactions are subject to satisfaction of the conditions precedent specified in the respective transaction agreements. We cannot assure you that the acquisitions or joint venture arrangements will complete in the timing and manner anticipated, or at all. Further, in September 2021, we acquired full and complete title to the trademarks pertaining to the “RedGear” label and certain inventories from Redwood Interactive. We also acquired the “TAGG” brand in June 2021, under which we market and sell audio devices and wearable products. We also entered into a joint venture with Dixon Technologies in January 2022.

We cannot assure you that we will be able to successfully derive anticipated benefits from such acquisitions and joint ventures, and be able to integrate the acquired or resultant business into our existing operations. For instance, we invested ₹50.00 million for an equity interest in Sirena Labs Private Limited (“**Sirena Labs**”), which designed, developed and manufactured smart speaker products. We had entered into certain purchase contracts with Sirena Labs, pursuant to which we had cumulatively advanced an aggregate amount of ₹40.00 million (“**Borrowed Amount**”) to Sirena Labs, pursuant to the purchase contracts, as trade advance for its working capital requirements. Certain disputes arose between our Company and Sirena Labs, as a result of Sirena Labs’s failure to repay a portion of the Borrowed Amount advanced by our Company to Sirena Labs. Subsequently, while Sirena Labs re-paid ₹26.50 million (in three tranches) to our Company towards repayment of the Borrowed Amount, Sirena Labs is yet to repay ₹15.27 million (including interest). Sirena Labs had issued four cheques of ₹5.00 million each aggregating to ₹20.00 million to our Company in respect of the Borrowed Amount. The cheques were presented before our Company’s bank for payment and the same were returned unpaid on the ground of insufficient funds. Pursuant to the dishonour of the cheques and Sirena Labs’s failure to pay the remaining amount aggregating to ₹15.27 million (including interest), our Company initiated a legal action against Sirena Labs and filed a criminal complaint against Sirena Labs in relation to dishonour of the Cheques. Sirena Labs has written to our Company with a proposal to settle the dispute, which we are in the process of evaluating. For further details, see “*Outstanding Litigation and Material Developments*” beginning on page 309. However, as a result of the ongoing dispute and certain other factors, we consider the probability of recovering such amount as remote, and we have made a provision for impairment of ₹67.91 million. For further details, see “*Restated Consolidated Financial Information - Note 41 – Investment in Sirena Labs Private Limited*” on page 265. We may not be able to identify suitable target brands, 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.

Further, we may be adversely impacted by liabilities that we assume from our acquisitions, including from regulatory authorities, and we may not be able to identify or adequately assess the magnitude of certain liabilities. In addition, we may require additional financial resources for the successful expansion or reorganization of the acquired business and integrating their operations into our operations. An inability to raise adequate finances in a timely manner, on acceptable terms, or at all for the expansion, reorganization or integration of the acquired business with our existing operations could adversely affect our business, results of operations and financial condition. 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.

11. *If our products become obsolete due to further development of technology or alternate products, our business, results of operations, financial condition and cash flows may be adversely affected.*

In the event of further development of technology or growing popularity of alternate products which we are unable to counter, 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, 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. 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.

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. For further details, see “— *We may be required to pay cancellation fees or write down our inventory, which may have an adverse effect on our results of operation.*” on page 48. 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 cash flows would be adversely affected.

In order to remain competitive, we continue to develop, test and manufacture new products. To accomplish this, we invest in research and development activities and have set up a dedicated research and development team. 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, results of operations, financial condition and cash flows.

We have been successful in introducing new audio and wearables products, such as our ‘Xtend’ smartwatch, which was one of the earliest ‘Alexa-compatible’ and voice enabled smartwatches to be launched in India (Source: *RedSeer Report*). However, we cannot assure that we will be able to continue or replicate this success and may face an inability to commercialize such products in a timely fashion. As we introduce new or enhanced products, we face risks relating to timely supplies of such products, 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, and may take up to several months. We may focus our resources on designs and 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. While we have not encountered such information leaks in the past, our failure to manage the introduction of newer products may adversely affect our business, results of operations, financial condition and cash flows.

12. *Our ability to raise foreign capital may be constrained by Indian law.*

Foreign investments into Indian companies are regulated by the Government of India and the RBI. For example, under the Consolidated FDI Policy, FEMA and the rules and regulations thereunder, the Government of India has specific prescribed requirements and conditionalities with respect to the level of foreign investment permitted in certain business sectors both without prior regulatory approval (the “**Automatic Route**”) and with prior regulatory approval (the “**Approval Route**”). We are a single brand retailer and sell our other brands on a business-to-business bases under the wholesale trading model. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in wholesale trading as well as single brand product retail trade, both under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Our inability to comply with such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, all investments by entities incorporated in a country which shares land border with India or where

the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

If our business model changes in future, or foreign ownership in our Company increases beyond 51%, or there is a change in conditions applicable to single brand retail trading or wholesale trading under exchange control regulations, we may be required to comply with more restrictive requirements which may affect our business, results of operations, financial condition and cash flows.

13. *Our business depends on the relevance of the e-commerce industry in India and our ability to effectively respond to changing user behavior on digital platforms.*

According to the RedSeer Report, there is room for the growth of online retail penetration. In addition, digital-first brands in the audio and wearables categories are expected to grow strongly owing to the growth in the online segment of the audio and wearables market and increase in consumer trust towards the digital channel (*Source: RedSeer Report*). Although we develop omni-channel sales platforms including online marketplaces, offline distribution channels and our own website, our revenues depend substantially on the receptiveness of Indian consumers, suppliers, sellers and advertisers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, we derived ₹1,922.19 million, ₹5,266.99 million, ₹11,517.90 million and ₹13,337.09 million, representing 85.11%, 86.47%, 87.67% and 86.16%, respectively, of our revenue from operations from online sales.

Our online operations are subject to risks, such as negative publicity, liability for online content, and risks related to the computer systems that operate our website and related support systems, such as computer viruses and electronic break-ins or similar disruptions. In addition, certain risks beyond our control, such as governmental regulation of the internet, additional companies competing with us for online sales, online security breaches and general economic conditions specific to the internet and online commerce could have an adverse effect on our business.

For our online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing user behavior on such digital platforms. As the development of mobile application based e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. We cannot assure you that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely.

14. *Reliance on online media, cricketers, musicians, social media influencers, television personalities and celebrities as part of our marketing strategy may adversely affect our business and demand for our services.*

Our marketing strategies focus on creating awareness of our platform and flagship “boAt” brand and other -brands building platform loyalty and fostering word of mouth reviews. One of the elements of our strategy includes engaging various prominent personalities including cricketers, musicians, social media influencers, television personalities and celebrities, maintaining a presence on social media platforms and within the peer-to-peer multimedia community. We rely on such personalities for our marketing campaigns and endorsements, such as through them being our community of brand ambassadors. The risks of engaging with brand ambassadors, such as influencers and celebrities, include:

- any deterioration in our relationship with our brand ambassadors or damage to the reputation of such influencers or celebrities; our relationships with influencers and celebrities may not always include contractual commitments to continue to be supportive of our brands or products, and we cannot assure you that they will continue to do so; for example, changes in audio and wearables trends, consumer sentiment or public perceptions of our brands could adversely impact our relationships with influencers and celebrities;
- any negative publicity created by an influencer or celebrity in a sponsorship initiative who we formerly engaged or who is no longer supportive of our brands;
- influencers and celebrities (including their ecosystem) could engage in behavior damaging the reputation of such influencers or celebrities;
- if we were held responsible for the content posted by influencers or their actions, and such posts were found to be illegal or inappropriate, we could be fined or forced to alter our practices, even when we may not always prescribe what our influencers post or act or promote;
- influencers may use their platforms to communicate directly with our consumers without our knowledge in a manner that reflects poorly on our brands and may be attributed to us; and
- any drop in influencers' or celebrities' satisfaction to endorse our products, brand, our platform, or consumer experience.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and establish presences and stay relevant on new or emerging trends on popular social media platforms. Further, any negative commentary on social media platforms by any third party, vendors, employees or anyone else, regarding us, our products or influencers or celebrities who promote our brands and other third parties who are affiliated with us may also be posted on social media platforms and may be adverse to our reputation or business. Employees' personal posts or post unapproved or not in line with our policy may get perceived as public statement, which may adversely impact our reputation. Our target consumers may tend to value and believe readily-available information and any negative commentary could drive large-scale social media campaigns and posts against us, our products or brand and sub-brands, whether motivated or otherwise, and result in consumer boycotts, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake e-commerce platforms or websites, and fake social media pages and accounts, fake customer service calls impersonating themselves as associated with our brands or business or selling our ranges of products may lead to fraud and dissatisfied consumers. We cannot assure you that we will be able to maintain or grow our followers on social media.

Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees, our network of influencers or celebrities or any third parties acting at our direction to abide by applicable laws, regulations, policies and guidelines (such as Advertising Standards Council of India guidelines) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition and results of operations. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content.

Moreover, the costs to enter into relationships with influencers and celebrities or engage in sponsorship initiatives may also increase over time, which may also negatively impact our results of operations. If we are unable to cost-effectively use social media platforms as marketing tools or if the social media platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms. and our ability to maintain and acquire customers and our financial condition may be adversely affected.

In addition, due to our digital-first presence and business model, we may be susceptible to negative publicity on online marketplaces or social media. These may arise from negative online reviews of and allegations relating to our products. Such negative publicity could damage our brand image, even if the reviews and allegations are ultimately untrue. We cannot assure you that we will be able to maintain our brand image online. Any damage to our brand image in the online sphere may reduce demand for our products, adversely affecting our business, reputation, financial condition and results of operations.

15. Pricing pressure from customers, online marketplaces or distributors may affect our gross margins and ability to increase our prices, which in turn may adversely affect our revenue from operations, profits and cash flows.

Consumer demand for our products depends in part on the pricing of our products. We differentiate certain of our products based on their affordable pricing coupled with their quality. Our pricing depends on various factors, including the sales and promotional discounts we offer for our products from time to time. We cannot assure you that we will be able to maintain our margins while offering discounts, or that our discounts will continue to attract consumer demand for our products. The pricing of our products is agreed between us and the online marketplaces or distributors, and changes to such prices require mutual agreement. The pricing is determined by our cost of products and other costs and other factors. Our cost of products may increase in the future due to various factors, including factors beyond our control such as inflation. We cannot assure that, in the future, we would be able to pass increased costs on to our customers. Any inability to do so may adversely affect our business and results of operations.

16. The demand for our products may vary due to many factors, including seasonality, and if we do not accurately forecast demand for our products, our results of operations and cash flows could be adversely affected.

The demand for our products depends on many factors, including 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, such as online marketplaces. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our purchase of stock-in-trade and changes in inventories of stock-in-trade were ₹1,739.12 million, ₹4,496.74 million, ₹10,208.37 million and ₹12,085.65 million, constituting 77.00%, 73.83%, 77.71% and 78.08% of our revenue from operations, respectively. For instance, our sales and revenue from operations substantially increase during shopping events organized by online marketplaces and festive seasons in India. 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 or shortage of inventory available to meet demand from online marketplaces and distributors. Any such development could adversely impact our results of operations and cash flows.

17. We may face product returns, refunds and recalls, as well as product liability and warranty claims and legal proceedings, if the quality of our products does not meet our customers' expectations or causes harm to customers in the future, which may adversely affect our business, reputation and results of operations.

Due to the nature of our business, we face a risk of our products containing quality issues or undetected errors or defects, especially when first introduced or when new models or versions are released. These may result from the design or manufacture of the product, or from the software or other components used in the product. We set internal quality standards and implement quality control processes across our business. For further details, see “Business — Description of Our Business — Quality Assurance — Quality assurance for products received from manufacturers” on page 158. However, we cannot assure you that we would be able to prevent or detect all quality issues in a timely manner or at all. Such quality issues may result in customers returning defective products to us for a cash refund or a replacement of their products during the warranty period of the products. Our standard warranty for boAt products is for one year, while our cables (other than the cable supplied as part of our products) have a warranty of two years. For the six months period ended September 30, 2021, product replacement claims were made on 4.51%, of our total sales orders, in respect of which 2.97%, of our total sales orders had products which were replaced. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our warranty expenses were ₹48.87 million, ₹273.47 million, ₹527.17 million and ₹657.70 million, constituting 2.16%, 4.49%, 4.01% and 4.25% of our revenue from operations, respectively. We made provisions for warranty of nil, ₹86.00 million, ₹181.94 million and ₹425.44 million, and provisions for expected return liability of nil, ₹89.75 million, ₹20.95 million and ₹36.15 million, as at March 31, 2019, March 31, 2020, March 31, 2021 and September 30, 2021, respectively. Under our contracts with our distributors, in certain scenarios where there are high numbers of products returned by end-consumers to the distributor, we may be required to buy back the remaining quantity of products at the price at which we originally sold the product to the distributor. We cannot assure you that the rate and cost of us providing refunds or replacements will not increase in the future. Increases in the rate of product returns may lead to customer dissatisfaction, which may adversely affect our reputation, brand image, business and financial condition. For further details, see “Business — Description of Our Business — Procurement and Manufacturing — Product warranties to consumers” and “Business — Description of Our Business — Customer Service” on pages 158 and 161, respectively.

In addition, serious 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 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.

Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts, tribunals or other quasi-judicial authorities, 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 or product recalls 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. A product recall or a product liability claim may also 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 results of operations.

18. *Our plans to expand into overseas markets subject us to various business, economic, political, regulatory and legal risks.*

We intend to expand our operations into overseas markets such as the United Arab Emirates, Nepal and certain countries in the South East Asia region, which we believe have a large Indian diaspora and / or a population with similar tastes and preferences as the audience in India. For further details, see “*Business — Our Strategies — Expand into international markets primarily within our core audio and wearables product categories*” on page 155. We do not possess our own network of distributors and retailers in such countries. The expansion and entry into overseas markets may require significant management attention and financial resources.

Our overseas 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;
- exposure to tariffs, duties or other government costs and actions arising from trade restrictions;
- increased costs related to marketing our products;
- start-up costs related to establishing offices, infrastructure and services;
- 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;
- 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 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 revenues in our target overseas markets, it may limit our ability to grow our business.

19. *There are outstanding litigations pending against our Company, 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*

There are certain outstanding legal proceedings against our Company which 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, see “*Outstanding Litigation and Material Developments*” beginning on page 309. A summary of the material legal proceedings as of the date of this Draft Red Herring Prospectus is provided below:

| Name | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against the Promoters | Material civil litigation** | Aggregate amount involved * (in ₹ million) |
|--------------------------|----------------------|-----------------|---------------------------------|---|-----------------------------|--|
| Company | | | | | | |
| By our Company | 1 | - | N.A. | N.A. | 1 | 15.27 |
| Against our Company | - | 3 | - | N.A. | - | 342.80 |
| Subsidiaries | | | | | | |
| By our Subsidiaries | - | - | N.A. | N.A. | - | - |
| Against our Subsidiaries | - | - | - | N.A. | - | - |
| Directors | | | | | | |
| By our Directors | - | - | N.A. | N.A. | - | - |
| Against our Directors | - | - | - | N.A. | - | - |
| Promoters | | | | | | |
| By our Promoters | - | - | N.A. | N.A. | - | - |
| Against our Promoters | - | - | - | - | - | - |

Further, there are no litigation involving the Group Companies having material impact on our Company.

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.

Further, 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, 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. Also, see “— *We may face product returns, refunds and recalls, as well as product liability claims and legal*

proceedings, if the quality of our products does not meet our customers' expectations or causes harm to customers in the future, which may adversely affect our business, reputation and results of operations.” on page 40.

We cannot assure you that these legal proceedings will be decided in favor of our Company, 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.

20. *Our current and future expansion plans may require incremental 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 Tier 2+ cities in India and foray into overseas markets and expand our business operations including 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 we will have long-term capital requirements 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. 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 various 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.

21. *We have experienced negative cash flows from operations in the recent past, and we may have negative cash flows in the future.*

We have experienced negative cash flows from operations in the recent past. Our consolidated cash flows for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021 are set forth in the table below.

| Particulars | Financial Years | | | (in ₹ millions) |
|--|-----------------|---------|------------|--|
| | 2019 | 2020 | 2021 | For the six months period ended September 30, 2021 |
| Net cash (used in) / generated from operating activities | (259.99) | 18.62 | (1,421.01) | (6,058.30) |
| Net cash (used in) investing activities | (2.46) | (71.52) | (66.56) | (2,304.06) |
| Net cash generated from financing activities | 208.23 | 182.78 | 2,707.77 | 4,963.74 |
| Net increase / (decrease) in cash and cash equivalents | (54.22) | 129.88 | 1,220.20 | (3,398.62) |

Any negative cash flows in the future could adversely affect our results of operations and financial condition, and we cannot assure you that our net cash flows will be positive in the future. For further details, see “*Summary Financial Information*” and “*Management’s Discussion and Analysis of Results of Operations and Financial Condition — Cash Flows*” on pages 65 and 303, respectively.

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 inventories of finished products for steady supply of our business and operations. In addition, we need working capital for certain costs including but not limited to employee benefits expense, advertising and marketing cost, lease payments and domestic and overseas 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. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological upgradation and additional market developments. In many cases, a significant amount of our working capital is required for meeting operating expenses of our business before payment is received from

customers. Our working capital requirements may increase if the payment terms in our agreements with customers include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increases in the amount of, our receivables, short-term borrowings and the cost of availing such working capital funding. As at March 31, 2019, 2020 and 2021 and September 30, 2021, our trade receivables were ₹382.67 million, ₹552.75 million, ₹754.83 million and ₹6,352.34 million, respectively, and we made allowance for expected credit loss of ₹5.48 million, ₹63.66 million, ₹34.09 million, ₹98.39 million, respectively. As of March 31, 2021 and September 30, 2021, we made provisions for doubtful advances of ₹28.63 million and ₹22.79 million, and provisions for doubtful interest receivable on trade advance of ₹1.77 million and ₹1.77 million, respectively, and did not make either of such provisions as of March 31, 2019 and 2020. As at March 31, 2019, 2020 and 2021 and September 30, 2021, we had cash and cash equivalents of ₹0.22 million, ₹73.15 million, ₹1,443.93 million and ₹351.14 million, and bank balance other than cash and cash equivalents of nil, ₹12.50 million, ₹45.00 million and ₹1,166.41 million, respectively. For further details, see “*Financial Information*” on page 205. Additionally, our inability to obtain adequate amount of working capital at such terms which are favorable to us and in a timely manner or at all may also have an adverse effect on our financial condition. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. We cannot assure you 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.

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

We do not own an in-house logistics facility and rely exclusively on third-party logistics providers. These third-party logistic providers assist us in supply and transportation of our products from our manufacturing partners to us and from us to the online marketplaces and our distributors, as well as the management of a part of our warehouse. 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 our or 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 labor 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. These could lead to increased logistics costs, which we may not be able to pass on to our customers under the terms of our contracts with them. Such disruptions and costs could adversely affect our business, results of operations and financial condition.

Further, in certain instances, our third-party logistics providers may interact directly with end-customers of our products, and their performance directly affects our brand image, reputation and customers’ experience. Any negligence or unprofessional conduct by the third-party logistic providers, or breach of our policies and procedures, such as theft of shipments or cash received from customers upon delivery or engaging in other fraudulent activities, violation of laws and regulations, providing unsatisfactory customer service or delayed deliveries, may adversely impact the customer experience. Due to the large shipment volumes handled through our third-party logistics providers, we cannot assure you that we would be able to identify every incident of inappropriate, illegal or fraudulent activities involving our platform, or prevent all such incidents from occurring. Such occurrences may cause us to lose customers, suffer reputational damage or incur financial losses, which would adversely affect our business, results of operations and financial condition.

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.

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

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 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 COVID-19 pandemic, including the spread of the delta variant and omicron variant, in India and internationally, has affected and may continue to affect our business, results of operations and financial condition in a number of ways. As a result of the detection of new strains of virus, such as the delta variant and the omicron variant, and subsequent waves of COVID-19 infections in several states in India and various parts of the world, we may be subject to further lockdowns or other restrictions, which may adversely affect our business operations. The continued spread of COVID-19 may also result in labor shortages and increased expenses as we undertake additional precautions in the operation of our business. In 2020, we experienced delays in production and logistics of up to three months. Further in 2021, we experienced delays in production and logistics of up to a month. In subsequent waves of COVID-19 we faced interruptions in the performance of our business and operations, particularly from sick personnel, leaves, quarantines and limitations in operations. Further, currently as a result of the ongoing wave of infections resulting from the omicron variant, various states in India have introduced various restrictions, such as weekend lockdowns and restricted the movement of individuals in groups. 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. 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. 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.

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, supply chain interruptions 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. In addition, 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 section.

25. *Significant disruptions of our 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 may depend, in part, on our ability to maintain and upgrade our information technology systems in a timely and cost-effective manner. We use an enterprise-grade e-commerce platform to manage orders on our website. The platform has in-built data encryption to safeguard sensitive information that it may be processing. 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 may render us vulnerable to network disruptions, breakdowns, malicious intrusions or computer viruses. Most of our systems are hosted on third-party cloud systems with in-built high-availability and disaster-recovery mechanisms. Although we have not 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.

In the future, it may be 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 websites, our reputation and brand image 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 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.

In addition, we face risks relating to compliance with applicable laws, rules and regulations relating to the collection, storage, use, sharing, disclosure, protection and security of personal information, as well as requests from regulatory and government authorities relating to such data. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. In addition, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. For instance, in order to ensure data privacy, we are required to ensure compliance with the Information Technology Act, 2000 (“**IT Act**”) and the rules notified thereunder, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**Privacy Rules**”), which prescribe the provisions relating to personal data privacy, its protection and the circumstances in which the data can be disclosed. Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. For example, with the proposed enactment of the Personal Data Protection Bill, 2019 (“**PDP Bill**”), and the ongoing regulatory discussions to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Government of India, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been contemplating legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts (“**NPD Committee**”) to recommend a regulatory regime to govern non-personal data (“**NPD**”). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for “data businesses”, being business that collect, process or store data, both personal and non-personal. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses.

26. *The success of our business depends substantially on a number of Key Management Personnel, including our 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 business.*

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 “*Management*” on page 197. We cannot assure you that we will continue to retain any or all of the key members of our management or attract and retain new senior executives and key personnel in the future. 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, and we do not maintain key personnel 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 and market 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 offer better compensation packages to such personnel. 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 2019, 2020 and 2021 and the six months period ended September 30, 2021 was 2.56%, 13.51%, 11.92% and 8.90%, respectively. If we are unable to recruit and retain qualified personnel with the requisite experience, our growth and competitive position may be adversely affected.

As of September 30, 2021, we employed a total of 292 personnel and had 370 persons working with us on a contractual basis. For details, see “*Business – Description of Our Business – Employees*” on page 161. Although we have not experienced any strikes or labor 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 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, results of operations, financial condition and cash flows.

27. *Employee misconduct or failure of our internal controls 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 controls 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 not encountered such issues in the past, 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.

28. *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 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, generally for carrying out our business, marketing our products and for our research and development activities. Some of these approvals are granted for a limited duration. These approvals expire from time to time and we are required to make applications for their renewal, and are in the process of doing so. Any 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 the grant or renewal of certain key approvals. For details of applicable regulations and approvals relating to our business and operations, as well as pending approvals, see “*Government and Other Approvals*” beginning on page 313.

The approvals required by our Company are also subject to various conditions and we cannot assure you that these conditions will be met at all times or that these approvals 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.

Further, we are required to meet certain requirements and obligations under policies imposed by and schemes launched by the government and the Bureau of Indian Standards 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 endeavor to decrease expenditure and increase profitability.

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

The following table sets forth our contingent liabilities as of September 30, 2021, as derived from our Restated Consolidated Financial Information as per Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’:

| <i>(in ₹ million)</i> | |
|--|--------------------------|
| Particulars | As of September 30, 2021 |
| Indirect Tax Matters | 341.98 |
| Dividend on 0.01% Cumulative Compulsory Convertible Preference Shares of ₹6,000 Each | 0.01 |

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations and financial condition. Further, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future.

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

We procure finished products directly from our contract manufacturers and stock our inventory in advance of product shipments. As such, we make prepayments to certain suppliers and contract manufacturers in order to secure our inventory. We acquire our products through a combination of purchase orders, supplier contracts, and open orders, in each case based on projected demand. In the event that 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, we may be required to record additional accruals for cancellation fees that may be payable with respect to such orders, which would adversely affect our results of operations.

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, certain of our inventories may lose value in the future due to circumstances including 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. We cannot assure you that we will be able to sell such inventories in a timely manner or at all. Our inability to do so may require us to record write-downs of our inventory, which may adversely affect our financial condition and operating results.

31. We have entered into, and in the future may enter into, financing agreements containing terms or covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants as well as the payment of interest under our debt financing arrangements could adversely affect our business, results of operations and financial condition.

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. These restrictive covenants, among other things, 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, effecting any change in the constitutional documents or management or capital structure, any change in the business, any reorganization, merger, amalgamation or scheme of arrangement or compromise, dilution of our Promoter’s stake in our Company and changes in the shareholding pattern of our Company. Additionally, certain terms of our financing agreements also require us to maintain financial ratios which are tested periodically, including on a quarterly or annual basis.

As a result of these restrictions, we may be limited in how we conduct our business, unable to raise additional debt or equity financing to operate during general economic or business downturns, or unable to compete effectively or to take advantage of new business opportunities. These restrictions may also impair our ability to grow in accordance with our strategy, and may adversely affect our financial condition and results of operations. If we experience a decline in cash flow due to any of the factors described in this section or otherwise, we could have difficulty paying interest and the principal amount of our outstanding indebtedness. If we are unable to generate sufficient cash flow or otherwise obtain the funds necessary to make required payments under our financing agreements, or if we fail to comply with the various requirements of our indebtedness, we could be in default under our financing agreements. Any such default that is not cured or waived could result in an acceleration of indebtedness then outstanding under our financing agreements, an acceleration of any other indebtedness to

which a cross-acceleration or cross-default provision applies, a requirement that we pay the obligations in full, or permit the lenders to exercise remedies with respect to all of the collateral securing our indebtedness. For details of the security we have granted in relation to our financing agreements, see “*Financial Indebtedness*” on page 273. In addition, lenders may be able to terminate any commitments they had made to supply us with funding under various credit facilities.

As a result, an event of default under the financing agreements would adversely 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 Offer, these restrictive covenants may affect some of the rights of our Shareholders.

In addition, the interest rates applicable to ₹7,641.77 million of the principal amount of debt outstanding under our financing agreements, as of December 31, 2021, is typically floating interest rates linked to a base rate, as specified by respective lenders. 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. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. For further information, see “*Financial Indebtedness*” beginning on page 273.

In addition, we may, in the future, enter into debt agreements that could include more restrictive covenants, which could further restrict our business operations. If we cannot raise additional funds when we need them, our ability to continue to support our business and to respond to business challenges would be significantly limited, and our business, results of operations and financial condition could be adversely affected.

32. *Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and our management will have broad discretion over the use of the Net Proceeds, including interim use. Variations in the utilization of the Net Proceeds or in the terms of the conditions disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.*

Our Company proposes to utilize the Net Proceeds towards repayment/prepayment, in full or part, of certain borrowings availed of by our Company, and general corporate purposes. For details, see “*Objects of the Offer*” on page 99.

The funding requirements and deployment of the Net Proceeds are based on internal management estimates in view of past expenditures and current market conditions, and have not been appraised by any bank or financial institution or other independent agency. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in a number of factors, including timely completion of the Offer, general economic and business conditions and other factors beyond our control such as increasing regulations or changes in government policies as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels. Furthermore, the deployment of the Net Proceeds is at the discretion of our management, in accordance with applicable laws.

In accordance with Section 13(8) and Section 27 of the Companies Act, we cannot change the utilization of the Net Proceeds or the terms of any contract as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders’ approval through a special resolution. We may not be able to obtain the Shareholders’ approval in a timely manner, or at all, in the event we need to make such changes. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Our Promoters would also be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. The requirement to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to any changes made to the proposed utilization of the Net Proceeds, even if such change is in our interest. Further, we cannot assure you that our Promoters will have adequate resources to provide an exit opportunity at the price prescribed by SEBI. For further details on exit opportunity to dissenting shareholders, see “*Objects of the Offer — Variation in Objects*” on page 104. In light of these factors, we may not be able to undertake variation of object of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the un-utilized portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business, results of operations and cash flows.

33. *Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.*

The Offer comprises a Fresh Issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million, and an Offer for Sale aggregating up to ₹11,000.00 million by the Selling Shareholders. The proceeds from the Offer for Sale will be transferred to the each of the Selling Shareholders, including the Promoter Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale (after deducting applicable Offer-related expenses and taxes) and will not result in any creation of value for us or in respect of your investment in our Company. The proceeds received from the Offer for Sale will not form part of the proceeds from the Fresh Issue. For further information, see “*Objects of the Offer*” beginning on page 99.

34. *A portion of the Net Proceeds may be utilized for repayment, prepayment of borrowings held by, affiliates of one of the Book Running Lead Managers.*

We propose to repay certain loans obtained from ICICI Bank Limited from the Net Proceeds as disclosed in “*Objects of the Offer*” beginning on page 99. ICICI Bank Limited is an affiliate of one of the Book Running Lead Managers, ICICI Securities Limited. Further, ICICI Bank Limited is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended. The facilities sanctioned to our Company by ICICI Bank Limited are a part of their normal commercial lending activity and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations.

35. *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.*

Our Company has not declared and paid any dividends on the Equity Shares or Preference Shares in the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021 and until the date of this Draft Red Herring Prospectus. Our Company’s ability to pay dividends in the future and the amount of any such dividends, if declared, may depend upon a number of internal and external factors, limited to profits, capital requirements, contractual obligations and restrictions, restrictive covenants in financing arrangements, the overall financial condition of our Company and other factors considered relevant by the Board. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, 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.

36. *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 maintain insurance policies with independent third parties in respect of furniture, fixtures and fittings covering losses due to fire. We also maintain Directors and Officers liability insurance and marine and burglary insurance. As of September 30, 2021, our total insurance coverage exceeded the value of inventories and plant, property and equipment by value. The total insurance coverage for all the assets as of September 30, 2021 was 40.04%.

We face the risk of loss resulting from product liability, intellectual property, contractual, warranty, and other lawsuits, whether or not such claims are valid. Moreover, our insurance coverage may not be adequate to cover such claims or may not be available to the extent we expect. 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. As of September 30, 2021, we had 35 pending insurance claims, aggregating to an estimated loss of ₹5.01 million. In such event, our insurance policies may not protect us from liability for damages, which may lead to financial liability and other adverse consequences. For details of insurance policies we maintain, see “*Business – Insurance*” on page 162.

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. 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. Further, in the future, we may experience

difficulty in obtaining insurance coverage for new and evolving product offerings at favourable prices, which could require us to incur greater costs. 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.

37. *Certain sections of this Draft Red Herring Prospectus contain information from the RedSeer Report, which has been commissioned and paid for by us, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the RedSeer Report or extracts of the RedSeer Report. We have commissioned RedSeer and paid them to produce their report titled “Report on Consumer Devices In India” dated January 2022, which has been used for industry-related data disclosed in this Draft Red Herring Prospectus. We commissioned the RedSeer Report primarily for the purposes of confirming our understanding of the industry in connection with the Offer. We have no relation with RedSeer other than as a consequence of this engagement. All such information in this Draft Red Herring Prospectus indicates the “RedSeer Report” or “RedSeer” as its source. Further, given the scope and extent of the RedSeer Report, disclosures are limited to certain excerpts and the RedSeer Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. 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. Forecasts, estimates and other forward-looking statements contained in the RedSeer Report are inherently uncertain and could fluctuate due to 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, or such statements. 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 RedSeer Report before making any investment decision regarding the Offer. For the disclaimer associated with the RedSeer Report, see “*Certain Conventions, Presentation of Financial, Industry and Market Data*” on page 21.

38. *This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other peer companies.*

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, EBITDA, EBITDA Margin, Net Asset Value (NAV) Per Equity Share, Net Worth, Operating Average Capital Employed, Operating Capital Employed, Operating ROCE, Return on Net Worth and Weighted Average Return on Net Worth, have been included in this Draft Red Herring Prospectus, which are not measures of financial performance or liquidity recognized under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Our calculation of these metrics may differ from similarly titled computation of other companies, and thus, a direct comparison of these non-GAAP measures and metrics between companies may not be possible. See “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Non-GAAP Financial Measures*” beginning on page 21.

We have computed and disclosed such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of cloud services companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by our other peer companies.

39. *Our Registered and Corporate offices, other offices and warehouses are located on premises held by us on a leasehold basis. We cannot assure you that the lease agreements governing these premises will be renewed upon termination or that we will be able to obtain other premises on same or similar commercial terms.*

Our Registered Office and Corporate Office are located on leased premises, which we do not own. Our Registered Office is situated on premises taken on leave and license basis for a period of 33 months, which is valid until March 14, 2024. Our Corporate Office is leased to us till January 2023. Our warehouses and other offices are also located on leasehold premises, and the agreements governing the premises may expire in the ordinary course. The respective leases for our warehouses have a term ranging between 3 years and 5 years. We cannot assure you that we will continue to be able to continue operating out of our existing premises or renew our existing leases on acceptable 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 unfavorable 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.

Unless such lease 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 “*Business – Properties*” on page 162.

40. *Our Promoters 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.*

As on the date of this Draft Red Herring Prospectus, our Promoters in aggregate hold 76,740,000 Equity Shares, constituting 80.10% (56.52% on a fully-diluted basis) of the pre-Offer issued, subscribed and paid-up equity share capital of our Company. After this Offer, our Promoters will continue to exercise control or exert significant influence over us which will allow them to vote together in capacity as shareholders of our Company on certain matters in general meetings of our Company. Accordingly, the interests of our Promoters in capacity as shareholders of our Company may conflict with your interests and the interests of other shareholders of our Company.

Further, we cannot assure you that our Promoters 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.

41. *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. We have entered into various related party transactions with respect to Restated Consolidated Statement of Profit and Loss whose arithmetic aggregated absolute total amounts to ₹121.72 million, ₹87.30 million, ₹123.89 million, and ₹63.25 million, representing 5.39%, 1.43%, 0.94%, and 0.41% of our revenue from operations in Financial Years 2019, 2020 and 2021 and the six months period ended September 30, 2021, respectively. For further information on our related party transactions, see “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” beginning on page 257. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you 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. 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. There can be no assurance that our Directors and officers will be able to address such conflicts of interests or others in the future. For details of the related party transactions see “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” on page 257.

42. *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. For further details of such interests, “*Management – Interests of Directors*”, “*Management – Interests of Key Managerial Personnel*”, “*Promoters and Promoter Group – Interest of Promoters*” and “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” on pages 187, 198, 199 and 257, respectively.

43. *Our Company has issued specified securities at prices that may be lower than the Offer Price in the last 12 months.*

We have issued specified securities in the last 12 months at a price lower than the Offer Price as below:

| Date of allotment | Reason / nature of allotment | Number of Equity Shares allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Description |
|--------------------------|-------------------------------------|---|--|---|---|
| December 28, 2021 | Exercise of stock options | 102,000 | 1 | 30.27 | 102,000 Equity Shares were allotted to Sushant Dalmia under the ESOP 2019. |
| January 13, 2022 | Private Placement | 463,500 | 1 | 43.15 | 463,500 Equity Shares were allotted to Innoven Capital India Private Limited pursuant to the exercise of right to subscribe shares in our Company in term of the right to subscribe agreement dated July 16, 2019 and share subscription agreement dated January 7, 2022. |

For details, see “*Capital Structure*” and “*History and Certain Corporate Matters – Shareholders’ Agreements and Other Agreement*” on page 80 and 176. We cannot assure you that the Equity Shares or Preference Shares issued in the future will be at or lower than the Offer Price. Further, the price at which Equity Shares or Preference Shares have been issued by us in the preceding one year is not necessarily indicative of the Offer Price.

44. *We have been in non-compliance with certain provisions of the Companies Act, 2013 in the past and have made certain erroneous filings.*

We have not been in compliance with certain requirements of the Companies Act, 2013 in the past and we cannot assure you that it will not be subject to any penalties imposed by regulatory authorities in connection with such matters in the future. Our Company was required to file an eForm MGT-14 with the Registrar of Companies, Maharashtra at Mumbai pursuant to the provisions of Section 117 of the Companies Act, 2013, in respect of the special resolution passed by the members at the extra-ordinary general meeting held on November 15, 2019 approving the ESOP 2019. The Company made an application on January 25, 2022 seeking condonation of delay in filing the relevant form. The approval of the regulatory authority is awaited as on the date of this Draft Red Herring Prospectus.

Further, the Form PAS-3 filed with the Registrar of Companies in relation to the conversion of 2,559 Series A Preference Share into 2,559 equity shares of face value of ₹10 each contains an inadvertent error and records the premium amount for the allotment as ₹86,306.10 instead of ₹86,296.10. While it is unlikely to have a material financial impact on us, we cannot assure you that we will not be subject to any penalties imposed by the competent

regulatory authority in connection with these corporate records or filings. While no disputes or regulatory actions have arisen in connection with these filings until date, we cannot assure you that no such actions will be initiated in the future.

- 45. *We may be unable to enforce our rights under some of our agreements in relation to our contract manufacturers and other suppliers or under our agreements with our distributors, strategic partners or with various brand ambassadors on account of insufficient stamping and non-registration.***

We enter into manufacturing and supply, distribution, delivery services, joint venture and endorsement agreements with our contract manufacturers or suppliers, distributors, strategic partners, and our brand ambassadors. The terms, tenure and the nature of these agreements may vary depending, amongst other factors. Some of the agreements executed by us may be inadequately stamped or not registered, as the case may be. Inadequately stamped documents while not illegal cannot be enforced in a court of law until the applicable stamp duty, with penalty, has been paid and could impact our ability to timely enforce our rights under the agreements. In addition, we may not be able to recover the dues, if any, pending in the course of the transaction or owing to any breach of the contract as a result of non-execution or inadequate stamping of the documents.

- 46. *For the Financial Year 2019 but not in any subsequent period, our Statutory Auditors have included certain comments in their examination report and report on the adequacy and operating effectiveness of the internal financial controls of our Company with reference to our Restated Consolidated Financial Information. If similar comments are included in the Statutory Auditors' reports or their annexures for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.***

Our Statutory Auditor's examination report and report under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls with reference to our Restated Consolidated Financial Information for the Financial Year 2019 includes a qualification that for the year ended March 31, 2019, our Company's internal financial controls over financial reporting process (mainly relating to review of period end accruals / provisions and classification of account balances) were not operating effectively and which could potentially result in misstatements in the payables, receivables, income and expense account balances of the financial statements of the Company. Our Company has since then recruited several experienced finance and accounting personnel and strengthened our internal financial controls. Our Statutory Auditor's examination report did not contain any qualifications for the Financial Years 2020 and 2021 and the six months period ended September 30, 2021. Additionally, for matters of emphasis, see "*Financial Information – Restated Consolidated Financial Information - Independent Auditors' Examination Report on Restated Consolidated Financial Information*" on page 206. However, if similar comments are included in the Statutory Auditor's reports or their annexures for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

External Risks

Risks Related to India

- 47. *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 including in India's various neighbouring countries;
- 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.

48. *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.

The Government of India has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, amongst other things, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws have the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

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.

49. *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, Malaysia, United Arab Emirates, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Procedure Code, 1908 ("**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, among others, 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 favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States 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.

50. *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.

Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in wholesale trading as well as single brand product retail trade, both under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Our inability to comply with such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

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 the Foreign Exchange Management (Non-debt Instruments) Rules and the Consolidated FDI Policy, 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. 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. Any such approval(s) would be subject to the discretion of the regulatory authorities. This may cause uncertainty and delays in our future investment plans and initiatives. 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 359.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

51. *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 Restated Consolidated Financial Information 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.

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

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

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

Risks Related to the Offer

54. *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 our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and through the Book Building Process. This price will be based on various factors, as described under “*Basis for Offer Price*” on page 106 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.

55. *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. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.*

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 various factors, as described in the section “*Basis for Offer Price*” on page 106. 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.

We cannot assure you 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. Further, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures — Price information of past issues handled by the Book Running Lead Managers*” beginning on page 321.

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 our major 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;
- speculative trading in the Equity Shares;
- changes in exchange rates;
- outbreaks of new pandemics and/ or epidemics; and
- general economic and market conditions.

Changes in relation to any of the factors listed above could adversely affect the market price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment.

56. *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.

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

58. *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.

59. *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 80, we cannot assure you 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.

60. *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.

61. *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.

62. *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 unrealized 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.

With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10.00% (plus applicable surcharge and cess) without the exemption of ₹100,000. Short-term capital gains, arising

from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15.00% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40.00% (plus applicable surcharge and cess) in the case of foreign companies and 30.00% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

Further, any gain realized 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, which amended the Indian Stamp Act, 1899 with effect from July 1, 2020, 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. Additionally, the Finance Act does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

The 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. Further, the Government of India is proposing to announce the union budget for Fiscal 2023. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act 2021 or the proposed union budget would have an adverse effect on our business, financial condition and results of operations. 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.

63. *Qualified Institutional Buyers (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. 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.

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

We are not a publicly-listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. We may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any

changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations, and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

| | |
|--|--|
| Offer* | |
| <i>The Offer consists of:</i> | |
| Fresh Issue ^{*(1)} | Up to [●] ⁽⁵⁾ Equity Shares aggregating up to ₹9,000.00 million |
| Offer for Sale ⁽¹⁾⁽²⁾ | Up to [●] ⁽⁵⁾ Equity Shares aggregating up to ₹11,000.00 million |
| Employee Reservation Portion ⁽³⁾ | Up to [●] Equity Shares, aggregating up to ₹15.00 million |
| Net Offer | Up to [●] Equity Shares, aggregating up to ₹19,985.00 million |
| The Net Offer comprises: | |
| A. QIB Portion⁽⁴⁾⁽⁵⁾ | Not more than [●] Equity Shares aggregating up to ₹[●] million |
| <i>Of which:</i> | |
| Anchor Investor Portion | Not more than [●] Equity Shares |
| Net QIB (assuming the Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| <i>Of which:</i> | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | [●] Equity Shares |
| Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares |
| B. Non-Institutional Portion⁽⁴⁾ | Not less than [●] Equity Shares aggregating up to ₹[●] million |
| C. Retail Portion⁽⁴⁾⁽⁵⁾ | Not less than [●] Equity Shares aggregating up to ₹[●] million |
| Pre and post-Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer prior to the conversion of the Preference Shares | 95,815,500 Equity Shares |
| Equity Shares outstanding prior to the Offer post conversion of the Preference Shares ⁽⁶⁾ | 135,453,500 Equity Shares |
| Equity Shares outstanding after the Offer | [●] Equity Shares |
| Use of proceeds of the Offer | For further information, see “ <i>Objects of the Offer</i> ” beginning on page 99. |

* Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,800.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement.

- (1) The Fresh Issue has been authorized by a resolution of our Board dated January 25, 2022 and by a special resolution of our Shareholders dated January 25, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 25, 2022.
- (2) Each Selling Shareholder, severally and not jointly, has confirmed and authorized its respective participation in the Offer for Sale, as stated below. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares and where applicable, such outstanding Preference Shares that will convert into its respective portion of the Offered Shares, has been held by such Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations:

| S. No. | Name of the Selling Shareholder | Date of consent letter | Date of corporate authorization | Aggregate amount of Offer for Sale |
|--------------------------------------|---------------------------------|------------------------|---------------------------------|------------------------------------|
| Promoter Selling Shareholders | | | | |
| | Sameer Mehta | January 25, 2022 | - | Up to ₹1,500.00 million |
| | Aman Gupta | January 25, 2022 | - | Up to ₹1,500.00 million |
| Investor Selling Shareholder | | | | |
| | South Lake* | January 24, 2022 | January 24, 2022 | Up to ₹8,000.00 million |
| | Total | | | Up to ₹11,000.00 million |

* The Equity Shares proposed to be offered by South Lake in the Offer for Sale may also include Equity Shares which will result upon conversion of 15,507 Series B Preference Shares held by South Lake which will be converted into a maximum of 31,014,000 Equity Shares. The conversion will be completed prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

- (3) *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, 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 335. Our Company and the Selling Shareholders may, in consultation with the BRLMs, offer an Employee Discount of up to [●] % to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced two Working Days prior to the Bid/Offer Opening Date.*
- (4) *Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any portion, except in the QIB Portion, would be allowed to be met with spill-over from any other portion or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Any undersubscription in the Employee Reservation Portion shall be added to the Net Offer. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Under-subscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*
- (5) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further information, see “Offer Procedure” beginning on page 338.*
- (6) *The conversion of the outstanding Series A Preference Shares, Series A1 Preference Shares, Series B Preference Shares and Series B1 Preference Shares will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. 162,400 Series A Preference Shares and 347,600 Series A1 Preference Shares held by Fireside shall be converted into a maximum of 1,624,000 Equity Shares and 3,476,000 Equity Shares, respectively. 15,507 Series B Preference Shares held by South Lake will be converted into a maximum of 31,014,000 Equity Shares. 1,762 Series B1 Preference Shares held by Qualcomm will be converted into a maximum of 3,524,000 Equity Shares.*

Allocation to all categories, other than Anchor Investors, if any, and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. The allocation 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 be allocated on a proportionate basis. For further information, see “Offer Procedure” beginning on page 338.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information have been prepared in accordance with Ind AS for the Fiscals 2019, 2020 and 2021 and the six months period ended September 30, 2021 and restated in accordance with the SEBI ICDR Regulations and are presented in the section “*Restated Consolidated Financial Information*” on page 205.

Summary Restated Consolidated Statement of Assets and Liabilities

(All amounts are in ₹ million, unless otherwise stated)

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|-------------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 23.60 | 17.47 | 9.03 | 2.32 |
| Right-of-use assets | 152.59 | 97.28 | 53.84 | 1.37 |
| Other intangible assets | 77.28 | 48.92 | - | - |
| Investments accounted for using the equity method | - | - | 43.33 | - |
| Financial assets | | | | |
| Investments | 26.53 | 24.48 | 23.31 | 25.89 |
| Other financial assets | 53.63 | 17.41 | 14.30 | 1.29 |
| Non-current tax assets (net) | 9.56 | 0.04 | 8.29 | 6.90 |
| Deferred tax assets (net) | 37.52 | 26.10 | - | - |
| Other non-current assets | 1.80 | - | - | - |
| TOTAL NON-CURRENT ASSETS | 382.51 | 231.70 | 152.10 | 37.77 |
| CURRENT ASSETS | | | | |
| Inventories | 7,323.01 | 3,088.23 | 749.58 | 331.26 |
| Financial assets | | | | |
| Trade receivables | 6,352.34 | 754.83 | 552.75 | 382.67 |
| Cash and cash equivalents | 351.14 | 1,443.93 | 73.15 | 0.22 |
| Bank balance other than cash and cash equivalents | 1,166.41 | 45.00 | 12.50 | - |
| Loans | 9.91 | 0.59 | 0.93 | 0.56 |
| Other financial assets | 1,145.07 | 6.05 | 2.25 | 0.63 |
| Other current assets | 4,206.93 | 1,213.94 | 361.74 | 86.23 |
| TOTAL CURRENT ASSETS | 20,554.81 | 6,552.57 | 1,752.90 | 801.57 |
| TOTAL ASSETS | 20,937.32 | 6,784.27 | 1,905.00 | 839.34 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity share capital | 95.25 | 0.45 | 0.50 | 0.50 |
| Instruments entirely equity in nature | 108.71 | 93.09 | - | - |
| Other equity | 6,125.71 | 4,548.14 | 714.79 | 230.47 |
| TOTAL EQUITY | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | - | - | 134.80 | 122.49 |
| Lease liabilities | 118.58 | 77.05 | 41.41 | 0.34 |
| Provisions | 4.56 | 2.02 | 0.79 | 0.25 |
| Deferred tax liabilities (net) | - | - | 0.85 | 24.10 |
| TOTAL NON-CURRENT LIABILITIES | 123.14 | 79.07 | 177.85 | 147.18 |
| CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 7,310.57 | 415.33 | 353.31 | 144.86 |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|--|--------------------------------|--------------------------------|--------------------------------|
| Lease liabilities | 41.09 | 24.57 | 13.49 | 1.09 |
| Trade payables | | | | |
| Total outstanding dues of micro enterprise and small enterprises | 48.43 | 30.57 | 3.88 | 4.21 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,009.83 | 1,175.27 | 339.62 | 137.68 |
| Other financial liabilities | 28.43 | 37.90 | 10.15 | 120.15 |
| Other current liabilities | 290.73 | 75.89 | 19.72 | 41.75 |
| Provisions | 473.67 | 208.54 | 176.85 | 0.23 |
| Current tax liabilities (net) | 281.76 | 95.45 | 94.84 | 11.22 |
| TOTAL CURRENT LIABILITIES | 14,484.51 | 2,063.52 | 1,011.86 | 461.19 |
| TOTAL LIABILITIES | 14,607.65 | 2,142.59 | 1,189.71 | 608.37 |
| TOTAL EQUITY AND LIABILITIES | 20,937.32 | 6,784.27 | 1,905.00 | 839.34 |

Summary Restated Consolidated Statement of Profit and Loss

(All amounts are in ₹ million, unless otherwise stated)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|--------------------------------|--------------------------------|--------------------------------|
| INCOME | | | | |
| Revenue from operations | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Other income | 52.85 | 66.59 | 8.52 | 2.63 |
| TOTAL INCOME | 15,531.51 | 13,203.75 | 6,099.59 | 2,261.12 |
| EXPENSES | | | | |
| Purchases of stock-in-trade | 16,320.43 | 12,547.02 | 4,915.06 | 2,008.68 |
| Changes in inventories of stock-in-trade | (4,234.78) | (2,338.65) | (418.32) | (269.56) |
| Employee benefits expense | 175.12 | 149.20 | 64.92 | 134.61 |
| Finance costs | 99.77 | 118.78 | 100.39 | 24.47 |
| Depreciation and amortisation expense | 31.83 | 31.98 | 13.49 | 2.80 |
| Other expenses | 1,555.01 | 1,513.23 | 771.87 | 245.99 |
| TOTAL EXPENSES | 13,947.38 | 12,021.56 | 5,447.41 | 2,146.99 |
| Profit before share of losses of equity accounted investee and tax | 1,584.13 | 1,182.19 | 652.18 | 114.13 |
| Share of loss of equity accounted investee (net of tax) | - | - | (6.67) | - |
| Profit before tax | 1,584.13 | 1,182.19 | 645.51 | 114.13 |
| Tax expense | | | | |
| Current tax | 412.08 | 327.33 | 187.28 | 36.97 |
| Deferred tax | (11.10) | (10.51) | (19.75) | (3.21) |
| Total tax expense | 400.98 | 316.82 | 167.53 | 33.76 |
| PROFIT FOR THE PERIOD/YEAR (A) | 1,183.15 | 865.37 | 477.98 | 80.37 |
| OTHER COMPREHENSIVE LOSS | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Remeasurements of the net defined benefit plans | (1.29) | (0.01) | (0.16) | - |
| Income tax relating to these items | 0.32 | - | 0.04 | - |
| OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR, NET OF TAX (B) | (0.97) | (0.01) | (0.12) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR (A+B) | 1,182.18 | 865.36 | 477.86 | 80.37 |
| Profit for the period/year attributable to: | | | | |
| Owners of the Holding Company | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Non-controlling interests | - | - | - | - |
| Profit for the period/year | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Other comprehensive loss for the period/year attributable to: | | | | |
| Owners of the Holding Company | (0.97) | (0.01) | (0.12) | - |
| Non-controlling interests | - | - | - | - |
| Other comprehensive loss for the period/year, net of tax | (0.97) | (0.01) | (0.12) | - |
| Total comprehensive income for the period/year attributable to: | | | | |
| Owners of the Holding Company | 1,182.18 | 865.36 | 477.86 | 80.37 |
| Non-controlling interests | - | - | - | - |
| Total comprehensive income for the period/year | 1,182.18 | 865.36 | 477.86 | 80.37 |

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|---|---|---|
| Earnings per equity share (face value of ₹10 each) | | | | |
| Basic (₹) | 11.77 | 8.53 | 4.78 | 0.80 |
| Diluted (₹) | 11.71 | 7.97 | 4.42 | 0.79 |

Summary Restated Consolidated Statement of Cash Flows

(All amounts are in ₹ million, unless otherwise stated)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|--------------------------------|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 1,584.13 | 1,182.19 | 645.51 | 114.13 |
| <i>Adjustments for:</i> | | | | |
| Share of net loss of equity accounted investees | - | - | 6.67 | - |
| Depreciation and amortisation expense | 31.83 | 31.98 | 13.49 | 2.80 |
| Share based payment expense | 17.92 | 11.82 | 3.00 | - |
| Interest on fixed deposits | (38.72) | (21.38) | (0.90) | - |
| Interest on income tax refund | - | (0.64) | - | - |
| Fair valuation (gain)/loss from investments designated at FVTPL | (2.05) | (1.17) | 2.58 | (1.18) |
| Liabilities no longer required, written back | (0.05) | (0.03) | (2.46) | - |
| Provisions no longer required, written back | (5.84) | (14.33) | - | - |
| Gain on derecognition of liability component of CCPS | - | (20.43) | - | - |
| Gain on waiver of lease liabilities | - | (3.35) | - | - |
| Gain on modification of leases | (0.73) | - | - | - |
| Finance cost | 99.77 | 118.78 | 100.39 | 24.47 |
| Provision for impairment of non-current investment | - | 43.33 | - | - |
| Provision for loss allowance for trade receivables | 64.30 | - | 58.18 | 5.48 |
| Provision for doubtful advances | - | 28.63 | - | - |
| Provision for doubtful interest receivable on trade advance | - | 1.77 | - | - |
| Provision for slow and non moving inventory | 155.58 | 168.30 | 45.95 | - |
| Provision for warranty | 425.44 | 181.94 | 86.00 | - |
| Provision for expected return liability | 36.15 | 20.95 | 89.75 | - |
| Unrealised foreign exchange (gain) / loss | 10.62 | (11.78) | 0.28 | 4.95 |
| Operating profit before working capital changes | 2,378.35 | 1,716.58 | 1,048.44 | 150.65 |
| <i>Adjustments for :</i> | | | | |
| (Increase)/Decrease in inventories | (4,390.36) | (2,506.95) | (464.27) | (269.56) |
| (Increase)/Decrease in trade receivables | (5,661.81) | (187.75) | (228.26) | (225.17) |
| (Increase)/Decrease in loans | (9.32) | 0.34 | (0.37) | (0.03) |
| (Increase)/Decrease in other financial assets | (12.93) | (5.14) | (14.60) | (0.80) |
| (Increase)/Decrease in other assets | (2,987.15) | (880.83) | (275.51) | (44.75) |
| Increase/(Decrease) in trade payables | 4,838.82 | 873.06 | 201.87 | 115.17 |
| Increase/(Decrease) in other financial liabilities | 2.53 | 16.31 | (110.32) | 35.00 |
| Increase/(Decrease) in other current liabilities | 214.84 | 56.17 | (22.03) | 4.56 |
| Increase/(Decrease) in current and non-current provisions | (193.92) | (169.97) | 1.41 | 0.48 |
| Cash (used in)/generated from operations | (5,820.95) | (1,088.18) | 136.36 | (234.45) |
| Taxes paid (net of refunds) | (237.35) | (332.83) | (117.74) | (25.54) |
| Net Cash flows (used in)/generated from operating activities (A) | (6,058.30) | (1,421.01) | 18.62 | (259.99) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment made in equity shares of an associate company | - | - | (50.00) | - |
| Purchase of tangible assets | (12.30) | (16.40) | (9.89) | (2.46) |

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|---------------------------------|---------------------------------|---------------------------------|
| Purchase of intangible assets | (46.76) | (35.50) | - | - |
| Fixed deposits placed | (2,252.71) | (45.00) | (12.50) | - |
| Fixed deposits matured | - | 12.50 | - | - |
| Interest on fixed deposits | 7.71 | 17.84 | 0.87 | - |
| Net cash flow (used in) investing activities (B) | (2,304.06) | (66.56) | (71.52) | (2.46) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of preference shares, including securities premium | 499.96 | 4,400.09 | - | 210.00 |
| Expenses incurred for issuance of preference share capital | (12.08) | (91.52) | - | - |
| Payment towards buy back of equity shares | - | (1,135.50) | - | - |
| Payment towards distribution tax on buy back of equity shares | - | (264.52) | - | - |
| Proceeds from issue of debentures | - | - | 150.00 | - |
| Repayment towards debentures | - | (112.50) | (37.50) | - |
| Proceeds from term loan | - | 100.00 | 40.00 | - |
| Repayment towards term loan | (35.29) | (60.00) | (21.18) | - |
| Proceeds from short-term borrowings other than cash credit (net) | 4,624.70 | (16.06) | 134.08 | 14.48 |
| Repayment of lease liabilities | (21.54) | (19.26) | (10.44) | (1.16) |
| Interest and other borrowing costs paid | (92.01) | (92.96) | (72.18) | (15.09) |
| Net cash flow generated from financing activities (C) | 4,963.74 | 2,707.77 | 182.78 | 208.23 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (3,398.62) | 1,220.20 | 129.88 | (54.22) |
| Cash and cash equivalents at the beginning of the period/year | 1,282.15 | 61.95 | (67.93) | (13.71) |
| Cash and cash equivalents at the end of the period/year (refer note below) | (2,116.47) | 1,282.15 | 61.95 | (67.93) |
| <u>Components of cash and cash equivalents:</u> | | | | |
| Cash on hand | 0.01 | 0.07 | 0.01 | 0.10 |
| Balance with banks | | | | |
| In current accounts | 238.04 | 42.00 | 73.14 | 0.12 |
| In deposits with original maturity of less than 3 months | 113.09 | 1,401.86 | - | - |
| Total cash and cash equivalents (refer note 13) | 351.14 | 1,443.93 | 73.15 | 0.22 |
| Less: Cash credit from bank | (2,467.61) | (161.78) | (11.20) | (68.15) |
| Cash and cash equivalents for Statement of Cash flows | (2,116.47) | 1,282.15 | 61.95 | (67.93) |

GENERAL INFORMATION

Registered Office

E-Wing, Unit- 505
Corporate Avenue, Opp. Solitaire Park
Chakala, Andheri (East)
Mumbai – 400 093
Maharashtra, India
Tel: +91 22 6210 2400
Registration Number: 249758
Corporate Identity Number: U52300MH2013PLC249758

Corporate Office

Block No. 19, Ground, 1st, 2nd, 3rd and 4th Floor
Hauz Khas Village
South Delhi
Delhi – 110 016
India
Tel: +91 11 4502 4237

Address of the Registrar of Companies

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

100, Everest
5th Floor
Marine Drive
Mumbai – 400 002
Maharashtra, Mumbai

Board of Directors

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

| Name and Designation | DIN | Address |
|--|----------|---|
| Sameer Mehta (Chairman and Executive Director) | 02945481 | 702, Sukh Sagar CHS 227/A, Sir Balchandra Road, Matunga East, Mumbai - 400 019, Maharashtra, India |
| Aman Gupta (Executive Director) | 02249682 | R-21, Hauz Khas, South Delhi, Delhi - 110 016, India |
| Vivek Gambhir (Chief Executive Officer and Executive Director) | 06527810 | House No. D-84, Malcha Marg, Chanakya Puri, New Delhi, Delhi - 110 021, India |
| Anish Saraf* (Non-Executive Director) | 00322784 | B-3002, 30 th Floor, Raheja Vivarea, Sane Guruji Marg, Jacob Circle, Mumbai - 400 011, Maharashtra, India |
| Purvi Sheth (Independent Director) | 06449636 | 505/B, Eldorado, Kashinath Dhuru Lane, Off Veer Savarkar Marg, Opposite Siddhi Vinayak Temple, Prabhadevi, Mumbai, 400 025, Maharashtra, India |
| Aashish Kamat (Independent Director) | 06371682 | 10, Sorrento, Mount Pleasant Road, Malabar Hill, Mumbai - 400 006, Maharashtra, India |
| Anand Ramamoorthy (Independent Director) | 05277865 | C-1001, Akme Ballet Apartments, Doddanakundi Outer Ring Road, Doddanakundi, Bangalore North, Marathahalli Colony, Bangalore - 560 037, Karnataka, India |
| Deven Waghani (Independent Director) | 09434542 | 8642, NE, 7 th Street, Medina, WA, 98039 – 4801 |

* Nominee of South Lake

For further information on our Directors, see “Management” beginning on page 182.

Company Secretary and Compliance Officer

Dhara Joshi is the Company Secretary and the Compliance Officer. Her contact details are as follows:

E-Wing, Unit- 505
Corporate Avenue, Opp. Solitaire Park
Chakala, Andheri (East)
Mumbai – 400 093
Maharashtra, India
Tel: +91 11 4502 4237
E-mail: dhara.joshi@imaginemarketingindia.com

Book Running Lead Managers

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: boat.ipo@axiscap.in
Investor Grievance ID: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mayuri Arya
SEBI Registration Number: INM000012029

BofA Securities Limited

Ground Floor, “A” Wing
One BKC, “G” Block
Bandra Kurla Complex
Bandra (East), Mumbai – 400051
Maharashtra, India
Tel: +91 22 6632 3000
E-mail: dg.imagine_ipo@bofa.com
Investor Grievance ID:
dg.india_merchantbanking@bofa.com
Website: www.ml-india.com/
Contact Person: Abhrajee Banerjee
SEBI Registration Number: INM000011625

Credit Suisse Securities (India) Private Limited

Ceejay House, 9th Floor, Plot F
Shivsagar Estate, Dr. Annie Besant Road
Worli, Mumbai 400 018
Maharashtra, India
Tel: +91 22 6777 3885
E-mail: list.boatipo@credit-suisse.com
Investor grievance e-mail: list.icellmer-
bnkg@credit-suisse.com
Website: https://www.credit-
suisse.com/in/en/investment-banking-
apac/investment-banking-in-india/ipo.html
Contact Person: Abhishek Joshi
SEBI Registration No.: INM000011161

ICICI Securities Limited

ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: boat.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor grievance ID:
customercare@icicisecurities.com
Contact Person: Sumit Singh/Akhil Mohod
SEBI Registration Number: INM000011179

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

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

| S. No | Activity | Responsibility | Co-ordination |
|-------|--|---|---------------|
| 1. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities. | Axis, BofA Securities, Credit Suisse, I-Sec | Axis |
| 2. | Drafting and approval of all statutory advertisement. | Axis, BofA Securities, | Axis |

| S. No | Activity | Responsibility | Co-ordination |
|-------|---|---|-----------------|
| | | Credit Suisse, I-Sec | |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including media monitoring, corporate advertising, brochure, etc. and filing of media compliance report. | Axis, BofA Securities, Credit Suisse, I-Sec | BofA Securities |
| 4. | Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements. | Axis, BofA Securities, Credit Suisse, I-Sec | Axis |
| 5. | Appointment of all other intermediaries and including co-ordination for all other agreements | Axis, BofA, Credit Suisse, I-Sec | I-Sec |
| 6. | International Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy preparation of publicity budget; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule. These will be done in consultation with & approval of the management and selling shareholders | Axis, BofA Securities, Credit Suisse, I-Sec | BofA Securities |
| 7. | Preparation of roadshow presentation | Axis, BofA Securities, Credit Suisse, I-Sec | Credit Suisse |
| 8. | Preparation of investor frequently asked questions | Axis, BofA Securities, Credit Suisse, I-Sec | BofA Securities |
| 9. | Domestic Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy preparation of publicity budget; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule. These will be done in consultation with & approval of the management and selling shareholders | Axis, BofA Securities, Credit Suisse, I-Sec | Axis |
| 10. | Non-Institutional and Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Formulating marketing strategies, preparation of publicity budget; • Finalise ad media and public relation strategy; • Finalising centers for holding conferences for stock brokers, investors, etc; • Finalising collection centers as per Schedule III of the SEBI ICDR Regulations; and Follow-up on distribution of publicity and Offer material including application form, red herring prospectus, prospectus and brochure and deciding on the quantum of the Offer material. | Axis, BofA Securities, Credit Suisse, I-Sec | I-Sec |
| 11. | Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation and coordination with stock exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to DSE. | Axis, BofA Securities, Credit Suisse, I-Sec | BofA Securities |
| 12. | Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders. | Axis, BofA Securities, Credit Suisse, I-Sec | Credit Suisse |
| 13. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, unblocking of application monies, intimation of allocation and dispatch of refund to bidders, etc. | Axis, BofA Securities, Credit Suisse, I-Sec | I-Sec |
| | Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the | | |

| S. No | Activity | Responsibility | Co-ordination |
|-------|---|----------------|---------------|
| | 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, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. | | |
| | Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT 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. | | |

Syndicate Members

[•]

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co

24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 4933 5555

Legal Counsel to the BRLMs as to Indian Law

IndusLaw

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

International Legal Counsel to BRLMs

Sidley Austin LLP

Level 31, Six Battery Road
Singapore 049909
Tel: +65 6230 3900

Legal Counsel to the Investor Selling Shareholder as to Indian Law

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Registrar to the Offer

Link Intime India Private Limited

C-101, 247 Park
L.B.S. Marg
Vikhroli (West)

Mumbai- 400083
Tel: +91 22 4918 6200
E-mail: imagine.ipo@linkintime.co.in
Investor Grievance E-mail: imagine.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanthi Gopalkrishnan
SEBI Registration No.: INR000004058

Statutory Auditors of our Company

B S R & Co. LLP

Chartered Accountants
 14th Floor, Central B Wing and North C Wing
 Nesco IT Park 4, Nesco Center
 Western Express Highway, Goregaon (East)
 Mumbai – 400 063
 Maharashtra, India
Tel: +91 22 6257 1000
E-mail: amarsunder@bsraffiliates.com
ICAI Registration Number: 101248W /W-100022
Peer Review Number: 011748

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

| Particulars | Date of change | Reason for change |
|--|----------------|---|
| B S R & Co. LLP, Chartered Accountants 14 th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center Western Express Highway, Goregaon (East) Mumbai – 400 063, Maharashtra, India Tel: +91 22 6257 1000 E-mail: amarsunder@bsraffiliates.com ICAI Registration Number: 101248W /W- 100022 Peer Review Number: 011748 | May 31, 2019 | Appointment as statutory auditors in case of casual vacancy |
| Anand Kabra & Co. 402, Gorai Eliza CHS Limited Plot No. 51, Gorai II Borivali (West), Mumbai – 400 092 Maharashtra, India Tel: +91 22 2437 4240 E-mail: sham_vartikar@yahoo.com ICAI Registration Number: 114351W Peer Review Number: - | April 15, 2019 | Resigned as statutory auditors of the Company due to pre-occupation in other assignments. |

Bankers to our Company

The Hongkong and Shanghai Banking Corporation Limited

5th Floor, 52/60, MG Road, Fort, Mumbai
 Maharashtra – 400001, India
Tel: +91 98206 09146
Contact Person: Onias Fernandes
E-mail: onias.fernandes@hsbc.co.in
Website: www.hsbc.co.in

HDFC Bank Limited

4th Floor, Tower B, Peninsula Business Park
 Senapati Bapat Marg, Lowel Parel (W)
 Mumbai – 400 013

Maharashtra, India
Tel: +91 22 3395 8093
Contact Person: Prateek Gattani
E-mail: prateek.gattani@hdfcbank.com
Website: www.hdfcbank.com

CitiBank NA
10th Floor, First International Finance Center
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Maharashtra, India
Tel: +91 22 6175 6244
Contact Person: Vidya Vasudevan Iyer
E-mail: vidya.vasudevan.iyer@citi.co.in
Website: www.citibank.co.in

ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex
Maharashtra, India
Tel: +91 22 0265 1414
Contact Person: Jayakumar Menghani/ Sowdamini Bhat
E-mail: jayakumar.menghani@icici.com/ / sowdamini.bhat@icici.com
Website: www.icicibank.com

RBL Bank Limited
6th Floor, One World Centre
Tower 2B, 6th Floor
841, Senapati Bapat Marg
Lower Parel (W)
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4302 0600
Contact Person: Gauri Sawant/ Amit Shah
E-mail: gauri.sawant@rblbank.com/ amit.shah2@rblbank.com
Website: www.rblbank.com

Standard Chartered Bank Limited
Crescenzo 6th Floor
Plot No. C-38 and 39
'G' Block, Bandra Kurla Complex
Mumbai – 400 051
Maharashtra, India
Tel: +91 22 6115 7000
Contact Person: Moon Jain
E-mail: Moon.Jain@sc.com
Website: www.sc.com/in

Escrow Collection Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Refund Bank(s)

[•]

Sponsor Bank

[•]

Self Certified Syndicate Banks

The list of SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) 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 SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated 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 SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Grading of the Offer

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

Appraising Entity

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

Monitoring Agency

Our Company will appoint a monitoring agency for monitoring the utilisation of the Net Proceeds prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” beginning on page 99.

Credit Rating

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

Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online portal at <https://siportal.sebi.gov.in> and 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".

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC 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>.

Expert to the Offer

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

Our Company has received written consent dated January 26, 2022 from our Statutory Auditors, who hold a valid peer review certificate, to include their name as required under Section 26(5) 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 to the extent and in their capacity as our Statutory Auditors, and in respect of the Restated Consolidated Financial Information and their examination report dated January 25, 2022 on the Restated Consolidated Financial Information and the statement of possible special tax benefits dated January 25, 2022 included in this Draft Red Herring Prospectus. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. 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 January 25, 2022 from Parikh & Parikh, chartered accountants, to include their name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 in respect of their certificates in connection with the Offer. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language in Mumbai, Maharashtra where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 338.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the Retail Individual Bidders 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 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 and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹200,000) and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period

and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding and book building procedure, see “Offer Structure” and “Offer Procedure” beginning on pages 335 and 338, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

Underwriting Agreement

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

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

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

| Name, address, telephone, facsimile and e-mail of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (in ₹ million) |
|---|--|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| [●] | [●] | [●] |

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

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. 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 subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

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

CAPITAL STRUCTURE

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

| Particulars | Aggregate nominal value (in ₹) | Aggregate value at Offer Price* (in ₹) |
|---|-----------------------------------|---|
| A) AUTHORIZED SHARE CAPITAL⁽¹⁾ | | |
| 146,468,000 Equity Shares of face value of ₹1 each | 146,468,000 | - |
| 162,709 Series A Preference Shares of face value of ₹10 each | 1,627,090 | - |
| 347,600 Series A1 Preference Shares of face value of ₹10 each | 3,476,000 | - |
| 24,891 Preference Shares of face value of ₹10 each | 248,910 | - |
| 17,158 Series B Preference Shares of face value of ₹6,000 each | 102,948,000 | - |
| 1,771 Series B1 Preference Shares of face value of ₹6,000 each | 10,626,000 | - |
| TOTAL | 265,394,000 | - |
| B) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF THE OUTSTANDING PREFERENCE SHARES | | |
| 95,815,500 Equity Shares of face value of ₹1 each | 95,815,500 | [●] |
| 162,400 Series A Preference Shares of face value of ₹10 each ⁽⁴⁾ | 1,624,000 | [●] |
| 347,600 Series A1 Preference Shares of face value of ₹10 each ⁽⁴⁾ | 3,476,000 | [●] |
| 15,507 Series B Preference Shares of face value of ₹6,000 each ⁽⁴⁾ | 93,042,000 | [●] |
| 1,762 Series B1 Preference Shares of face value of ₹6,000 each ⁽⁴⁾ | 10,572,000 | [●] |
| TOTAL | 204,529,500 | [●] |
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND POST THE CONVERSION OF THE OUTSTANDING PREFERENCE SHARES⁽⁴⁾ | | |
| 135,453,500 Equity Shares of face value of ₹1 each | 135,453,500 | [●] |
| C) PRESENT OFFER | | |
| Offer of up to [●] Equity Shares aggregating up to 20,000.00 million** | [●] | [●] |
| <i>of which</i> | | |
| Fresh Issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million ** ⁽²⁾ | [●] | [●] |
| Offer for Sale of up to [●] Equity Shares aggregating up to ₹11,000.00 million ⁽³⁾ | [●] | [●] |
| <i>of which</i> | | |
| Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹15.00 million ⁽⁵⁾ | [●] | [●] |
| Net Offer of up to [●] Equity Shares of face value of ₹1 each | [●] | [●] |
| D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER | | |
| [●] Equity Shares of face value of ₹1 each | [●] | [●] |
| E) SECURITIES PREMIUM ACCOUNT | | |
| Before (as on the date of this Draft Red Herring Prospectus) | | ₹3,667.50 million |
| After the Offer | | ₹[●] million |

*To be updated after finalization of the Offer Price.

**Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,800.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

- (1) For details in relation to changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 171.
- (2) The Fresh Issue has been authorized by a resolution of our Board dated January 25, 2022 and by a special resolution of our Shareholders dated January 25, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 25, 2022.
- (3) Each Selling Shareholder, severally and not jointly, has confirmed and authorized its respective participation in the Offer for Sale. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares and where applicable, such outstanding Preference Shares that will convert into its respective portion of the Offered Shares, has been held by such

Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details, see “The Offer” and “Other Regulatory and Statutory Disclosures” beginning on pages 63 and 315, respectively.

- (4) The conversion of the outstanding Series A Preference Shares, Series A1 Preference Shares, Series B Preference Shares and Series B1 Preference Shares will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. 162,400 Series A Preference Shares and 347,600 Series A1 Preference Shares held by Fireside shall be converted into a maximum of 1,624,000 Equity Shares and 3,476,000 Equity Shares, respectively. 15,507 Series B Preference Shares held by South Lake will be converted into a maximum of 31,014,000 Equity Shares. 1,762 Series B1 Preference Shares held by Qualcomm will be converted into a maximum of 3,524,000 Equity Shares.
- (5) 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, 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 335. Our Company and the Selling Shareholders may, in consultation with the BRLMs, offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced two Working Days prior to the Bid/Offer Opening Date.

Notes to Capital Structure

1. Share capital history

a. Equity share capital history of our Company

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

| Date of allotment | Reason / Nature of allotment | No. of equity shares allotted | Face value per equity share (₹) | Issue / buy-back price per equity share (₹) | Nature of consideration |
|--|---|-------------------------------|---------------------------------|---|-------------------------|
| November 1, 2013 | Initial subscription to the memorandum of association ⁽¹⁾ | 50,000 | 10 | 10 | Cash |
| February 24, 2021 | Buy-back ⁽²⁾ | (4,934) | 10 | 230,138.31 | Cash |
| May 13, 2021 | Conversion of Series A Preference Shares into equity shares of face value of ₹10 each at a conversion ratio of 1:1 ⁽³⁾ | 2,559 | 10 | Not applicable | Not applicable* |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽⁴⁾ | 9,477,375 | 10 | Not applicable | Not applicable |
| Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each were sub-divided into 95,250,000 equity shares of ₹1 each | | | | | |
| December 28, 2021 | Exercise of stock options ⁽⁵⁾ | 102,000 | 1 | 30.27 | Cash |
| January 13, 2022 | Private Placement ⁽⁶⁾ | 463,500 | 1 | 43.15 | Cash |
| TOTAL | | 95,815,500 | | | |

⁽¹⁾ 25,000 equity shares of face value of ₹10 each were allotted to Sameer Mehta and 25,000 equity shares of face value of ₹10 each were allotted to Aman Gupta.

⁽²⁾ 2,467 equity shares of face value of ₹10 each were bought back from Sameer Mehta and 2,467 equity shares of face value of ₹10 each were bought back from Aman Gupta.

⁽³⁾ 2,559 equity shares of face value of ₹10 each were allotted to South Lake, pursuant to conversion of 2,559 Series A Preference Shares.

⁽⁴⁾ 3,817,815 equity shares of face value of ₹10 each were allotted to Sameer Mehta, 3,817,815 equity shares of face value of ₹10 each were allotted to Aman Gupta and 1,841,745 equity shares of face value of ₹10 each were allotted to South Lake.

⁽⁵⁾ 102,000 Equity Shares were allotted to Sushant Dalmia, pursuant to exercise of 102,000 stock options under the ESOP 2019.

⁽⁶⁾ 463,500 Equity Shares were allotted to Innoven Capital India Private Limited, pursuant to the exercise of right to subscribe shares in our Company in term of the right to subscribe agreement dated July 16, 2019 and share subscription agreement dated January 7, 2022 between our Company and Innoven Capital India Private Limited. For details, see “History and Certain Corporate Matters – Shareholders’ Agreements and Other Agreement” on page 176.

* Consideration for such allotment of equity shares was paid at the time of allotment of Series A Preference Shares.

b. Preference share capital history of our Company

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

| Date of allotment | Reason / Nature of allotment | No. of preference shares allotted / redeemed | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration |
|------------------------------------|--|---|--|---|--------------------------------|
| Series A Preference Shares | | | | | |
| April 6, 2018 | Preferential allotment ⁽¹⁾ | 3,371 | 10 | 17,799 | Cash |
| May 13, 2021 | Conversion of Series A Preference Share into equity shares of face value of ₹10 each at a conversion ratio of 1:1 ⁽²⁾ | (2,559) | 10 | Not applicable | Not applicable* |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽⁶⁾ | 161,588 | 10 | Not applicable | Not applicable |
| Total | | 162,400 | | | |
| Series A1 Preference Shares | | | | | |
| January 8, 2019 | Rights Issue ⁽³⁾ | 1,738 | 10 | 86,306.10** | Cash |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽⁶⁾ | 345,862 | 10 | Not applicable | Not applicable |
| Total | | 347,600 | | | |
| Series B Preference Shares | | | | | |
| January 5, 2021 | Private Placement ⁽⁴⁾ | 15,507 | 6,000 | 283,749 | Cash |
| Total | | 15,507 | | | |
| Series B1 Preference Shares | | | | | |
| April 20, 2021 | Private Placement ⁽⁵⁾ | 1,762 | 6,000 | 283,749 | Cash |
| Total | | 1,762 | | | |

* Consideration for such allotments of Equity Shares was paid at the time of allotment of Series A Preference Shares.

** The Form PAS-3 filed with the RoC contains an inadvertent error and records the premium amount for the allotment as ₹86,306.10 instead of ₹86,296.10. Also, see "Risk Factors – We have been in non-compliance with certain provisions of the Companies Act, 2013 in the past and have made certain erroneous filings" on page 53.

- (1) 3,371 Series A Preference Shares were allotted to Fireside.
- (2) 2,559 equity shares of face value of ₹10 each were allotted to South Lake, pursuant to conversion of 2,559 Series A Preference Shares
- (3) 1,738 Series A1 Preference Shares were allotted to Fireside pursuant to renunciation of 869 Series A1 Preference Shares each by Sameer Mehta and Aman Gupta.
- (4) 15,507 Series B Preference Shares were allotted to South Lake.
- (5) 1,762 Series B1 Preference Shares were allotted to Qualcomm.
- (6) 161,588 Series A Preference Shares and 345,862 Series A1 Preference Shares were allotted to Fireside.

The conversion of the outstanding Series A Preference Shares, Series A1 Preference Shares, Series B Preference Shares and Series B1 Preference Shares will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

2. As on the date of this Draft Red Herring Prospectus, our Company has not issued equity shares or preference shares out of revaluation reserves at any time since incorporation.
3. Except as stated below, as on date of this Draft Red Herring Prospectus, our Company has not issued equity shares or preference shares for consideration other than cash or through bonus allotment at any time since incorporation.

| Date of allotment | Reason / Nature of allotment | No. of equity/preference shares allotted | Face value per equity share/preference share (₹) | Issue price per equity share / preference share (₹) | Nature of consideration | Benefits to our Company |
|------------------------------------|--|--|--|---|-------------------------|-------------------------|
| Equity Shares | | | | | | |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽¹⁾ | 9,477,375 | 10 | Not applicable | Not applicable | - |
| Series A Preference Shares | | | | | | |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽²⁾ | 161,588 | 10 | Not applicable | Not applicable | - |
| Series A1 Preference Shares | | | | | | |
| May 26, 2021 | Bonus issue in the ratio of 1:199 ⁽²⁾ | 345,862 | 10 | Not applicable | Not applicable | - |

(1) 3,817,815 equity shares of face value of ₹10 each were allotted to Sameer Mehta, 3,817,815 equity shares of face value of ₹10 each were allotted to Aman Gupta and 1,841,745 equity shares of face value of ₹10 each were allotted to South Lake.

(2) 161,588 Series A Preference Shares and 345,862 Series A1 Preference Shares were allotted to Fireside.

4. Issue of equity shares under employee stock option schemes

Except as disclosed above under “– Notes to Capital Structure – Share capital history” on page 81, our Company has not issued any equity shares pursuant to the exercise of options, which have been granted under the employee stock option schemes. For details regarding the employee stock option schemes of our Company, see “– Employee Stock Option Schemes” below.

5. Equity shares issued pursuant to scheme of arrangement

Our Company has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

6. Specified securities issued in the preceding one year below the Offer Price

Except as disclosed above under “– Notes to Capital Structure – Share capital history” on page 81, our Company has not issued any equity shares or preference shares in the previous one year immediately preceding the date of this Draft Red Herring Prospectus. For details regarding the allotments made by our Company, see “– Notes to Capital Structure – Share Capital History” on page 81.

7. History of equity share capital build-up of Promoters, Minimum Promoters’ Contribution and lock-in requirements

(a) Build-up of Promoters’ shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 76,740,000 Equity Shares aggregating to 80.10% (56.52% on a fully diluted basis, i.e. assuming conversion of Preference Shares and exercise of vested stock options) 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:

| Date of allotment/transfer/acquisition of shares | Number of equity shares allotted / transferred | Face value per equity share (₹) | Issue/Acquisition/Transfer / Buy-back price per equity share (₹) | Nature of consideration | Nature of transaction | Percentage of pre-Offer equity share capital of the Company (%)* | Percentage of post-Offer equity share capital of the Company (%) |
|--|--|---------------------------------|--|-------------------------|-----------------------------|--|--|
| Sameer Mehta | | | | | | | |
| November 1, 2013 | 25,000 | 10 | 10 | Cash | Initial subscription to the | 0.18 | [●] |

| Date of allotment/ transfer/ acquisition of shares | Number of equity shares allotted / transferred | Face value per equity share (₹) | Issue/ Acquisition/ Transfer / Buy-back price per equity share (₹) | Nature of consideration | Nature of transaction | Percentage of pre-Offer equity share capital of the Company (%) [*] | Percentage of post-Offer equity share capital of the Company (%) | |
|---|--|---------------------------------|--|-------------------------|---|--|--|--|
| January 5, 2021 | (3,348) | 10 | 283,749 | Cash | memorandum of association Transfer to South Lake | (0.02) | [●] | |
| February 24, 2021 | (2,467) | 10 | 230,138.31 | Cash | Buy-back | (0.02) | [●] | |
| May 26, 2021 | 3,817,815 | 10 | Not applicable | Not applicable | Bonus issue in the ratio of 1:199 | 28.12 | [●] | |
| Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, 3,837,000 equity shares of ₹10 each held by Sameer Mehta were sub-divided into 38,370,000 equity shares of ₹1 each. | | | | | | | | |
| (A) Sub-total | 38,370,000 | | | | | 28.26 | [●] | |
| Aman Gupta | | | | | | | | |
| November 1, 2013 | 25,000 | 10 | 10 | Cash | Initial subscription to the memorandum of association | 0.18 | [●] | |
| January 5, 2021 | (3,348) | 10 | 283,749 | Cash | Transfer to South Lake | (0.02) | [●] | |
| February 24, 2021 | (2,467) | 10 | 230,138.31 | Cash | Buy-back | (0.02) | [●] | |
| May 26, 2021 | 3,817,815 | 10 | Not applicable | Not applicable | Bonus issue in the ratio of 1:199 | 28.12 | [●] | |
| Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, 3,837,000 equity shares of ₹10 each held by Aman Gupta were sub-divided into 38,370,000 equity shares of ₹1 each. | | | | | | | | |
| (B) Sub-total | 38,370,000 | | | | | 28.26 | [●] | |
| Total (A+B) | 76,740,000 | | | | | 56.52 | [●] | |

^{*} Assuming conversion of outstanding Preferences Shares and exercise of vested stock options.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such equity shares.

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

(b) Details of Minimum Promoters' Contribution and lock-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 is required to be provided towards Minimum Promoters' Contribution and locked-in for a period of 18 months from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked-in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. As per the applicable provisions of SEBI ICDR Regulations, "capital expenditure" means civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery etc.

Set forth below are the details of the Equity Shares that will be locked-in as Minimum Promoters' Contribution from the date of Allotment*:

| Name of the Promoter | Number of Equity Shares | Date of allotment/ acquisition of equity shares | Nature of Transaction | Number of Equity Shares locked-in | Face value per equity share (₹) | Issue/ Acquisition price per equity share (₹) | % of pre- Offer equity share capital | % of the fully diluted post- Offer equity share capital |
|----------------------|-------------------------|---|-----------------------|-----------------------------------|---------------------------------|---|--------------------------------------|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

*To be completed prior to filing of the Prospectus with the RoC.

For details on the build-up of the equity share capital of our Company held by our Promoters, see “- History of equity share capital build-up, contribution and lock-in of Promoters' shareholding - Build-up of Promoters' shareholding in our Company” above.

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

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, we confirm that:

- (i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not comprise (a) Equity Shares acquired during the three years immediately preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash, and wherein revaluation of assets or capitalization of intangible assets was involved, or (b) Equity Shares arising pursuant to a bonus issue out of revaluations reserves or unrealized profits of our Company or from a bonus issue against the Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution ;
- (ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than Offer Price;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

All the Equity Shares held by our Promoters are in dematerialized form.

(c) Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except (a) the Minimum Promoters' Contribution which shall be locked-in as above; (b) the Equity Shares which may be allotted to the employees under the ESOP Schemes pursuant to exercise of options held by such employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or former employees in accordance with the ESOP 2019 and ESOP 2021); (c) Offered Shares, which are successfully transferred as part of the Offer for Sale; and (d) any shareholders who are registered as VCF, category I AIFs, category II AIFs or FVCIs. However, such equity shares shall be locked-in for a period of at least six months from the date of purchase by the VCF or category I AIFs,

category II AIFs or FVCI. Accordingly, the Equity Shares held by Fireside are not required to be locked-in since it is a SEBI registered category I AIF.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository. Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

(d) 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 or any other period as per applicable law.

(e) Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in for six months may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a housing finance company as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for eighteen months or such other periods, as may be prescribed under the SEBI ICDR Regulations can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations for a period of eighteen months or such other periods, as may be prescribed under the SEBI ICDR Regulations, may be transferred amongst our Promoters and any member of the Promoter Group or to a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months or such other periods, as may be prescribed under the SEBI ICDR Regulations, 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 applicable to the transferee and compliance with the provisions of the Takeover Regulations. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

8. Shareholding of our Promoters and the members of the Promoter Group

As on the date of this Draft Red Herring Prospectus, our Promoters hold 80.10% (56.52% on a fully diluted basis, *i.e.* assuming conversion of Preference Shares and exercise of vested stock options) of the issued, subscribed and paid-up equity share capital of our Company. The members of the Promoter Group do not hold any Equity Share in our Company. Except as stated below, our Promoters do not hold any Equity Shares in our Company as on date of this Draft Red Herring Prospectus:

| S. No. | Name of the Promoter | Pre-Offer (Prior to the conversion of the Preference Shares) | | Pre-Offer (Upon conversion of the Preference Shares) | | Post-Offer | |
|--------|----------------------|---|-----------------------------|---|------------------------------|------------------------------|------------------------------|
| | | Number of Equity Shares held | % of the total shareholding | Number of Equity Shares held | % of the total shareholding* | Number of Equity Shares held | % of the total shareholding* |
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 | [●] | [●] |
| 2. | Aman | 38,370,000 | 40.05 | 38,370,000 | 28.26 | [●] | [●] |

| S. No. | Name of the Promoter | Pre-Offer (Prior to the conversion of the Preference Shares) | | Pre-Offer (Upon conversion of the Preference Shares) | | Post-Offer | |
|--------------|----------------------|---|-----------------------------|---|------------------------------|------------------------------|------------------------------|
| | | Number of Equity Shares held | % of the total shareholding | Number of Equity Shares held | % of the total shareholding* | Number of Equity Shares held | % of the total shareholding* |
| | Gupta | | | | | | |
| Total | | 76,740,000 | 80.10 | 76,740,000 | 56.52 | [●] | [●] |

* Assuming conversion of outstanding Preferences Shares and exercise of vested stock options.

9. Shareholding of the Selling Shareholders

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 99.42% (93.00% on a fully-diluted basis, *i.e.* assuming conversion of Preference Shares and exercise of vested stock options) of the pre-Offer equity share capital of our Company.

| S. No. | Name of the Selling Shareholder | Pre-Offer (Prior to the conversion of the Preference Shares) | | Pre-Offer (Upon conversion of the Preference Shares) | | Post-Offer | |
|--------------|---------------------------------|---|-----------------------------|---|------------------------------|------------------------------|------------------------------|
| | | Number of Equity Shares held | % of the total shareholding | Number of Equity Shares held | % of the total shareholding* | Number of Equity Shares held | % of the total shareholding* |
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 | [●] | [●] |
| 2. | Aman Gupta | 38,370,000 | 40.05 | 38,370,000 | 28.26 | [●] | [●] |
| 3. | South Lake | 18,510,000 | 19.32 | 49,524,000 | 36.48 | [●] | [●] |
| Total | | 95,250,000 | 99.42 | 126,264,000 | 93.00 | [●] | [●] |

* Assuming conversion of outstanding Preferences Shares and exercise of vested stock options.

10. None of our Promoters, the other members of the Promoter Group, our Directors or their relatives has purchased or sold any specified securities of our Company, during the six months immediately preceding the date of this Draft Red Herring Prospectus.
11. There are no financing arrangements whereby our Promoters, the other members of our Promoter Group, or our Directors or their relatives have financed the purchase of any specified securities of our Company, by any other person other than in the normal course of business, during the six months immediately preceding the date of this Draft Red Herring Prospectus.

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12. Our shareholding pattern

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

| Category (I) | Category of the Shareholder (II) | No. of Shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | No. of Voting Rights held in each class of securities (IX) | | | No. of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2) * | Number of locked-in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|---|---------------------------|--|--|---|---|---|--|-------------------|-------------------------------------|--|---|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No. of Voting Rights Class: Equity Shares | Total | Total as a % of total voting rights | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoters & Promoter Group | 2 | 76,740,000 | - | - | 76,740,000 | 80.10 | 76,740,000 | 76,740,000 | 80.10 | - | 56.65 | - | - | - | - | 76,740,000 |
| (B) | Public | 5 | 19,075,500 | - | - | 19,075,500 | 19.90 | 19,075,500 | 19,075,500 | 19.90 | 39,638,000 | 43.35 | - | - | - | - | 19,075,500 |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (1) | Shares underlying Custodian/Depository Receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total (A)+(B)+(C) | 7 | 95,815,500 | - | - | 95,815,500 | 100.00 | 95,815,500 | 95,815,500 | 100.00 | 39,638,000 | 100.00 | - | - | - | - | 95,815,500 |

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

13. **Shareholding of our Directors and Key Managerial Personnel**

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares or employee stock option in our Company as of the date of this Draft Red Herring Prospectus:

| Name of Directors/ KMP | No. of Equity Shares | Granted stock options (Not vested as on the date of this Draft Red Herring Prospectus) | Vested Stock options as on the date of this Draft Red Herring Prospectus | % of pre-Offer equity share capital (Prior to the conversion of the Preference Shares) (%) | % of pre-Offer equity share capital (Fully-diluted basis) (%)* |
|---------------------------|----------------------|--|--|--|--|
| Sameer Mehta | 38,370,000 | - | - | 40.05 | 28.26 |
| Aman Gupta | 38,370,000 | - | - | 40.05 | 28.26 |
| Vivek Gambhir | - | 5,498,000 | - | - | - |
| Ankur Sharma | - | 220,000 | - | - | - |
| Dhara Joshi | - | 6,000 | - | - | - |
| Shashwat Singh | - | 170,000 | - | - | - |
| Prashant Kamal | - | 200,000 | - | - | - |
| Total | 76,740,000 | 6,094,000 | - | 80.10 | 56.52 |

* Assuming conversion of outstanding Preferences Shares and exercise of vested stock options.

Also, see “– Notes to Capital Structure - Employee Stock Option Schemes” on page 90.

14. As on the date of this Draft Red Herring Prospectus, our Company has seven Shareholders, comprising five equity shareholders and three preference shareholders (of which one Shareholder holds Equity Shares as well).

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

The details of our Shareholders holding 1% or more of the paid-up share capital of our Company: (a) as on the date of this Draft Red Herring Prospectus; (b) as of 10 days prior to the date of this Draft Red Herring Prospectus; (c) as of one year prior to the date of this Draft Red Herring Prospectus; and (d) as of two years prior to the date of this Draft Red Herring Prospectus, are set out below:

- (a) Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus.

| S. No. | Name of the Shareholder | Number of Equity Shares | Percentage of the Equity Share capital | Number of Equity Shares on a fully diluted basis* | Percentage of the Equity Share capital on a fully diluted basis* (%) |
|--------|-------------------------|-------------------------|--|---|--|
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 2. | Aman Gupta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 3. | South Lake | 18,510,000 | 19.32 | 49,524,000 | 36.48 |
| 4. | Fireside | - | - | 5,100,000 | 3.76 |
| 5. | Qualcomm | - | - | 3,524,000 | 2.60 |
| | Total | 95,250,000 | 99.42 | 134,888,000 | 99.36 |

* Assuming conversion of the Preference Shares into Equity Shares and exercise of vested stock options. 162,400 Series A Preference Shares and 347,600 Series A1 Preference Shares held by Fireside shall be converted into a maximum of 1,624,000 Equity Shares and 3,476,000 Equity Shares, respectively. 15,507 Series B Preference Shares held by South Lake will be converted into a maximum of 31,014,000 Equity Shares. 1,762 Series B1 Preference Shares held by Qualcomm will be converted into a maximum of 3,524,000 Equity Shares. The conversion of the outstanding Series A Preference Shares, Series A1 Preference Shares, Series B Preference Shares and Series B1 Preference Shares will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

- (b) Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to this Draft Red Herring Prospectus.

| S. No. | Name of the Shareholder | Number of Equity Shares | Percentage of the Equity Share capital | Number of Equity Shares on a fully diluted basis* | Percentage of the Equity Share capital on a fully diluted basis* (%) |
|--------------|-------------------------|-------------------------|--|---|--|
| 1. | Sameer Mehta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 2. | Aman Gupta | 38,370,000 | 40.05 | 38,370,000 | 28.26 |
| 3. | South Lake | 18,510,000 | 19.32 | 49,524,000 | 36.48 |
| 4. | Fireside | - | - | 5,100,000 | 3.76 |
| 5. | Qualcomm | - | - | 3,524,000 | 2.60 |
| Total | | 95,250,000 | 99.42 | 134,888,000 | 99.36 |

* Assuming conversion of the Preference Shares into Equity Shares exercise of vested stock options.

- (c) Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus

| S. No. | Name of the Shareholder | Number of equity shares of face value of ₹10 each | Percentage of the equity share capital | Number of equity shares of face value of ₹10 each on a fully diluted basis* | Percentage of the equity share capital on a fully diluted basis* (%) |
|--------------|-------------------------|---|--|---|--|
| 1. | Sameer Mehta | 21,652 | 43.30 | 21,652 | 30.54 |
| 2. | Aman Gupta | 21,652 | 43.30 | 21,652 | 30.54 |
| 3. | South Lake | 6,696 | 13.40 | 24,762 | 34.92 |
| 4. | Fireside | - | - | 2,550 | 3.60 |
| Total | | 50,000 | 100.00 | 70,616 | 99.60 |

* Assuming conversion of the Preference Shares into Equity Shares, right to subscribe to equity shares and exercise of vested stock options.

- (d) Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus.

| S. No. | Name of the Shareholder | Number of equity shares of face value of ₹10 each | Percentage of the equity share capital | Number of equity shares of face value of ₹10 each on a fully diluted basis* | Percentage of the equity share capital on a fully diluted basis* (%) |
|--------------|-------------------------|---|--|---|--|
| 1. | Sameer Mehta | 25,000 | 50.00 | 25,000 | 45.17 |
| 2. | Aman Gupta | 25,000 | 50.00 | 25,000 | 45.17 |
| 3. | Fireside | - | - | 5,109 | 9.23 |
| Total | | 50,000 | 100.00 | 55,109 | 99.57 |

* Assuming conversion of the Preference Shares into Equity Shares, right to subscribe to equity shares and exercise of vested stock options.

16. Employee Stock Option Schemes

Imagine Employees Stock Option Plan – 2019 (“ESOP 2019”)

ESOP 2019 was instituted pursuant to a resolution dated October 24, 2019 of our Board and resolution dated November 5, 2019 of our Shareholders. The ESOP 2019 was amended by our Company pursuant to a resolution of our Board on March 25, 2021 and resolution dated March 25, 2021 of our Shareholders. The ESOP 2019 was subsequently amended by our Company pursuant to a resolution of our Board on December 15, 2021 and resolution dated December 15, 2021 of our Shareholders. The ESOP 2019 is in compliance with the Companies Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The maximum number of options which can be granted under ESOP 2019 is 5,618,000 options (prior to sub-division of equity shares, 561,800 options).

The details of the ESOP 2019, as certified by Parikh & Parikh, Chartered Accountants, through their certificate dated January 26, 2022 are as follows:

| Particulars | Details | |
|---|---|---|
| Options granted | Financial Year/period | Total no. of options granted |
| | Financial Year ended 2019 | Nil |
| | Financial Year ended 2020 | 512,000 |
| | Financial Year ended 2021 | 1,006,000 |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 1,477,750 |
| | Total | 2,995,750 |
| Options vested (including exercised) | Financial Year/period | Total no. of options vested |
| | Financial Year ended 2019 | Nil |
| | Financial Year ended 2020 | Nil |
| | Financial Year ended 2021 | 118,500 |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 293,000 |
| | Total | 411,500 |
| Options exercised | Financial Year/period | Total no. of options exercised |
| | Financial Year ended 2019 | Nil |
| | Financial Year ended 2020 | Nil |
| | Financial Year ended 2021 | Nil |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 102,000 |
| | Total | 102,000 |
| Exercise price of options (in ₹) | ₹30.27 - ₹141.88 | |
| Vesting Period (from date of grant) | 1-4 years | |
| Options vested and not exercised | Financial Year/period | Total no. of options vested and not exercised |
| | Financial Year ended 2019 | Nil |
| | Financial Year ended 2020 | Nil |
| | Financial Year ended 2021 | 118,500 |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 191,000 |
| | Total | 311,500 |
| Options forfeited or lapsed or cancelled | Financial Year/period | Number of options forfeited/ lapsed/ cancelled |
| | Financial Year ended 2019 | Nil |
| | Financial Year ended 2020 | Nil |
| | Financial Year ended 2021 | 38,000 |
| | For the period commencing from April 1, 2021 to September 30, 2021 | 300,000 |

| Particulars | Details | | | |
|---|--|---------------------------------------|---|-----------------------------------|
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | | 116,000 | |
| | Total | | 454,000 | |
| The total number of Equity Shares arising as a result of exercise of options | Financial Year/period | Total no. of options exercised | Resultant number of Equity Shares* | |
| | Financial Year ended 2019 | Nil | NA | |
| | Financial Year ended 2020 | Nil | NA | |
| | Financial Year ended 2021 | Nil | NA | |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil | NA | |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 102,000 | 102,000 | |
| | <i>* As adjusted for bonus issue dated May 26, 2021 and sub-division of face value of equity shares from ₹10 each to ₹1 each, as applicable.</i> | | | |
| Money realized by exercise of options | Financial Year/period | ₹ in millions | | |
| | Financial Year ended 2019 | Nil | | |
| | Financial Year ended 2020 | Nil | | |
| | Financial Year ended 2021 | Nil | | |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil | | |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | ₹3,087,234 | | |
| Variation of terms of options | Not Applicable | | | |
| Total number of options in force | Financial Year/period | Total no. of options in force* | | |
| | Financial Year ended 2019 | Nil | | |
| | Financial Year ended 2020 | 135,000 | | |
| | Financial Year ended 2021 | 698,000 | | |
| | For the period commencing from April 1, 2021 to September 30, 2021 | Nil | | |
| | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | 1,471,750 | | |
| | <i>*Against the grants made in respective years</i> | | | |
| Employee wise details of options granted to: | | | | |
| (i) Key managerial personnel | Name of the KMP to whom options were granted | No. of options granted | No. of options outstanding | |
| | Ankur Sharma | 220,000 | 220,000 | |
| | Prashant Kamal | 200,000 | 200,000 | |
| | Shashwat Singh | 170,000 | 170,000 | |
| | Dhara Joshi | 6,000 | 6,000 | |
| (ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options | Name of the employee to whom options were granted | Relevant Financial Year/period | No. of options granted | No. of options outstanding |
| | Sushant Dalmia | Financial Year ended 2020 | 204,000 | Nil |
| | Ankush Guglani | Financial Year ended 2020 | 60,000 | 60,000 |
| | Daman Soni | Financial Year ended 2021 | 300,000 | Nil |
| | Jignesh Rambhia | Financial Year ended 2021 | 200,000 | 200,000 |

| Particulars | Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---------------------------|---|---|---|---|--|---------------------------|-------|--|--------|----------------|-------|-------|----|--------|---------------------|--------|--------|----|--------|--------------------------------|----------------------|----------------------|----|----------------------|--------------------|---|---|----|---|-------------------------|-------|-------|----|-------|
| granted during the year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (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 | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard on Earnings per Share | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Financial Year/Period</th> <th style="text-align: center;">Fully diluted EPS</th> </tr> </thead> <tbody> <tr> <td>Financial Year ended 2019</td> <td style="text-align: right;">0.79</td> </tr> <tr> <td>Financial Year ended 2020</td> <td style="text-align: right;">4.42</td> </tr> <tr> <td>Financial Year ended 2021</td> <td style="text-align: right;">7.97</td> </tr> <tr> <td>Six months period ended September 30, 2021</td> <td style="text-align: right;">11.71</td> </tr> </tbody> </table> | Financial Year/Period | Fully diluted EPS | Financial Year ended 2019 | 0.79 | Financial Year ended 2020 | 4.42 | Financial Year ended 2021 | 7.97 | Six months period ended September 30, 2021 | 11.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial Year/Period | Fully diluted EPS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial Year ended 2019 | 0.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial Year ended 2020 | 4.42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial Year ended 2021 | 7.97 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Six months period ended September 30, 2021 | 11.71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Share | Not Applicable as Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A description of the pricing formula, method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Financial Year ended 2020</th> <th style="text-align: center;">Financial Year ended 2021</th> <th style="text-align: center;">Six- month period ended September 30, 2021*</th> <th style="text-align: center;">For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus</th> </tr> </thead> <tbody> <tr> <td>Weighted average share price/ market value</td> <td style="text-align: center;">47.47</td> <td style="text-align: center;">47.47</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">141.88</td> </tr> <tr> <td>Exercise Price</td> <td style="text-align: center;">30.00</td> <td style="text-align: center;">30.00</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">141.88</td> </tr> <tr> <td>Expected volatility</td> <td style="text-align: center;">76.24%</td> <td style="text-align: center;">76.24%</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">21.82%</td> </tr> <tr> <td>Expected life of Stock Options</td> <td style="text-align: center;">4.5 years to 6 years</td> <td style="text-align: center;">4.5 years to 6 years</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">4 years to 5.5 years</td> </tr> <tr> <td>Expected dividends</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Risk-free interest rate</td> <td style="text-align: center;">5.96%</td> <td style="text-align: center;">5.96%</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">5.84%</td> </tr> </tbody> </table> <p>* No options were granted in the six months period ended September 30, 2021</p> | Particulars | Financial Year ended 2020 | Financial Year ended 2021 | Six- month period ended September 30, 2021* | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | Weighted average share price/ market value | 47.47 | 47.47 | NA | 141.88 | Exercise Price | 30.00 | 30.00 | NA | 141.88 | Expected volatility | 76.24% | 76.24% | NA | 21.82% | Expected life of Stock Options | 4.5 years to 6 years | 4.5 years to 6 years | NA | 4 years to 5.5 years | Expected dividends | - | - | NA | - | Risk-free interest rate | 5.96% | 5.96% | NA | 5.84% |
| Particulars | Financial Year ended 2020 | Financial Year ended 2021 | Six- month period ended September 30, 2021* | For the period commencing from October 1, 2021 to the date of this Draft Red Herring Prospectus | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weighted average share price/ market value | 47.47 | 47.47 | NA | 141.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Exercise Price | 30.00 | 30.00 | NA | 141.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expected volatility | 76.24% | 76.24% | NA | 21.82% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expected life of Stock Options | 4.5 years to 6 years | 4.5 years to 6 years | NA | 4 years to 5.5 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expected dividends | - | - | NA | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk-free interest rate | 5.96% | 5.96% | NA | 5.84% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Impact on profit and Earnings per Equity | Not applicable as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Particulars | Details |
|--|--|
| Share of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in Fiscals 2019, 2020, 2021 and the six month period ended September 30, 2021 | Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable |
| Intention of the Key Managerial Personnel and whole time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer. | None of the Key Managerial Personnel and whole time Directors have exercised options to be eligible to sell Equity Shares |
| Intention to sell Equity Shares arising out of ESOP 2019 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | Not applicable, as no director, senior managerial personnel, employee holds more than one percent of the issued equity capital of the Company under this scheme. |

Imagine Management Stock Option Plan – 2021 (“ESOP 2021”)

ESOP 2021 was instituted pursuant to a resolution dated March 25, 2021 of our Board and resolution dated March 25, 2021 of our Shareholders. The ESOP 2021 was subsequently amended by our Company pursuant to a resolution of our Board on December 15, 2021 and resolution dated December 15, 2021 of our Shareholders. The ESOP 2021 is in compliance with the Companies Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The maximum number of options which can be granted under ESOP 2021 is 5,498,000 options (prior to sub-division of equity shares, 549,800 options).

The details of the ESOP 2021, as certified by Parikh & Parikh, Chartered Accountants, through their certificate dated January 26, 2022 are as follows:

| Particulars | Details | | | | |
|---|--|------------------------------|------------------------------|---|-----------|
| Options granted | <table border="1"> <thead> <tr> <th>Financial Year/period</th> <th>Total no. of options granted</th> </tr> </thead> <tbody> <tr> <td>For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus</td> <td>5,498,000</td> </tr> </tbody> </table> | Financial Year/period | Total no. of options granted | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | 5,498,000 |
| | Financial Year/period | Total no. of options granted | | | |
| For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | 5,498,000 | | | | |

| Particulars | Details | | |
|--|---|-------------------------------|---|
| | Total | | 5,498,000 |
| Options vested (including exercised) | Financial Year/period | | Total no. of options vested |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | Nil |
| | Total | | Nil |
| Options exercised | Financial Year/period | | Total no. of options exercised |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | Nil |
| | Total | | Nil |
| Exercise price of options (in ₹) | ₹141.87 | | |
| Vesting Period (from date of grant) | 4 years | | |
| Options vested and not exercised | Financial Year/period | | Total no. of options vested and not exercised |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | Nil |
| | Total | | Nil |
| Options forfeited or lapsed or cancelled | Financial Year/period | | Number of options forfeited/ lapsed/ cancelled |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | Nil |
| | Total | | Nil |
| The total number of Equity Shares arising as a result of exercise of options | Financial Year/period | | Total no. of options exercised |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | Nil |
| | | | Resultant number of Equity Shares* |
| Money realized by exercise of options | Financial Year/period | | In ₹ millions |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | NA |
| | Not Applicable | | |
| Variation of terms of options | Not Applicable | | |
| Total number of options in force | Financial Year/period | | Total no. of options in force |
| | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | 5,498,000 |
| | Total | | 5,498,000 |
| Employee wise details of options granted to: | | | |
| | (i) Key managerial personnel | | |
| | Name of the KMP to whom options were granted | No. of options granted | No. of options outstanding |
| | Vivek Gambhir | 5,498,000 | 5,498,000 |

| Particulars | Details | | | | | | | | | | | | | | |
|--|--|-----------------------|---|--|-------|---------------------------|--------|---------------------------|--------|--|----------------------|--------------------|---|-------------------------|-------|
| (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 (None other than KMP mentioned in point iv are granted ESOPs under this scheme) | | | | | | | | | | | | | | |
| (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 | Vivek Gambhir | | | | | | | | | | | | | | |
| Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard on Earnings per Share | <table border="1"> <thead> <tr> <th style="text-align: center;">Financial Year/period</th> <th style="text-align: center;">Fully diluted EPS</th> </tr> </thead> <tbody> <tr> <td>Financial Year ended 2019</td> <td style="text-align: right;">0.79</td> </tr> <tr> <td>Financial Year ended 2020</td> <td style="text-align: right;">4.42</td> </tr> <tr> <td>Financial Year ended 2021</td> <td style="text-align: right;">7.97</td> </tr> <tr> <td>Six months period ended September 30, 2021</td> <td style="text-align: right;">11.71</td> </tr> </tbody> </table> | Financial Year/period | Fully diluted EPS | Financial Year ended 2019 | 0.79 | Financial Year ended 2020 | 4.42 | Financial Year ended 2021 | 7.97 | Six months period ended September 30, 2021 | 11.71 | | | | |
| Financial Year/period | Fully diluted EPS | | | | | | | | | | | | | | |
| Financial Year ended 2019 | 0.79 | | | | | | | | | | | | | | |
| Financial Year ended 2020 | 4.42 | | | | | | | | | | | | | | |
| Financial Year ended 2021 | 7.97 | | | | | | | | | | | | | | |
| Six months period ended September 30, 2021 | 11.71 | | | | | | | | | | | | | | |
| Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Share | Not applicable, as the Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable | | | | | | | | | | | | | | |
| A description of the pricing formula, method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option | <table border="1"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus</th> </tr> </thead> <tbody> <tr> <td>Weighted average share price/ market value</td> <td style="text-align: right;">47.47</td> </tr> <tr> <td>Exercise Price</td> <td style="text-align: right;">141.87</td> </tr> <tr> <td>Expected volatility</td> <td style="text-align: right;">76.24%</td> </tr> <tr> <td>Expected life of Stock Options</td> <td style="text-align: right;">4.5 years to 6 years</td> </tr> <tr> <td>Expected dividends</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Risk-free interest rate</td> <td style="text-align: right;">5.96%</td> </tr> </tbody> </table> | Particulars | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | Weighted average share price/ market value | 47.47 | Exercise Price | 141.87 | Expected volatility | 76.24% | Expected life of Stock Options | 4.5 years to 6 years | Expected dividends | - | Risk-free interest rate | 5.96% |
| Particulars | For the period commencing from April 1, 2021 to the date of this Draft Red Herring Prospectus | | | | | | | | | | | | | | |
| Weighted average share price/ market value | 47.47 | | | | | | | | | | | | | | |
| Exercise Price | 141.87 | | | | | | | | | | | | | | |
| Expected volatility | 76.24% | | | | | | | | | | | | | | |
| Expected life of Stock Options | 4.5 years to 6 years | | | | | | | | | | | | | | |
| Expected dividends | - | | | | | | | | | | | | | | |
| Risk-free interest rate | 5.96% | | | | | | | | | | | | | | |

| Particulars | Details |
|---|---|
| Impact on profit and Earnings per Equity Share of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in Fiscals 2019, 2020, 2021 and the six month period ended September 30, 2021 | Not applicable, as Company has followed similar accounting policies, as mentioned in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable |
| Intention of the Key Managerial Personnel and whole time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer. | None |
| Intention to sell Equity Shares arising out of ESOP 2019 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | None |

17. Except for allotment of Equity Shares pursuant to the Fresh Issue or any grant or exercise of options vested pursuant to the ESOP Schemes, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights issue or further public issue of Equity Shares or otherwise. If our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures or other arrangements.
18. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for the purchase of Equity Shares being offered through this Offer.
19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this

Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid up at the time of Allotment.

20. The BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective affiliates or associates 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 or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.
21. Except for the Preference Shares and the options granted under the ESOP Schemes, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
22. Except for issuance of the Equity Shares pursuant to the Fresh Issue, any exercise of options vested pursuant to the ESOP Schemes, issuance of the Equity Shares upon conversion of the Preference Shares and the Pre-IPO Placement, there will be no further issue of the Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from the date of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges pursuant to the Offer or all application monies have been refunded, as the case may be.
23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
24. Our Company shall ensure that transactions in the securities of our Company, including Equity Shares by our Promoters and members of the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹9,000.00 million by our Company and an Offer for Sale of up to [●] Equity Shares, aggregating up to ₹11,000.00 million by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its respective portion of Offer related expenses and relevant taxes thereon. The proceeds received from the Offer for Sale will not form part of the proceeds from the Fresh Issue.

Fresh Issue

Requirement of funds

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to herein as the “Objects”):

1. Repayment/prepayment, in full or part, of certain borrowings availed of by our Company.
2. General corporate purposes.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enables our Company to undertake (i) undertake our existing business activities; and (ii) the activities proposed to be funded from the Net Proceeds.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancement of our Company’s brand name among existing and potential customers, retaining existing and attracting potential employees, and creation of a public market for the Equity Shares in India.

Net Proceeds

The details of the Net Proceeds are summarized in the table below.

| <i>(in ₹ million)</i> | |
|---|--------------------------|
| Particulars | Estimated Amount |
| Gross proceeds of the Fresh Issue | 9,000.00 |
| Less: Offer expenses to the extent applicable to the Fresh Issue (only those apportioned to our Company) | [●] ⁽¹⁾ |
| Net Proceeds | [●]⁽²⁾ |

(1) See “- Offer Expenses” below.

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

Utilisation of Net Proceeds

Our Company proposes to utilize the Net Proceeds in the manner set forth in the table below:

| <i>(in ₹ million)</i> | | |
|---------------------------|--|------------------|
| S. No | Particulars | Estimated amount |
| 1. | Repayment/prepayment, in full or part, of certain borrowings availed of by our Company | 7,000.00 |
| 2. | General corporate purposes ⁽¹⁾ | [●] |
| Total Net Proceeds | | [●] |

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

Proposed schedule of implementation and deployment of Net Proceeds

Our Company proposes to deploy the Net Proceeds towards the Objects of the Offer in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

| S. No | Particulars | Amount to be funded from the Net Proceeds | Estimated schedule of deployment of Net Proceeds by Fiscal 2023 |
|---------------------------|--|---|---|
| 1. | Repayment/prepayment, in full or part, of certain borrowings availed of by our Company | 7,000.00 | 7,000.00 |
| 2. | General corporate purposes ⁽¹⁾ | [●] | [●] |
| Total Net Proceeds | | [●] | [●] |

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

The requirement and deployment of funds as indicated above are based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company, and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as change in costs, financial and market conditions, our management's analysis of economic trends and our business requirements, fund requirements in the operations of our Subsidiaries and associates, competitive landscape as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the funding requirement for a particular object or increasing or decreasing the amounts earmarked towards any of the aforementioned objects at the discretion of our management, subject to compliance with applicable law.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the gross proceeds of the Fresh Issue in accordance with applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

For further details, see "Risk Factors –Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds, including interim use. Variations in the utilization of the Net Proceeds or in the terms of the conditions disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval" on page 49.

Means of finance

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

Details of the Objects

The details of utilisation of the Net Proceeds are set forth below:

1. Repayment/prepayment, in full or part, of certain borrowings availed of by our Company

We avail majority of our fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. For further information on the financial indebtedness availed of by our Company, see "Financial Indebtedness" beginning on page 273.

As of December 31, 2021, we had outstanding total secured and unsecured borrowings (long term and short term) of ₹7,641.77million. Our Company proposes to utilize an aggregate amount of ₹7,000.00 million from the Net Proceeds towards repayment/pre-payment, in full or in part, of certain borrowings availed of by our Company. The selection and extent of borrowings proposed to be repaid and/or repaid by our Company as mentioned below

is based on various commercial considerations including, among others, the interest rate of the relevant borrowings, prepayment charges, the amount of the borrowings outstanding and the remaining tenor of the borrowings. Given the nature of these borrowings, the terms of prepayment and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to receipt of proceeds from the Fresh Issue. Accordingly, our Company may utilize the Net Proceeds for prepayment or repayment of any such refinanced borrowings or additional borrowing facilities obtained by it. However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or scheduled repayment of borrowings (including refinanced or additional borrowings availed, if any), in part or full, would not exceed ₹7,000.00 million.

The prepayment or scheduled repayment will help us reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt to equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The following table provides details of outstanding borrowings availed of by our Company as on December 31, 2021, which we propose to prepay or repay, in full or in part, from the Net Proceeds for an aggregate amount of ₹7,000.00 million without any obligation to any banks/financial institutions:

| Name of the lender | Purpose of borrowing | Nature of borrowing | Sanctioned amount as on December 31, 2021 (in ₹ million) | Outstanding amount as on December 31, 2021 (in ₹ million) | Interest rate | Repayment schedule | Prepayment penalty / premium |
|---|------------------------------|-----------------------------|--|---|---------------|---------------------|---------------------------------|
| The Hongkong and Shanghai Banking Corporation Limited | Working capital requirements | Overdraft | 2,500.00 | 992.69 | 4.20% | Repayable on demand | Nil |
| | | Working capital demand loan | | 1,500.00 | 4.20% | Repayable on demand | Nil |
| | | Cash credit | 1,500.00 | 497.41 | 7.51% | Repayable on demand | Nil |
| | | Working capital demand loan | | 1,000.00 | 6.66% | Repayable on demand | Nil |
| Citibank NA | Working capital requirements | Cash credit | 700.00 | - | 8.00% | Repayable on demand | Nil |
| | | Working capital demand loan | | 79.01 | 7.50% | Repayable on demand | 2% of the principal outstanding |
| ICICI Bank Limited | Working capital requirements | Overdraft | 950.00 | 917.62 | 4.25% | Repayable on demand | Nil |
| | | Cash credit | 500.00 | 127.07 | 7.90% | Repayable on demand | Nil |
| | | Working capital demand loan | | 300.00 | 7.70% | Repayable on demand | 0.25% on principal amount |
| HDFC Bank Limited | Working capital requirements | Cash credit | 600.00 | 402.90 | 8.00% | Repayable on demand | Nil |
| | | Working capital demand loan | | 169.95 | 8.00% | Repayable on demand | Nil |
| RBL Bank Limited | Working capital requirements | Cash credit | 750.00 | 283.15 | 8.35% | Repayable on demand | Nil |
| | | Working capital demand loan | | 450.00 | 8.35% | Repayable on demand | Nil |
| Standard Chartered Bank | Working capital requirements | Cash credit | 750.00 | - | 7.25% | Repayable on demand | Nil |
| | | Working capital demand loan | | 500.00 | 6.95% | Repayable on demand | 2% of the principal repaid |
| Total | | | 8,250.00 | 7,219.79 | | | |

As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 25, 2022.

In compliance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors pursuant to their certificate dated January 25, 2022 have certified the utilization of the above-mentioned borrowings for the purposes such borrowings were availed for, as of December 31, 2021. For further information on the terms and conditions of these financing arrangements, see “*Financial Indebtedness*” beginning on page 273.

As mentioned above, we propose to repay or pre-pay a borrowing obtained by our Company from ICICI Bank Limited from the Net Proceeds. While ICICI Bank Limited is an affiliate of ICICI Securities Limited, one of the BRLMs, it is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and such borrowing sanctioned to our Company by ICICI Bank Limited has been sanctioned to our Company as part of the normal commercial lending activity by ICICI Bank Limited. Accordingly, we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. For details, see “*Risk Factors – A portion of the Net Proceeds may be utilised for repayment, prepayment of borrowings held by, affiliates of one of the Book Running Lead Managers*” on page 50.

Our Company will approach the lenders after completion of this Offer for repayment/prepayment of the above borrowings. Further, we may be subject to the levy of pre-payment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. Payment of pre-payment penalty or premium, if any, shall be made by our Company from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such pre-payment penalties or premiums, such excessive amount shall be met from our internal accruals.

2. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company and our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, strengthening marketing capabilities and brand building exercises, meeting ongoing general corporate contingencies, investment in our Subsidiaries, business requirements of our Company and meeting working capital requirements incurred in the ordinary course of business towards salaries and wages, rent, administration expenses, payment to creditors and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

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

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and Sponsor Bank, 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 (i) listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), and expenses for any corporate advertisements (not including expenses relating to marketing and advertisements undertaken in connection with the Offer) each of which shall be borne solely by our Company; and (ii) fees for counsel to the Selling Shareholders, which shall be solely borne by the respective Selling Shareholders, each of our Company and the Selling Shareholders agrees to share the costs and expenses (including all applicable taxes) directly attributable to the Offer as agreed in a fee letter (approved and executed by the Selling Shareholders), severally

and not jointly, based on the following: (i) solely by our Company in relation to the Equity Shares issued and allotted by our Company in the Fresh Issue; and (ii) by the Selling Shareholders in proportion to their respective number of the Offered Shares sold and transferred in the Offer for Sale, in accordance with section 28(3) of Companies Act. All the expenses relating to the Offer shall be paid by our Company in the first instance. The expenses directly attributable to the portion with regard to Offer for Sale shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by each of them in the Offer and the estimated expenses will be deducted from the Offer proceeds, as appropriate, and only the remaining amount will be paid to the Selling Shareholders, in accordance with Section 28(3) of the Companies Act. It is clarified that, in the event the Offer is not successful or consummated, all expenses in relation to the Offer shall be borne by our Company, except as may be prescribed by SEBI or any other regulatory authority.

The estimated Offer expenses are set forth in the table below.

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

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

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

| | |
|---------------------------------------|---|
| Portion for Retail Individual Bidders | [●]% (plus applicable goods and services tax) |
| Portion for Non-Institutional Bidders | [●]% (plus applicable goods and services tax) |
| Portion for Eligible Employees | [●]% (plus applicable goods and services tax) |

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

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

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

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

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

Interim use of funds

Pending utilization for the Objects described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any banks or financial institutions, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus with RoC, as the Fresh Issue size exceeds ₹1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Net Proceeds have been utilized in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose, the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized, till the time any part of the Fresh Issue proceeds remains unutilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditors of our Company. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the Net Proceeds from the Objects of the Offer as stated above; and (ii) details of category wise variations in the utilization of the Net Proceeds from the Objects of the Offer as stated above.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. The promoters and controlling shareholders of our Company, as at the time of such proposed variation, will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act and the SEBI ICDR Regulations.

Appraising entity

None of the Objects of the Offer for which the Net Proceeds will be utilized have been appraised by any bank/financial institution or any other agency.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholders pursuant to their respective portion of Offer for Sale, none of our Promoters or members of the Promoter Group, Directors or Key Managerial Personnel will receive any portion of the Offer Proceeds.

Further, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with any of our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹1 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 “*Risk Factors*”, “*Business*” and “*Financial Information*” beginning on pages 28, 141 and 205, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. One of the largest Indian digital-first brands with leading market positions across multiple fast-growing product categories;
2. Our flagship brand “boAt” is a consumer brand with strong market positioning and a clear value proposition;
3. Our digital-first platform capabilities are targeted to enable growth and continue to allow us to build a presence across multiple consumer categories; and
4. Professional, founder-driven management team with deep industry expertise and track record, and an experienced consumer products CEO

For further information, see “*Business - Strengths*” on page 147.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Consolidated Financial Information. For further information, see “*Financial Information*” on beginning page 205.

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

1. Basic and Diluted Earnings per Share

| Fiscal / period ended | Basic EPS (₹) | Diluted EPS (₹) | Weight |
|--|---------------|-----------------|--------|
| March 31, 2021 | 8.53 | 7.97 | 3 |
| March 31, 2020 | 4.78 | 4.42 | 2 |
| March 31, 2019 | 0.80 | 0.79 | 1 |
| Weighted Average | 5.99 | 5.59 | |
| Six months period ended September, 2021* | 11.77 | 11.71 | |

*Not Annualised

Notes:

- a. *Weighted average = Aggregate of period/year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each period/year / Total of weights.*
- b. *The face value of each Equity Share is ₹1 each.*
- c. *Earnings per Share (₹) = Profit attributable to the owners of the Company for the period/year / Weighted Average No. of shares at the end of the period / year*
- d. *Basic and diluted earnings per share: Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
- e. *Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each.*

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

| Particulars | P/E at Floor Price (no. of times) | P/E at Cap Price (no. of times) |
|---|--------------------------------------|------------------------------------|
| Based on basic EPS of ₹[●] as per the Restated Consolidated Financial Information for the year ended March 31, 2021 | [●] | [●] |
| Based on diluted EPS of ₹[●] as per the Restated Consolidated Financial Information for the year ended March 31, 2021 | [●] | [●] |

Industry P/E ratio*

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

3. Average return on Net Worth (“RoNW”) (on a consolidated basis)

| Fiscal ended | RoNW (%) | Weight |
|--|---------------|--------|
| March 31, 2021 | 18.64% | 3 |
| March 31, 2020 | 66.82% | 2 |
| March 31, 2019 | 34.80% | 1 |
| Weighted Average | 37.40% | |
| Six months period ended September, 2021* | 18.69% | |

*Not Annualised

Notes:

- Return on Net Worth (%) = Restated profit for the period / year of the Company divided by Net Worth.
- Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. $\{(RoNW \times Weight) \text{ for each year}\} / \{Total \text{ of weights}\}$

Note: For six months period ended September 30, 2021, the Average return on Net Worth considers Restated total profit for the period from April to September unlike the calculation of Average return on Net Worth for financial years 2021, 2020 and 2019, which consider Restated total profit for the full financial years.

4. Net Asset Value (NAV) Per Equity Share

| Net Asset Value (NAV) Per Equity Share | (₹) |
|--|-------|
| As on March 31, 2021 | 46.18 |
| As on September 30, 2021 | 62.97 |
| After the Offer | [●] |

Notes:

- Net Asset Value (NAV) Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with other equity as per Restated Consolidated Financial Information) as at the end of period/ year divided by the number of Equity Shares outstanding at the end of the period/year.
- Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each.

5. Comparison with Listed Industry Peers

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

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled “Risk Factors” beginning on page 28 and any other factors that may arise in the future and you may lose all or part of your investments.

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

along with “*Risk Factors*”, “*Business*” and “*Financial Information*” beginning on pages 28, 141 and 205, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
Imagine Marketing Limited (*formerly known as Imagine Marketing Private Limited*)
E-Wing, Unit-505, Corporate Avenue
Opposite Solitaire Park
Chakala
Andheri East
MUMBAI 400 093
Date: 25 January 2022

Subject: Statement of possible special tax benefits (“the Statement”) available to Imagine Marketing Limited (*formerly known as Imagine Marketing Private Limited*) (“the Company”) and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”)

This report is issued in accordance with the Engagement Letter dated 6 January 2022.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company and its shareholders, under direct and indirect tax laws (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in Annexure I. The Company does not have any material subsidiary in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, i.e. the Company does not have a subsidiary whose income or net worth in the immediately preceding year (i.e. as on 31 March 2021) exceeds 10% of the consolidated income or consolidated net worth respectively, of the Company.

These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. We wish to highlight that the distinction between “general” and “special” tax benefits is not defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to the fulfillment of certain conditions as per the applicable tax laws. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the “**Proposed Offer**”) particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**

Chartered Accountants

ICAI firm registration Number: 101248W/W-100022

Amar Sunder

Partner

Membership No: 078305

UDIN: 22078305AAAAAK2894

Place: Mumbai

Date: 25 January 2022

ANNEXURE I
LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

| Sr. No: | Details of tax laws |
|----------------|---|
| 1. | Income-tax Act, 1961 and Income-tax Rules, 1962 |
| 2. | Central Goods and Services Tax Act, 2017 |
| 3. | Integrated Goods and Services Tax Act, 2017 |
| 4. | Goods and services tax legislations, as promulgated by various states |
| 5. | Customs Act, 1962 |
| 6. | Customs Tariff Act, 1975 |
| 7. | Foreign Trade Policy |

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO IMAGINE MARKETING LIMITED (*FORMERLY KNOWN AS IMAGINE MARKETING PRIVATE LIMITED*) (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. *Special tax benefits available to the Company*

There are no special tax benefits available to the Company under the Direct Tax Laws.

The Company does not have any exports and hence the Company is not eligible for the benefits as applicable under indirect tax laws (including foreign trade policy). The Company is importing finished goods from unrelated suppliers and are not availing any Free Trade Agreement (FTA) or Preferential Trade Agreement (PTA) benefits.

B. *Special tax benefits available to Shareholders*

There are no Possible Special Tax Benefits available to the shareholders for investing in the shares of the Company. However, an Indian corporate shareholder receiving dividend income would be eligible to claim deduction under section 80M of the IT Act of the amount of dividend paid by it from its dividend income received from any other company and subject to fulfillment of conditions prescribed therein. The said deduction shall be restricted to the amount of dividend distributed in turn by the shareholder company.

NOTES:

1. The above is as per the current Tax Laws, as amended by the Finance Act, 2021.
2. The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 issue.
4. The Possible Special Tax Benefits stated in (B) above will be available only to the sole/first named holder in case the shares are held by joint shareholders.
5. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
6. Also, in respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.

For **Imagine Marketing Limited** (*formerly known as Imagine Marketing Private Limited*)

Sameer Mehta

Director

Place: Mumbai

Date: 25 January 2022

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

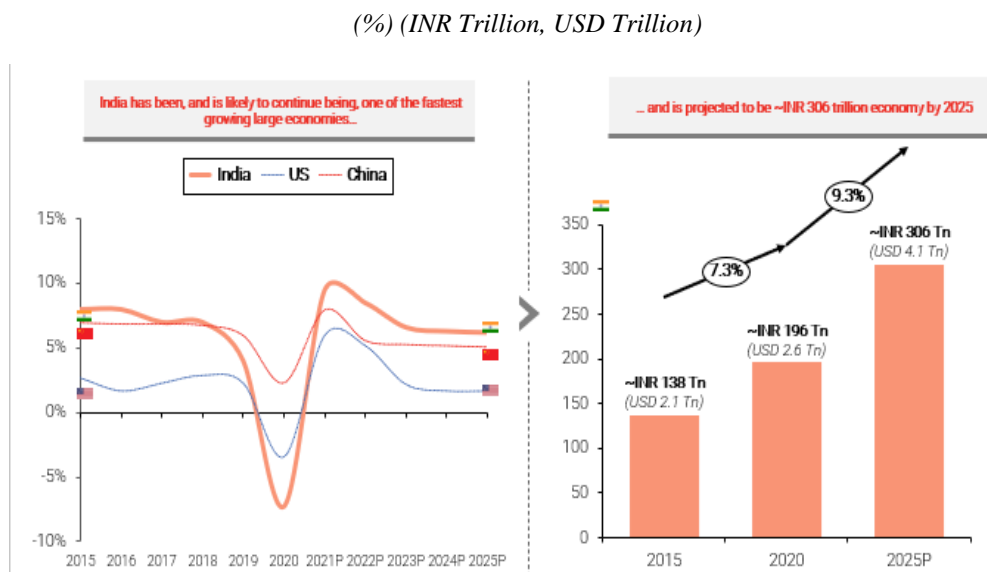
Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Report on Consumer Devices in India” dated January 2022, prepared by RedSeer Management Consulting Private Limited (the “RedSeer Report”). We commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the RedSeer Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year, refers to such information for the relevant year. For the disclaimers associated with the RedSeer Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Disclaimer of RedSeer” on page 24. All references to years in this section are to calendar years.

India Macroeconomic Factors and Digitization Trends

India is one of the fastest growing large economies in the world. India’s Real GDP grew at an average annual growth rate of approximately 7% between 2015 to 2019. This promising growth was, however, impacted during the onset of the COVID-19 pandemic in 2020.

Due to relaxation of lockdown measures and increasing vaccinations, India is projected to recover from the economic decline as its Real GDP is projected to grow at 9.5% in 2021. This fast-paced recovery exceeds the projected growth rates for China and US. Thereafter, the IMF forecasts a stabilized growth rate of 8.4% between 2021 and 2025, for the Indian GDP, at current prices, to reach approximately ₹306 trillion (approximately USD 4.1 trillion) by 2025. At this pace, India is projected to become the third largest economy in the world by 2030, according to the Centre for Economics and Business Research.

Fig. Real GDP Growth between 2015- 2025P for India, China, and the US; GDP at Current Prices as of 2015, 2020, 2025P for India



Notes:

1. Conversion rate for 2025 GDP estimates assumed to be 1 USD = 75 INR
2. Real GDP means the value of all goods and services produced by an economy in a given year (expressed in base-year prices)

Source: International Monetary Fund, World Bank

GDP per capita mark of USD2,000 has historically been an inflection point for economic growth for many large economies as it triggers growth in private consumption. India’s GDP per capita crossed USD 2,000 in 2019.

Regulatory Reforms

Policies such as Atmanirbhar Bharat Abhiyan and Make-in-India initiatives became foundational in shaping India as an efficient, equitable and resilient manufacturing hub that promotes investment, enhances skill development, encourages innovation, and protects intellectual property.

An outlay of ₹1,970 billion was announced by the government for the Production Linked Incentive (PLI) scheme across 13 key sectors, including manufacturing of electronics, medical devices, automobiles and auto components among others, to develop manufacturing infrastructure in competing with global markets and to generate employment opportunities. The scheme extended incentives on incremental sales from products manufactured in domestic production units. As supply chain uncertainties intensifies during the COVID-19 pandemic, localized production increasingly gained popularity under this scheme across sectors.

The government promotes a robust start-up ecosystem in India with its flagship program, the Startup India initiative. Startup India supports local startups by providing income tax exemptions, Department for Promotion of Industry and Internal Trade (DPIIT) recognition and financial assistance through Startup India Seed Fund Scheme, Small Industries Development Bank of India (SIDBI) Fund of Funds scheme. The government has introduced a policy framework to improve manufacturing infrastructure and to promote entrepreneurial pursuits is projected to create positive traction for overall economic growth.

Growing Consumption and Discretionary Spend

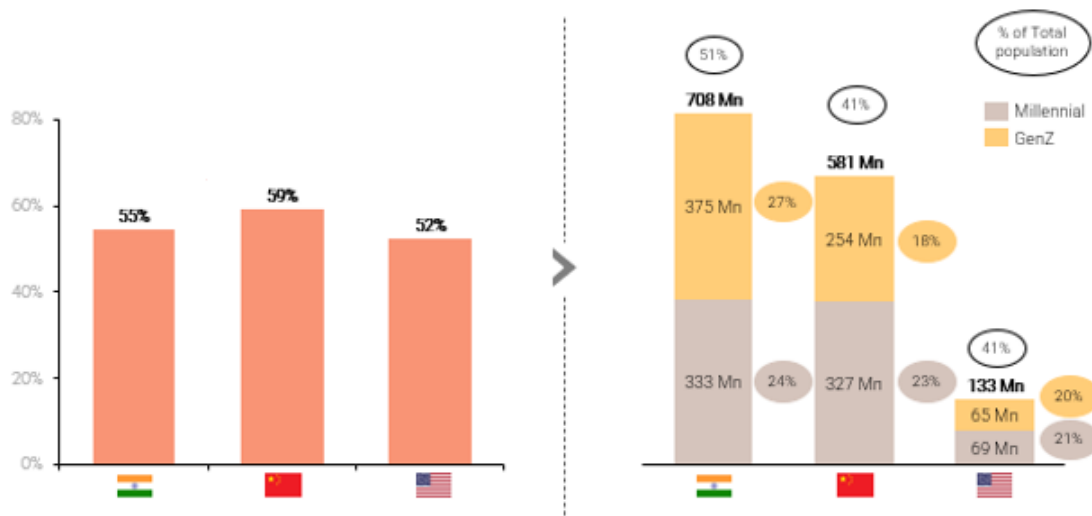
India’s promising pre-pandemic economic growth is also reflected in the rising Private Final Consumption Expenditure (“PFCE”), which grew by 11% from 2015 to 2019. Private Final Consumption in India reached approximately 59% of the GDP in 2019, which indicates that India is a domestic consumption driven economy and emphasizes on the importance of increasing consumer spending in boosting the economy. While India’s PFCE is higher than China (approximately 39%), it is lower than the UK (approximately 64%) and US (approximately 68%). While the consumption spending in India is rising, there is still room for growth.

Large Young Population

Based on the United Nations Development Program’s 2020 estimates, India’s median age is 28.4, which is significantly younger than that of China (38.7) and the US (38.3). The working population of India makes up 55% of the total population of India. India will continue to contribute to the working population globally. Moreover, India has the largest Millennial and GenZ population of approximately 708 million, which constitutes approximately 51% of India’s total population.

Fig. Working Population of India, China and the US for 2020; Total Millennial and GenZ Population for India, China and the US for 2020

(Working Population as a % of the total population) (Millions)



Notes::

1. Working population refers to age 20-59 years
2. GenZ refers to anyone between the age group of 10-24 years
3. Millennial refers to anyone between the age group of 25-39 years

Source(s): United Nations, RedSeer Analysis

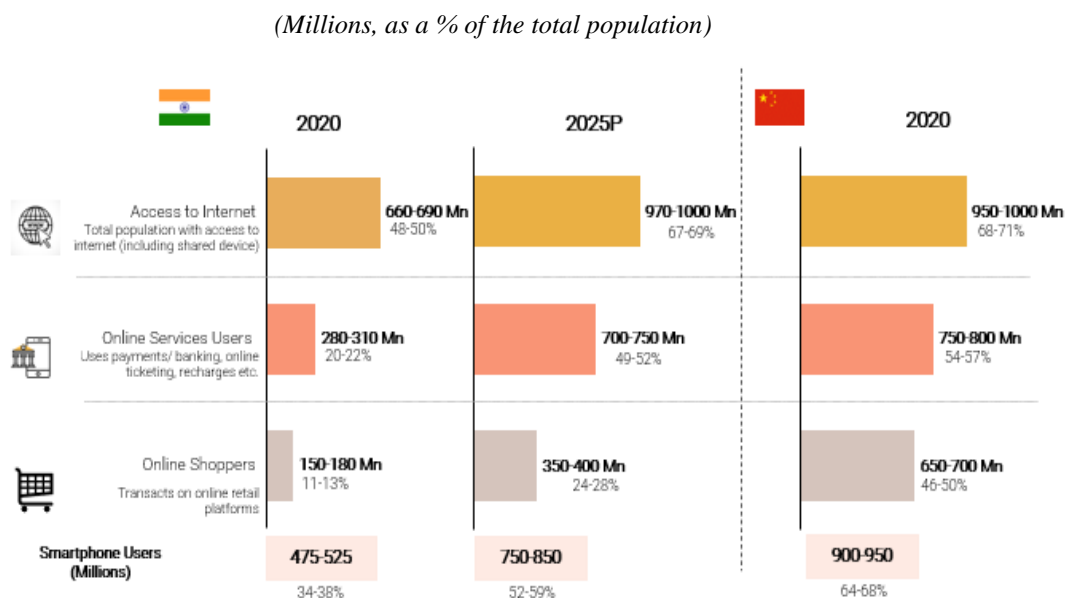
Based on the 2019 World Economic Forum report, Millennial and GenZ consumers, who were born in liberalized India, are projected to have higher income level owing to better access to education and employment opportunities. Rapid urbanization results in young urban consumers becoming a major consumption pool leading to a greater shift from the unorganized to organized channel across markets. GenZ and Millennials are also considered to be India’s biggest spenders, which is likely to continue as they enter their prime earning ages. Their way of life, such as active lifestyle, tech-savviness and late marriage, sets them apart from other age groups.

As per RedSeer Research, India was one of the largest consumers of data per day in 2020 with approximately 5 hours of daily time spent on smartphones. GenZ and Millennials account for approximately 70% of the smartphone users in India and are the most active consumers of social media content. More than 80% of the active users on social media platforms are GenZ and Millennials. GenZ and Millennials have high digital maturity, strong social circle and eagerness to follow celebrities, personalities and influencers, which were the key drivers for the high level of usage of social media apps. The interconnectedness of digital platforms like Facebook and Instagram helps them discover new businesses and brands digitally. The ‘virality’ of such brands on social media allows for a much wider reach and rapid growth owing to their digital nature.

India Digitization Trends

India will continue to grow across the digital use-case funnel, which starts with having access to the internet at basic level, followed by online service users for slightly evolved internet users and eCommerce for the most mature internet users in the funnel. This growth is projected to be driven by affordability of internet services, continuous improvement in telecommunications infrastructure, increased adoption from Tier 2+ cities, rising popularity of social media, content in local languages, competitively priced online offerings and growing trust and adoption of online payment platforms. Moreover, the internet economy was given a boost as a result of the lockdown and restriction measures from COVID-19 pandemic. Across the value chain, there has been a greater acceptance of digital transactions among consumers, suppliers and distributors for the convenience, safety and virtual connectivity brought by internet-enabled solutions. However, there is a significant room for growth in India’s digital journey driven by the interest from large corporates to democratize data and the impetus provided by the government for digital inclusion.

Fig. Online Consumer Funnel for India for 2020 and 2025P and China for 2020



Source: RedSeer Estimates

Access to Internet:

As per RedSeer Research, historically data rates in India were up to ₹245 per gigabyte (GB). As a result of the launch of Reliance Jio and steps taken by other telecom providers, data rates have been reduced to an affordable price at approximately ₹50 per GB. Thus, the number of internet users in India rose from 310-330 million in 2015 to 660-690 million in 2020. A significant part of this growth came from the rural areas – according to the Telecom Regulatory Authority in India (“TRAI”), the rural share of internet subscription rose from 33% in 2015 to 39% in 2020. Today, internet users in India consume one of the highest amounts of internet data in the world at 14.1 GB monthly (as per the TRAI report for April to June 2021).

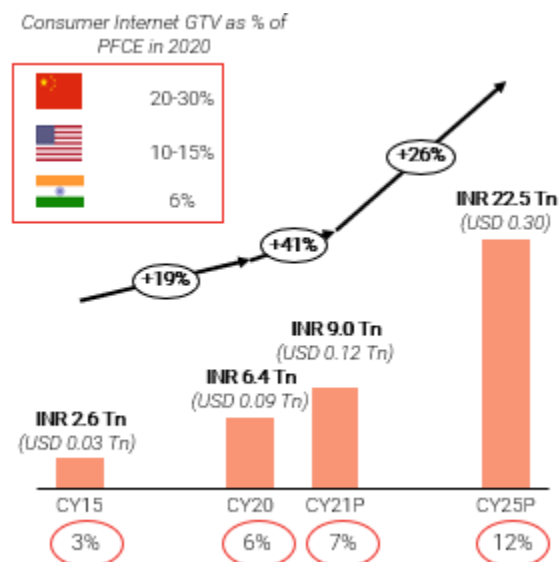
Online Shoppers:

The number of online shoppers in India increased to 150-180 million in 2020 from 120-150 million in 2019 with approximately 70% of the shoppers located in non-Metro cities. While the number of online shoppers has been on the rise over the years, lockdowns and restrictions due to COVID-19 pandemic further accelerated the growth in the number of online shoppers in India. The growth trend in online shoppers is projected to continue in the future owing to increasing consumers’ trust in online channels. Further, improved logistics infrastructure and ancillary support ecosystem of consumer credit, insurance, targeted marketing/advertisement services have widened the range for eCommerce rapidly.

India’s adoption of the digital channel is reflected in the rising digital content consumption. Indian OTT space experienced an increase by 13% in video OTT consumption in 2020, with sports streaming being the highest consumption category. Growing gross transaction value (GTV) of Indian consumer internet sector, which increased to ₹6 trillion in the year 2020 due to increasing digital maturity and acceptance. Online retail emerged as the leading consumer internet category in 2020, as it covered approximately 48% of the market. Online travel, e-Grocery and food delivery are other categories with noticeable share in the consumer internet GTV. India’s consumer internet GTV was 6% of its total PFCE in 2020, while developed economies such as China and the US have reached 20-30% and 10-15% respectively in 2020, indicating significant potential for growth in India. Going forward, the gross transaction value is projected to reach approximately ₹22.5 trillion by 2025, growing at CAGR of approximately 26% between 2021-2025. With increased awareness, adaption and acceptance among the consumers support the growth of India’s consumer internet market, which is projected to undergo rapid and consistent growth.

Fig. India Consumer Internet GTV – Overall Market

(INR Trillion, USD Trillion) (% CAGR) (as % of the total Private Final Consumption Expenditure)



Note(s):

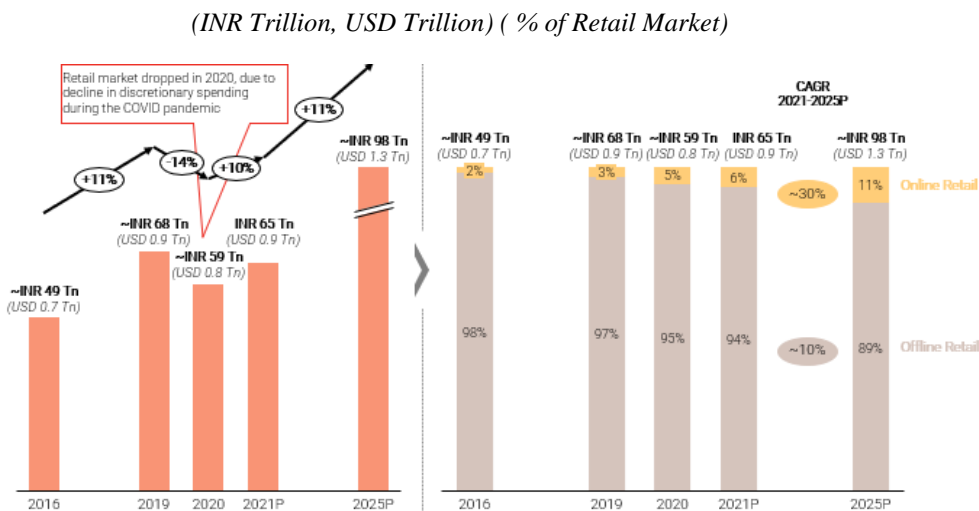
1. Consumer Internet includes online retail of mobile, electronics, fashion, grocery (e-tailing) and other sectors like Food Tech, Fintech (e.g., payments), eHealth, Bill Payments and Recharges, Stay, mobility, EdTech, Classifieds etc

Source: RedSeer Estimates

India Retail Market

India's retail market grew at a CAGR of 11% between 2016-2019 to approximately ₹68 trillion in 2019. The increase in consumption and income level, growth of emerging households and increasing demand from Tier 2+ markets led to the soaring growth of the retail market. However, the market was significantly impacted due to COVID-19 pandemic. The first wave of COVID-19 pandemic disrupted supply chains and affected demand, especially for non-essential and discretionary products and services. Owing to the effects of the pandemic, the market declined by 14% in 2020 to approximately ₹59 trillion. The impact of the second and subsequent COVID-19 waves on the retail market has been and is projected to continue to be relatively low owing to the better preparedness of administration, businesses, and consumers. As India adapts to the new normal by rolling out vaccinations and precautionary procedures, the retail market is projected to bounce back with a growth rate of 11% to approximately ₹98 trillion by 2025.

Fig. Overall Retail Industry in India for 2016, 2019-2021P, and 2025P; Split of Online and Offline Retail in India for 2016, 2019-2021P, and 2025P

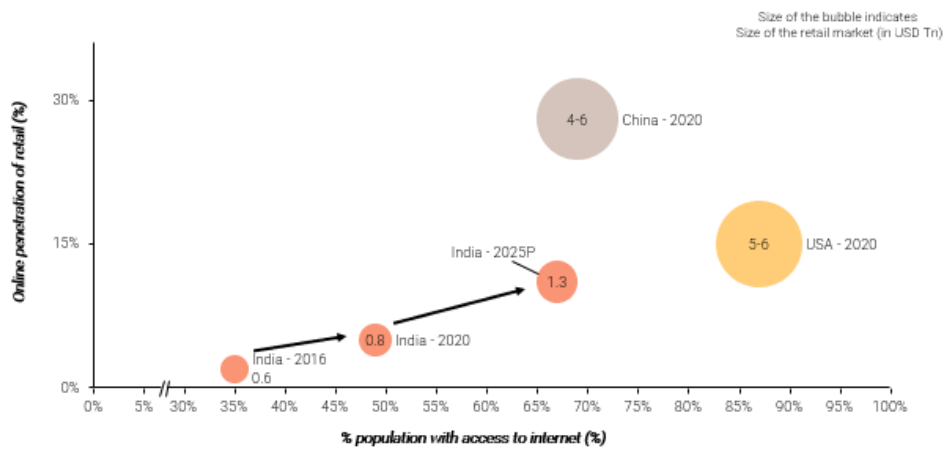


Source(s): RedSeer Research, RedSeer Analysis

The COVID-19 pandemic impacted consumer behavior across industries as lockdowns and health risks hindered mobility, disrupted supply chains and necessitated a shift towards online. As a result, the online retail penetration in India jumped from 3% in 2019 to 6% in 2021. However, as consumers realized the value and convenience offered by online channels, the shift in demand has become apparent. The online channels developed during the pandemic are expected to last, as digital-first and omni-channel approaches drive growth across markets. Despite rapid growth, there is room for growth ahead, when compared to the higher penetration of online retail in developed markets such as China (25-30%) and the US (12-17%). Further, greater internet penetration and digital literacy help support the growth of online retail penetration in India, which is projected to reach approximately 11% by 2025. This will reflect a total online market size of approximately ₹10.5 trillion and a growth of approximately 30% CAGR.

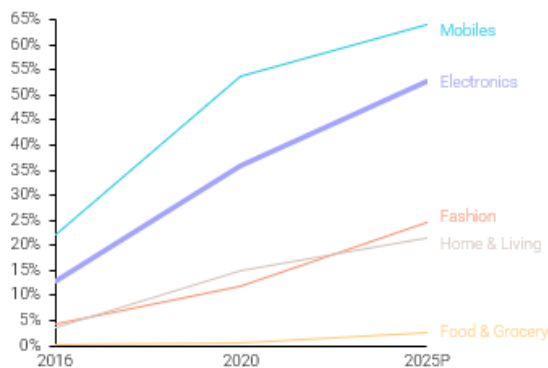
Fig. Internet Penetration vs Online Penetration in Retail for India (2016, 2020, 2025P), China and US for 2020

(Online Retail as a % of Retail Market, Access to Internet as a % of Population) (USD Trillion)



Source(s): RedSeer IP, RedSeer Analysis

Fig. Online Penetration across Retail Categories for 2016, 2020, 2025P
(% penetration)



Source(s): RedSeer Research, RedSeer Analysis

Notes:

1. Fashion refers to apparel, footwear, accessories including watches, jewellery, luggage.
2. Food & Grocery refers to beverages, staples, packaged foods, meat & fish, fresh groceries, RTC/RTE.
3. Mobiles refers to smartphones, tablets and feature phones.
4. Home & Living refers to decor, furnishings, kitchenware, furniture and home improvement.
5. Electronics refer to large appliances (tv, refrigerators, dishwashers etc.), electronic devices (laptops, cameras, entertainment appliances, consumer devices (hearables, wearables, mobile accessories, gaming accessories, home audio, personal care appliances).
6. Others include FMCG (baby care, office supplies, stationery), auto (batteries, tires, bike and car accessories), books, music instruments and toys.

Digital-First Brands

Digital-first brands are brands with >60% of gross sales value coming from online channels. With the rising numbers of digitally savvy urban consumers with high disposable income, demand for digital-first brands, that

offer carefully curated experiences/products has also grown. Digital-first brands have grown faster than the online retail market. Their share of the online retail market has grown from approximately 25% in 2018 to 32% in 2020, led by a sizable market of mature, urban and high-income users in India, better infrastructural support for e-commerce, the ability for such brands to have wider reach/accessibility, their agility and rapid pace of innovation, wider product offerings and effective digital marketing strategies.

While online penetration varies across categories such as electronics, including mobile phones has the highest level of penetration of 40-50% of the online GMV in digital-first brands. Beauty and personal care was a close second in terms of penetration of online GMV with 35-40% penetration while food, grocery and apparel were seen as emerging online categories with relatively low but fast growing digital-first penetration. Going forward, electronics is projected to experience greater penetration of digital-first brands as home-grown brands are best positioned to gain greater market share.

Digital-first brands are projected to continue with their market growth trajectory and attain approximately 43% share of the online retail market by 2025. Such projected growth is driven by the following factors:

Reach and Accessibility

Although there is significant room for growth, India's eCommerce ecosystem has developed over the previous years with increasing digital penetration and acceptance among consumers. Through the massive fulfilment reach of eCommerce marketplaces, digital-first brands have access to a wide distribution network, which allows the brands to instantly cater to over 90% pin codes in the country. Digital-first brands also benefit from the developments in the ecosystem and are supported by improvements in the enabling infrastructure. Over the years, ancillary segments such as fin-tech and logistics have progressed into making payments frictionless and logistics efficient. Critically, digital-first brands are able to more rapidly build reach without the cumbersome and expensive need to build offline physical infrastructure, which enables a typically faster growth profile as opposed to the offline-first companies.

Agility and rapid pace of innovation enabling maintenance of a compelling value proposition

Digital-first brands are better positioned to track customer journey and transactional behavior than offline-first legacy brands. Moreover, such brands are able to engage the customers post purchase through quicker feedback in the form of ratings, reviews etc. This allows digital-first brands to better understand consumer behavior and derive sharp insights which help them better predict and understand shifts in preferences for their products. These predictions further lead to agility in innovations, which help digital-first brands respond to customer feedback much faster. The rapid prototyping of products and agility in response to shifts in consumer behavior being based on data backed architecture allows digital-first brands to identify and address white spaces in the market.

Width of Offerings

Digital first brands are able to launch new products and stock keeping units (SKUs) at significantly lower costs than traditional legacy brands. The latter use an offline-first approach for retail requiring the newly launched products to reach multiple geographies within limited time for display in offline stores. These inventory and logistics costs are saved when digital-first brands launch their products online through D2C and eCommerce channels. As a result, they offer a wide assortment as well as build depth across several sub-categories addressing various nuanced consumer niches and addresses specific use cases, which in turn expands the market from a consumer perspective.

Consumer Understanding

Digital-first brands are built to understand consumer behavior and garner relevant category insights and are hence able to develop product offerings based on feedback and insights received from customers and channel partners on a real-time basis. They benefit from this ear-to-ground approach as they are able to identify demand trends, product gaps in their offerings, as well as potential improvements to their existing products.

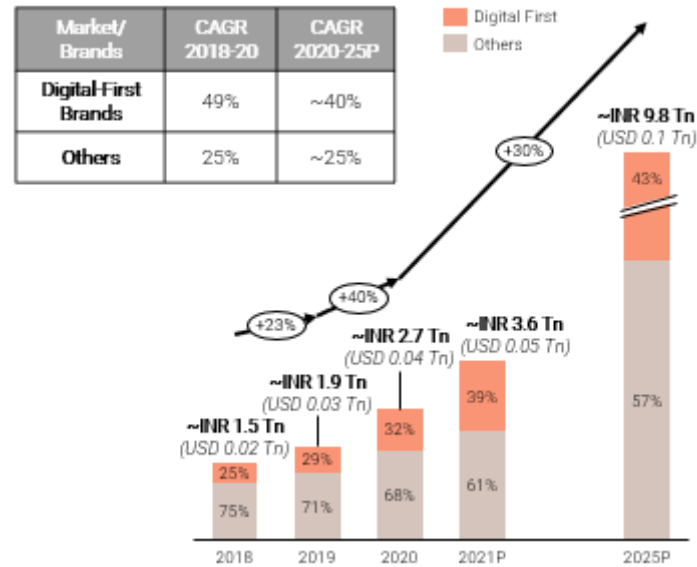
Sustained hyper-growth and Scalability attracting Inflow of Investments

With the ability to launch and sell products at significantly lower costs through online channels, digital-first brands can scale at a much faster pace than legacy brands, which incur significant costs in setting up offline retail stores/establish strong distributor-retailer network. Moreover, owing to the wide reach offered by eCommerce marketplaces, digital-first brands get immediate access to national markets. New-age third-party logistics

companies also enable these brands to develop hassle-free sourcing/delivery routes. Owing to this hyper-growth and scalability allowed by the nature of their operations, digital-first brands attract significant investor attention.

Fig. Online Retail in India Split by Brand Type for 2018-2021P and 2025P

(INR Trillion, USD Trillion %)

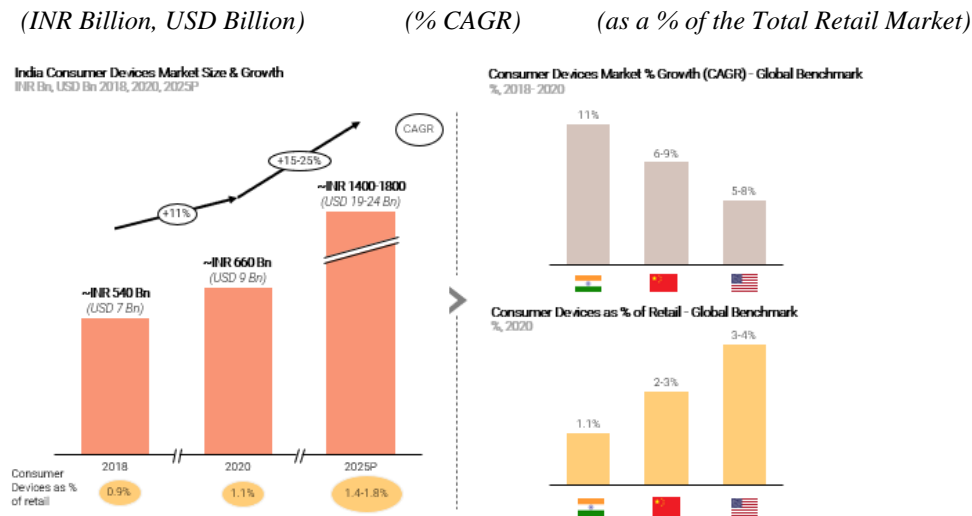


Source(s): RedSeer Research, RedSeer Analysis

Consumer Devices Market

For the purpose of this report, the Consumer Devices market in India has been divided into Hearables, Wearables, Home Audio, Gaming Accessories, Personal Care Appliances and Mobile Accessories categories (and does not include mobiles, large appliances (air conditioners, washing machines, microwaves, refrigerators, televisions, geysers, water purifiers) and laptops, cameras.) The consumer devices market in India grew at a CAGR of 11% between 2018-2020 to reach approximately ₹660 billion (approximately USD 9 billion). The robust growth in the past 2-3 years has been much higher than the growth observed in China (6-9%) and US (5-8%) markets. Despite the same, the Indian Consumer Devices market, has only reached 1.1% of overall retail, which is much lower than the share of retail in more developed economies like China, 2-3% (USD 80-130 billion), and US, 3-4% (USD 150-200 billion).

Fig. India Consumer Devices Market for 2018, 2020, 2025P (LHS); Growth of Consumer Devices Market between 2018-2020 for India, China and the US (Top Right); Consumer Devices Market as a % of total Retail Market for India, China and the US in 2020 (Bottom Right)



Source(s): RedSeer Research, RedSeer Analysis

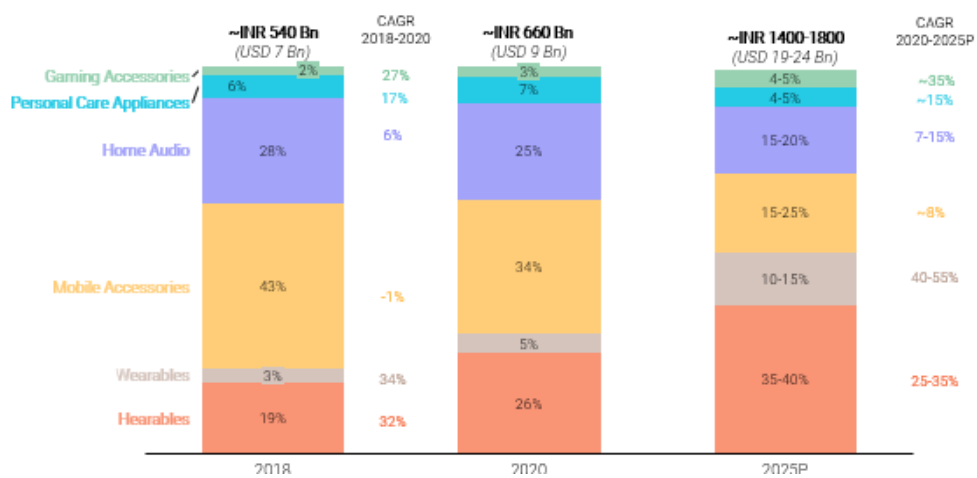
Impact of COVID-19 on the Market

The demand for non-essential retail categories fell during the first wave of COVID-19 in 2020, as both the supply and demand of most consumer goods were adversely affected. Even after the commencement of the lockdown re-opening phase, consumers were apprehensive about stepping out of their homes and going out for shopping. The impact during the second wave in 2021 was relatively limited due to the localized nature of the lockdown and little disruption on the supply side. Certain consumer devices categories, however, saw a rise in demand as consumers stayed at home during the lockdowns resulting in a significant rise in consumption of online media and general online activities. In addition, there was an increase in demand for wearables, particularly amongst the youth, owing to the rising health-consciousness – a trend which is increasingly being adopted as a lifestyle change. There was also an increase in demand for hearables during this period driven by increased usage of earphones due to the work from home arrangement, the tremendous rise in consumption of OTT content on mobile devices and the increased time spent on online classes. With various emerging use cases, such as work, study, music, video, sports, gaming and travel, consumers are increasingly owning multiple pairs of hearables devices with specialized functions. Fast-paced innovation and improvement in technology and product designs lead to shorter replacement cycles for hearables. Similarly, there was an increase in demand for gaming accessories as consumers staying at home resorted to playing games to keep themselves engaged. Such increase in the number of amateur gamers is projected to support the increase in demand within the gaming accessories market. Thus, these changes in consumption and demand patterns, although initially accelerated due to COVID-19 pandemic, are projected to have lasting impacts. Moreover, as the pandemic recedes, the discretionary spending in general is likely to recover and grow at a faster pace than the overall retail in the coming years, driven by the rising disposable income of Indian consumers.

Hearables and wearables have been the fastest growing segments in the consumer devices market growing at a CAGR of 32% and 34% respectively from 2018 to 2020. Due to improved access to technology, increasing reliance on local markets, development of India's manufacturing and tech-based abilities and the consequent fall in logistics costs, the consumer devices market is projected to grow at 15-25% CAGR to reach ₹1,400-1,800 billion (USD 19-24 billion) by 2025. At this level, consumer devices will represent 1.4-1.8% of India's retail market.

Fig. India Consumer Devices Market split by Categories for 2018, 2020, 2025P

(INR Billion, USD Billion)



Source(s): RedSeer Research, RedSeer Analysis

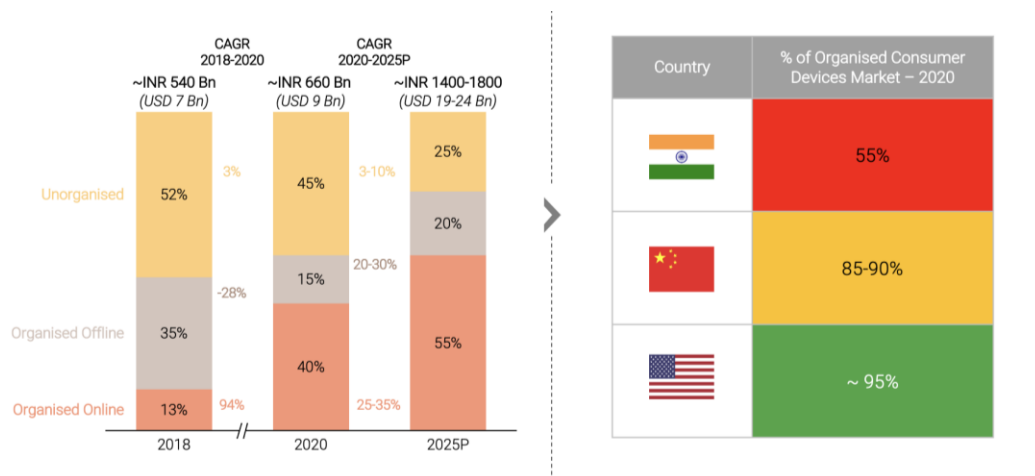
Channel Dynamics

The organized retail channel drove approximately 55% of the consumer devices market as of 2020. The share of organized segment in India is much lower than that in China and US, where it stands at 85-90% and approximately 95% respectively. In-line with this trend in the developed markets, the share of the organized segment has been rapidly increasing over the past years and is projected to continue increasing in the future with the rising demand for sophisticated retail experience across the country.

Online retail channel has been the fastest growing retail channel with an accelerated growth owing to the shift in retail market due to COVID-19. The retail market has undergone digital adoption to a certain extent which is projected to sustain and grow in the future as both consumers and sellers recognize the benefits of online retail channel.

Fig. India Consumer Devices Market divided by Organized Online, Organized Offline and Unorganized segments for 2018, 2020 and 2025P

(INR Billion, USD Billion)

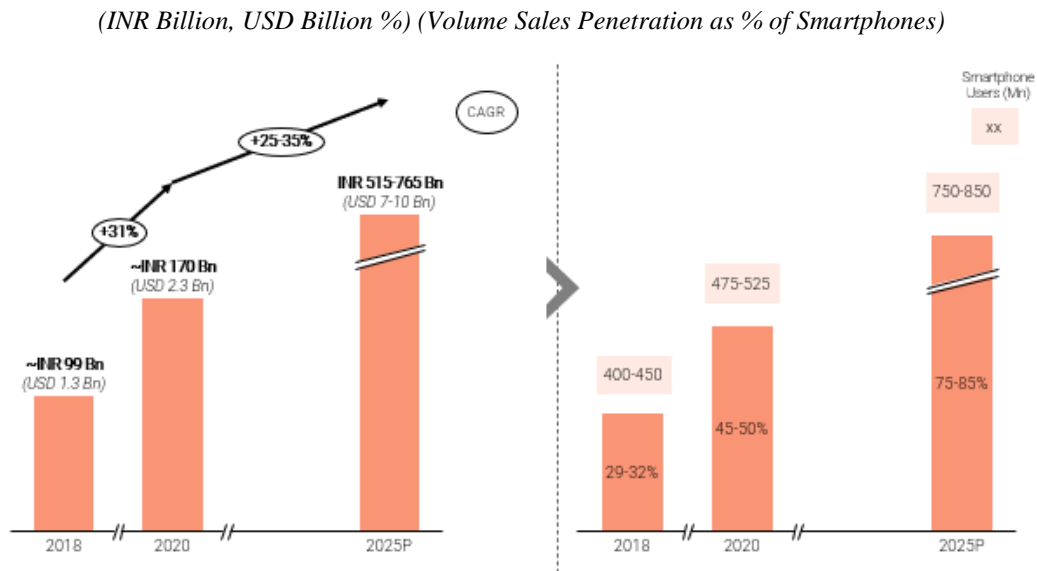


Source(s): RedSeer Research, RedSeer Analysis

India Hearables Market

The hearables market comprises wired earphones and headphones, wireless earphones and headphones and truly wireless earphones. It has grown from approximately ₹99 billion (approximately USD 1.3 billion) in 2018 to approximately ₹170 billion (approximately USD 2.3 billion) in 2020, at a CAGR of approximately 31%. However, when compared to the US (USD 16-19 billion) and South East Asia region (SEA) (USD 3-5 billion), it shows significant room for growth.

Fig. Total Market Size of Hearables in India for 2018, 2020 and 2025P; Volume Sales Penetration for Hearables in India as a Percentage of Smartphones for 2018, 2020 and 2025P

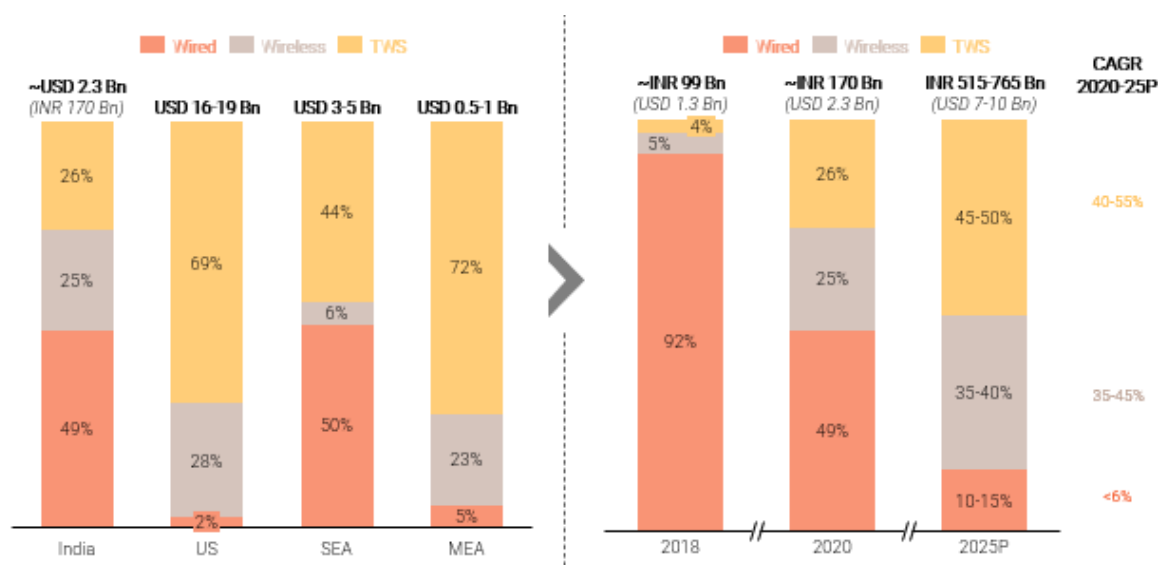


Source(s): RedSeer Research, RedSeer Analysis

The wired earphones in US, Europe, the Middle East and Africa (EMEA) make up 2-5% of the total hearables market by value whereas the wired headphones in India and SEA make up 49% and 50% of the total hearables market by value respectively. Wired earphones are accessible for a large share of the population as they are sold at the lowest price point as compared to other items in the hearables category. Modern day hearables such as wireless and truly wireless earphones dominate the hearables market in geographies such as the US and EMEA. This indicates the potential of the Indian hearables market and room for further growth. As a result of technological improvement, new and advanced products are manufactured with higher consistency and quality with affordable price range.

Fig. Total Market Size of Hearables and Category Mix in India, US, SEA, and EMEA for 2020 (LHS); Hearables Category Mix in India for 2018, 2020 and 2025P (RHS)

(USD Billion, % (LHS); INR Billion, USD Billion, %(RHS))



Source(s): RedSeer Research, RedSeer Analysis

Hearables are expected to grow at a 25-35% CAGR in the next 5 years and is projected to reach ₹515-765 billion (USD 7-10 billion) by 2025. Growth in this market is expected to be driven by multiple factors explained below.

Growth Drivers for Hearables

Technological Improvements

With improved and accessible technology, wireless, and truly wireless earphones are being manufactured at a larger scale with more affordable branded and unbranded product lines that may cater to the needs of a larger section of the population in India.

Multiple Use-Cases

There are multiple use cases for hearables, which lead consumers to own multiple pairs of headphones/earphones for specific purposes. This is particularly applicable to Gen-Z and Millennials who are evolved users and hence own different set of devices for gaming, travel, calling and other purposes. This is also leading to shorter replacement cycles for hearables as consumers diversify their use-cases and brands deliver with innovative products in a fast-paced market.

Unbundling of Earphones and Smartphones

Over the past few years, most national and international smartphone companies have stopped providing wired earphones in their phone boxes. This unbundling has led to consumers buying hearable products separately - which created significant opportunities for players in the hearables market to innovate beyond the simplistic wired earphones provided by the smartphone companies, and offer a wide range of wired, wireless and truly wireless earphones and headphones.

Greater Adoption of Advanced Hearables

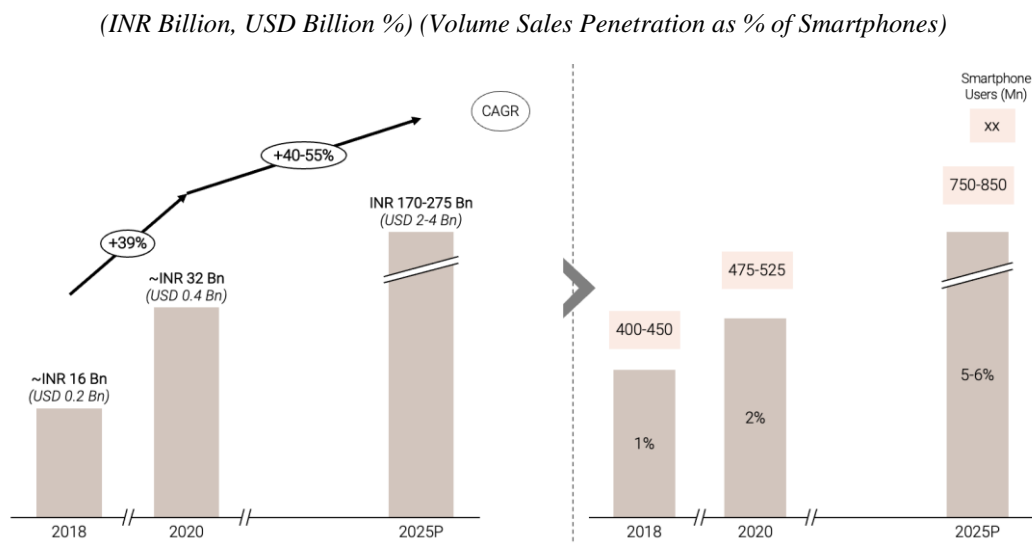
The share of wired earphones, by value, in the overall hearables market in India decreased from 92% in 2018 to approximately 49% in 2020 and, is projected to decrease further to 10-15% by 2025. Apart from the unbundling of wired earphones with smartphones, the removal of the 3.5 mm jack from phones is a significant factor contributing to the decrease. Smartphones have increasingly moved towards USB C-type ports resulting in wired headphones with 3.5 mm jacks incompatible with new smartphones. This decrease has contributed to a shift to truly wireless and wireless, which has grown from approximately 4% and approximately 5% of the market in

2018 to approximately 26% and approximately 25% in 2020 respectively. Although wired earphones remains the entry product for most users of this category, improved product features from branded players provide users with an option to adopt branded wired earphones and later upgrade to advanced wireless and truly wireless categories. Going forward, truly wireless is projected to capture 45-50% of the hearables market by 2025, growing at a CAGR of 40-55% while wireless is projected to capture 35-40%, at a CAGR of 35-45%.

Indian Wearables Market

The wearables market comprises of activity bands and smartwatches. It has grown from approximately ₹16 billion (approximately USD 0.2 billion) in 2018 to approximately ₹32 billion (approximately USD 0.4 Billion) in 2020, at a CAGR of approximately 39%. The US (USD 12-15 Billion) and SEA (USD 1-3 Billion), have relatively more evolved markets. The sales volume penetration of wearables in India was approximately 2% indicating massive headroom for growth in the future.

Fig. Total Market Size of Wearables in India for 2018, 2020 and 2025P; Volume Sales Penetration for Wearables in India as a Percentage of Smartphones for 2018, 2020 and 2025P

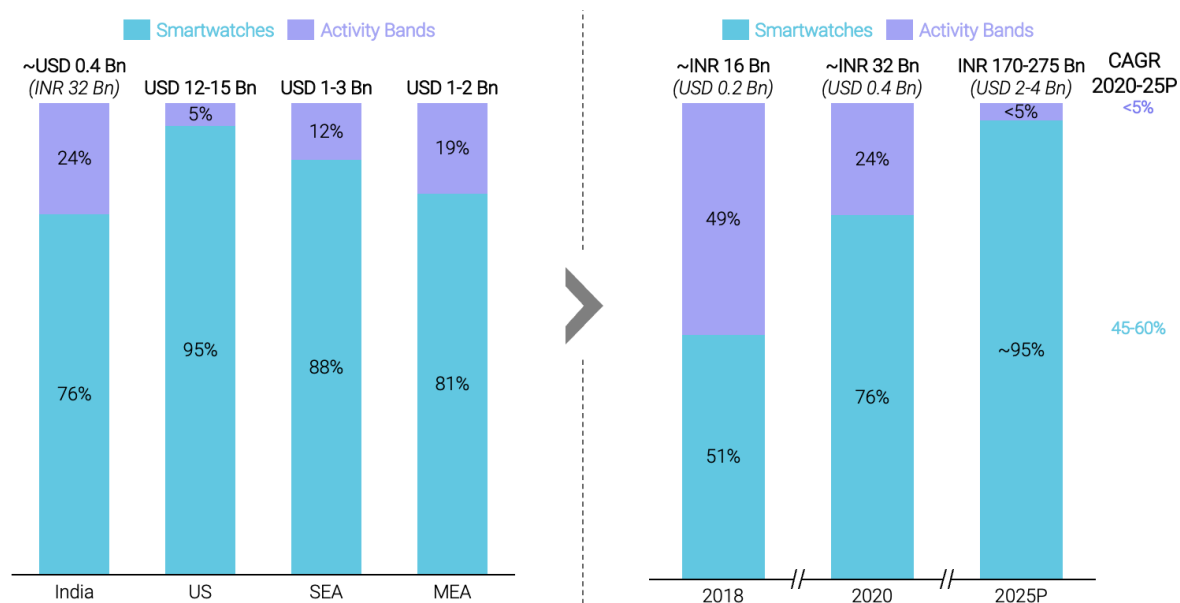


Source(s): RedSeer Research, RedSeer Analysis

Smartwatches constitute around 76% of the Indian wearables market, while in other geographies they constitute much larger shares (approximately 95% in the US and approximately 81% in the MEA region). Activity bands still hold a 24% share in India although users are increasing transitioning towards advanced smartwatches. This would further be boosted as technological improvements in the wearables market reduce costs and prices causing the market to shift towards advanced product categories, offering better quality and consistency. In addition to the positive implication on category growth, these shifts are also likely to make these categories inherently more attractive from a brand perspective as they will increase the barriers to entry and make product differentiation clearer as products move up the technical ladder, hence benefitting the established category players with strong brands and leading market positions.

Fig. Total Market Size of Wearables and Category Mix in India, US, SEA, and MEA for 2020 (LHS); Wearables Category Mix in India for 2018, 2020 and 2025P (RHS)

(INR Billion, USD Billion, % (LHS); INR Billion, USD Billion, %;(RHS))



Source(s): RedSeer Research, RedSeer Analysis

The wearables market in India is projected to grow at a high CAGR of 40-55% in the next 5 years and reach a size of ₹170-275 billion (USD 2-4 billion) by 2025. Growth in this market is expected to be driven by multiple factors explained below.

Growth Drivers for Wearables

Greater Adoption of Advanced Wearables

The initial adoption of wearables in India was led by activity bands across geographies. These simple wearables which primarily gained traction as a way of keeping track of one's fitness along with limited added functionality, have served as a segue to more complex smartwatches with many functionalities beyond fitness tracking. Increasing penetration of bundled features like heart rate monitoring, SpO2 tracker and activity tracker etc. along with competitive prices, is driving growth in the smartwatches segment. India is seeing this transition from activity bands to smartwatches. While the activity bands covered approximately 49% of the wearables market in 2018, their contribution came down to 24% in 2020. The smartwatches segment, on the other hand, grew from 51% of the wearables market in 2018 to 76% in 2020, and is expected to continue growing to reach approximately 95% of the market by 2025.

Increased Focus on Health and Fitness

With chronic lifestyle diseases on the rise, consumers are getting increasingly conscious of their ways of living. The younger population started adopting a healthy lifestyle. Eating right and exercising regularly has therefore increasingly emerged as a popular lifestyle trend. Wearable devices that help track activities, monitoring sleep patterns and health indicators and calories burn. are therefore gaining popularity with consumers with active lifestyle to keep them healthy and fit.

Key Trends in the Hearables and Wearables market

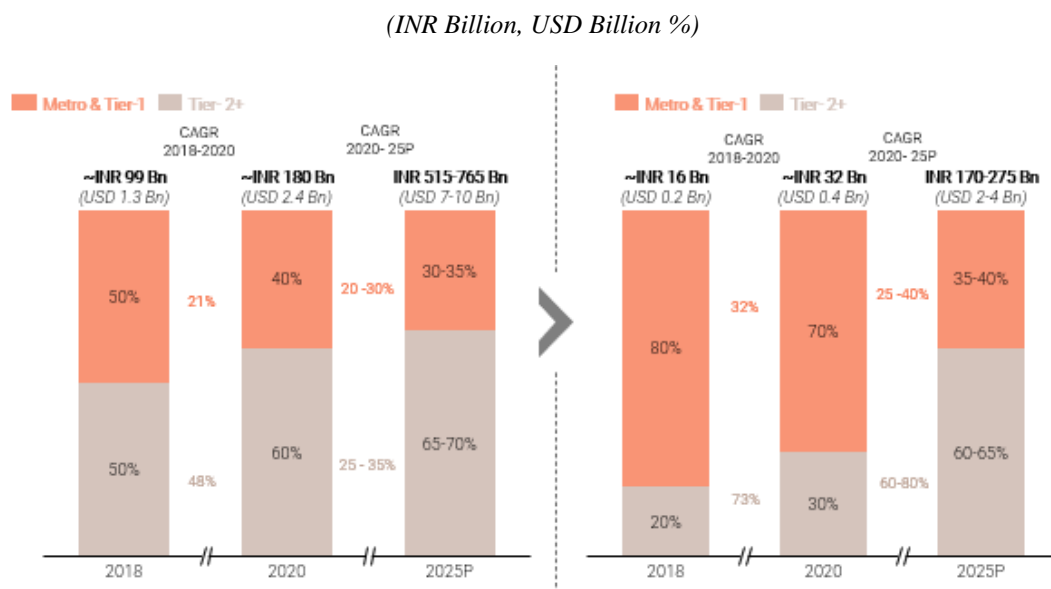
The hearables & wearables market in India is governed by several trends discussed below:

Rising Tier-2+ Market

Metro and Tier 1 cities have been the predominant locations for sales of hearables and wearables in India, given the high paying capacity, brand awareness and lifestyle focus of consumers residing in these cities. Tier 2+

consumers are gradually becoming updated with the latest metro trends and aspire to follow these trends. Moreover, online retail channels provide consumers in Tier 2+ cities a convenient & affordable platform to access the high quality products. As a result, hearables and wearables are growing faster in Tier 2+ cities alongside other categories in online retail such as fashion, mobile phones and consumer durables. The contribution to the hearables market coming from Tier-2+ cities has increased from 50% in 2018 to 60% in 2020. The contribution of Tier 2+ cities in the wearables market has grown from 20% in 2018 to 30% in 2020. This trend is projected to continue in Tier-2+ cities contributing 65-70% of the hearables market and 60-65% of the wearables market by 2025.

Fig. Hearables Market (LHS) & Wearables Market (RHS) Split by City-Tier in India for 2018, 2020 and 2025P

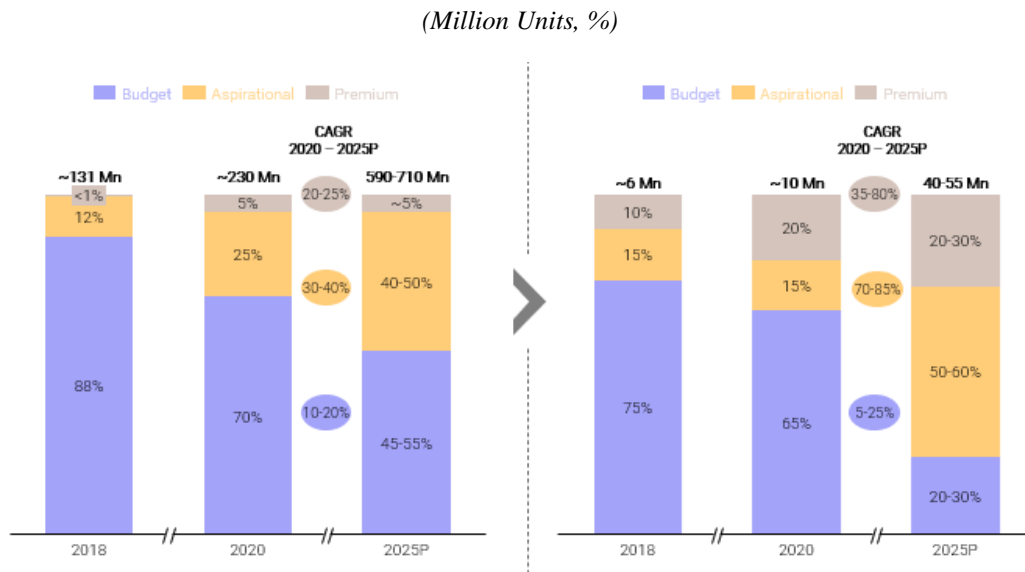


Source(s): RedSeer Research, RedSeer Analysis

Growing Aspirational Segment

The growing per capita income has given rise to a large aspirational middle class in India. This population segment has become highly aware of the global trends through social media and aspires to adopt new age branded products such as truly wireless earphones and smartwatches. Increasingly, a greater share of the middle class is coming online fueled by cheap data rates and accessibility to smartphones, further enhancing their exposure to these products & their use cases. Moreover, several brands have entered the aspirational price segment (from ₹1,000 to ₹5,000 for Hearables and ₹2,000 to ₹8,000 for Wearables) and have made technologically advanced premium hearables & wearables products affordable for the middle-class segment. As a result, the aspirational segment grew from 12% and 15% of the hearables and wearables markets respectively in 2018 to 25% and 15% in 2020, by volume. The segment is projected to grow at CAGRs of 30-40% and 70-85% in the hearables and wearables markets respectively, to reach 40-50% market share in hearables and, 50-60% share in the wearables market.

Fig. Hearables Market (LHS) & Wearables Market (RHS) Split by Price Point in India for 2018, 2020 and 2025P



Note(s):

Wearables: Budget - < INR 2000, Aspirational - INR 2000-INR 8000, Premium - > INR 8000

Hearables: Budget - < INR 1000, Aspirational; - INR1000 - INR 5000, Premium - > INR 5000

Source(s): RedSeer Research, RedSeer Analysis

High Repurchase Frequency

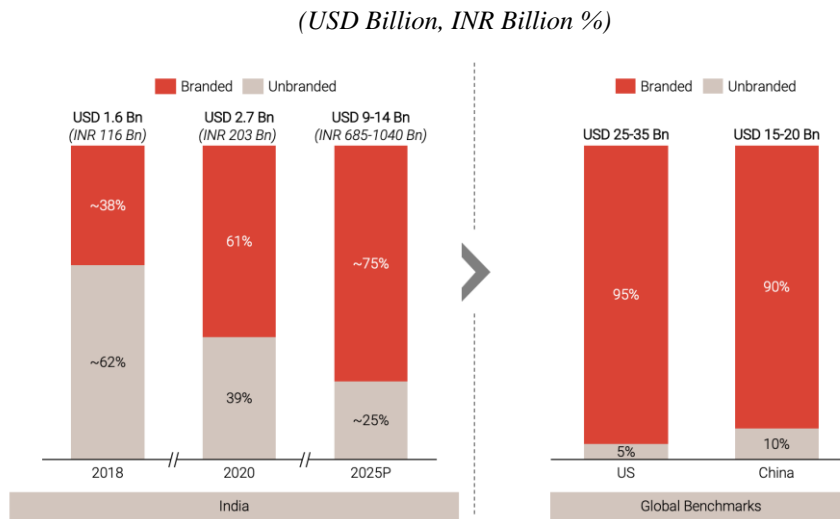
Most online shoppers are likely to repurchase hearables and wearables within one to two years. This high repurchase frequency, is a key growth driver of the hearables & wearables market in India, indicating that the growth in future will be led by not just the new smartphone users, but also the existing smartphone users, who are likely to repurchase these products. Expansion of use-cases has been the key driver of high repurchase frequency of these products. Similarly, wearables were used for keeping track of health & fitness, time and mobile notifications / updates. In addition, technological advancements in these products (such as new generation of smartwatches, truly wireless earphones with a larger batter life and better sound quality etc.), also influence consumers' decision to make repeat purchases.

Shift from Unbranded to Branded Products

India's hearables' market has historically been dominated by the unbranded segment. However, in the last couple of years, there has been a significant shift towards branded hearables products, led by the growing brand affinity among consumers. Brand reputation has become one of the top decision-making criteria for users purchasing hearables and wearables. As a result, contribution of the unbranded market segment, which was approximately 84% by volume (approximately 71% by value) in the hearables market in 2018 has decreased to 71% in 2020 (45% by value), leading to an increase in the share of branded segment.

On the other hand, the wearables market, which sees relatively higher branded segment contribution, saw the unbranded segment decrease further from 37% by volume (10% by value) in 2018 to 30% by volume in 2020 (6% by value). Despite the shift, the branded share of the overall hearables and wearables market in India is considerably low when compared to the countries like the US (95% by volume and by value) and China (80% by volume and 90% by value), indicating a large headroom for growth of branded segment in India.

Fig. Global Benchmarks on Hearables & Wearables Market Value Split by Branded and Unbranded in US and China for 2020; Hearables & Wearables Market Split by Branded and Unbranded in India for 2018, 2020 and 2025P



Source(s): RedSeer Research, RedSeer Analysis

The shift towards branded products is driven by several factors. When wireless, truly wireless, and smartwatches were first launched by brands, their prices were high due to technological complexity and the lack of suppliers. Over time, however, technological know-how increased, and more global and Indian brands gained manufacturing capabilities and/or access to these technologies, driving down prices and making products affordable for a much larger section of the society. Apart from social media, word of mouth and eCommerce marketplaces have been playing a big role in discovering affordable branded products. Disposable incomes are also rising which means that more and more of the population can aspire and make the shift to branded products. As a result of the above factors, the contribution of branded hearables and wearables is projected to reach approximately 40% by volume and approximately 75% by value in 2025.

Shift towards Indian brands

Within the branded segment, the hearables & wearables market is shifting from global brands to Indian brands. Historically, as sales of relatively newer technologies like TWS and smartwatches was lower and dominated by a handful of brands, replicability was challenging due to technical complexities. Over the past years, however, Indian brands have been able to capture significant market share by offering hearables and wearables fine-tuned to the tastes and preferences of Indian consumers, effectively positioned for and craftily marketed towards the Indian audience, and at price points much lower than the global counterparts.

Indian brands have also remained competitive because of the price points at which they operate when compared to global brands.

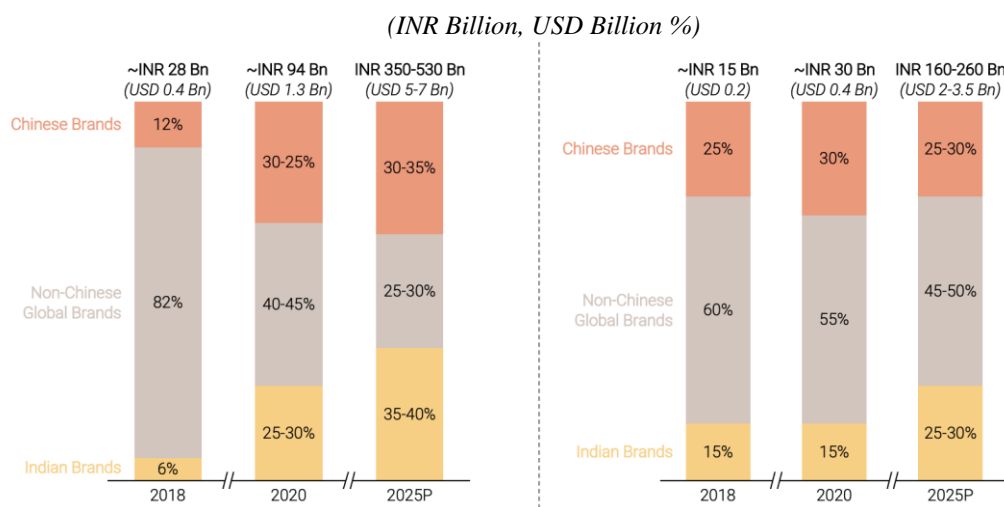
All of these factors have led to a significant erosion in the market share of global brands in the branded hearables and wearables market volume. The same has gone down from an 70% in 2018 to 20-30% in 2020 for hearables, while for wearables it has been in the 10%-12% range. The share of global brands is projected to continue declining in the case of hearables and reach approximately 20% in 2025 for hearables and remain rangebound when it comes to wearables.

Over the past years, Indian brands would further benefit from shift towards local manufacturing, supported by Make in India Project and 'Production Linked Incentive Scheme' that would allow for viable local manufacturing option to minimize the risk of supply chain disruption, reduce logistics cost by bringing manufacturing closer to point of use, and create economies of scale which would further reduce cost. With greater understanding of the market and consumer, home-grown brands are better positioned to brand themselves well. With a strong 'vocal-for-local' trend among the Indian consumers, the market dynamics favor local brands. Their volume share is only projected to grow to a strong 45-50% of the market by 2025 for hearables and 40-45% of the market for wearables,

owing to the agility of Indian brands in catching on to the sentiments and expectations of the Indian consumers when it comes to hearables and wearables.

By value, both the hearables and the wearables market have historically been dominated by the global players, considering the high prices at which they are sold vis-à-vis Indian and Chinese players. In 2018, global brands had a market share of more than 80% in the hearables market and approximately 60% in the wearables market. However, with the advent of Indian players with strong locally-curated products, home grown brands positioned towards the Indian audience, subsequent decline in prices and the market becoming more competitive, in 2020, global brands lost significant market share to Indian and Chinese brands (Global brands accounted for 40-45% of the hearables market and 55% of the wearables market, in 2020). By 2025, Indian brands are projected to drive 35-40% of the hearables market and 25-30% of the wearables market, by value.

Fig. Branded Market of Hearables (LHS) & Wearables Split (RHS) by Brand Origin and their Average Selling Price in India for 2018, 2020 and 2025P – by Value



Source(s): RedSeer Research, RedSeer Analysis

Note: Chinese Brands – Include brands that have originated in China

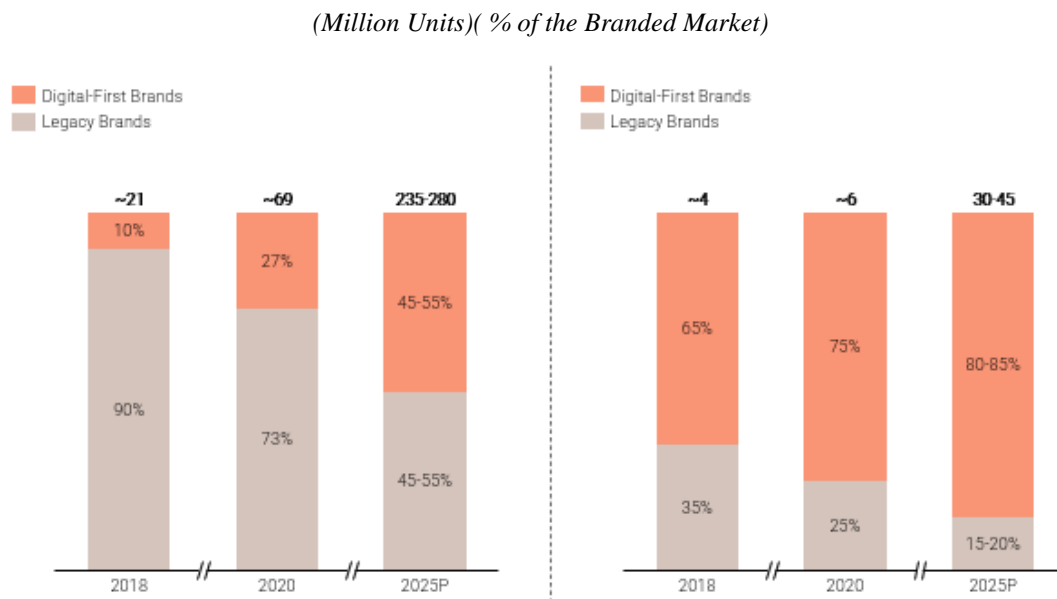
Non-Chinese Global Brands – Includes global brands that have not originated in China

Indian Brands – Includes Brands that have originated in India

The Rise of Digital-first Brands

Digital-first brands have been gaining traction in the hearables & wearables markets and as of 2020, they comprise of approximately 27% of the hearables market and approximately 75% of the wearables market, by volume. As opposed to legacy brands which are sold via established offline retail channels, digital-first brands have limited access to traditional retail. However, the latter are tech-driven brands which have greater access to and reliance on data and analytics. Owing to their agility in customer interaction and engagement, pre and post purchase, digital-first brands are typically the first to introduce new products and innovations to the market. Thus, over the coming years, legacy brands are projected to relinquish greater market share to digital-first brands, which would grow strongly owing to the growth in the online segment of the market and increase in consumer trust towards the digital channel. By 2025, digital first brands are projected to hold 45-55% and 80-85% share in the Indian Hearables and wearables markets respectively, by volume.

Fig. India Hearables Market (LHS) and Wearables Market (RHS) split by Brand Type for 2018, 2020 and 2025P



Source(s): RedSeer Research, RedSeer Analysis

Digital-first brands can leverage eCommerce marketplaces better, which helps them in improving brand visibility and sales. Their mode of operation and marketing allows them to interact directly with the customers and receive feedback while, making them more agile in responding to customer needs and feedback. Over the years, tracking consumer behavior, preferences, journey, and experience has helped digital-first brands predict their users' preference accurately. Consequentially, digital-first brands are equipped with rapid prototyping and fast-paced innovation allowing them to respond to the whitespaces in the market quicker and better.

Social media has emerged as an important tool not only for marketing and promotions, but also to connect with the consumers. Digital-first brands look to build a community of users, in order to offer an experience and not just a product to their customers. The tech-savvy younger population cohorts are the primary target customers for digital-first brands and connecting with them requires a strong presence across various social media platforms. As opposed to legacy brands who spend a significant amount of their marketing budget on offline marketing, Digital-first brands allocate fewer resources to offline marketing. However, online-first marketing approach allows these brands to engage customers in two-way communication.

GenZ and Millennials are also key influencers of family decisions, especially when it comes to older users. Thus, connecting with younger cohorts becomes critical for brands since they act as influencers for the purchase decisions made by other consumers. Social media helps digital-first brands to build trust and increase visibility among their target users, at a relatively low marketing spend.

With their 'online-first' focus, digital-first brands are able to prioritize new releases and greater SKU assortment for their online channels. With eCommerce marketplaces, that have established pan-India presence across approximately 90% pin codes, digital-first brands have immediate access to the national market. Paying close attention to D2C channels has also helped them maximize profitability while exercising greater channel control.

The rise of online and omni-channel retail

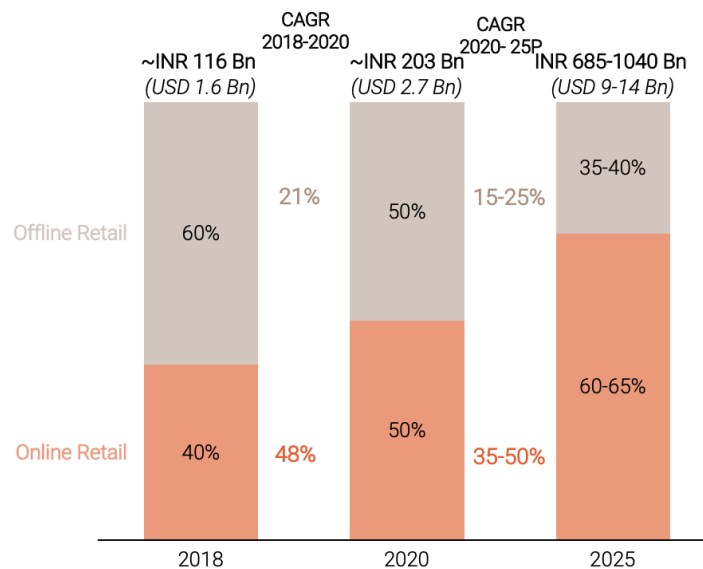
Online channels, including eCommerce marketplaces and Direct-to-Customer channels, grew from 40% of the total hearables and wearables retail market to 50% between 2018 and 2020. Online shopping has become a convenient method of discovering new-age homegrown brands offering competitive prices for a young and aspirational userbase with higher digital maturity and disposable income. With rising smartphone penetration and cheap data plans, online becomes the default for discretionary purchases like hearables and wearables for previously untapped consumers living in Tier-2+ cities. UPI, QR codes, and cash on delivery have also made online payments frictionless making it easier for all to shop online and trust the process. Improved logistics also increase the reach of online channels and allows for fast and smooth delivery experience. These factors are

projected to drive growth in the online channel for it to reach 60-65% of the hearables and wearables retail market by 2025.

Offline retail contributed approximately 50% to the total market in 2020. With 4-5 Lakh retailers and 1800-2000 distributors, offline remains a significant channel. Stronger consumer trust because of the touch and feel element that offline stores bring to the table translates into better consumer retention and higher LTV.

Fig. Hearables and Wearables Market split by Channels for 2018, 2020 and 2025P

(INR Billion, USD Billion as a % of the Hearables and Wearables Market)



Source(s): RedSeer Research, RedSeer Analysis

The boundaries between online and offline retail are likely to reduce, giving rise to the omni-channel retail approach. Increasingly, brands are realizing the importance of selling both online and offline. An omni-channel retail approach allows for better engagement as the offline experience gives consumers the option of ‘touch-and-feel’ to build trust, while online presence becomes more pertinent for future purchases in the same brand. Together with online content, this takes the consumer engagement to another level and helps in establishing a relationship with the platform. Having an offline presence helps build familiarity amongst those customers who are hesitant to buy online or doubtful about after sale services. This leads to more consumers trying out newer brands & product categories across channels, while cross-channel targeting reduces customer acquisition costs to some extent and further omni-channel retail also widens the customer base for both digital-first and other brands instead of limiting them to specific demographics.

Home Audio Market

Home Audio, which includes home theatre systems, sound bars, wired speakers, portable speakers, luxury audio systems (Hi Fi Systems), grew from approximately ₹150 billion (approximately USD 2 billion) in 2018 to approximately ₹170 billion (approximately USD 2.2 billion) in 2020.

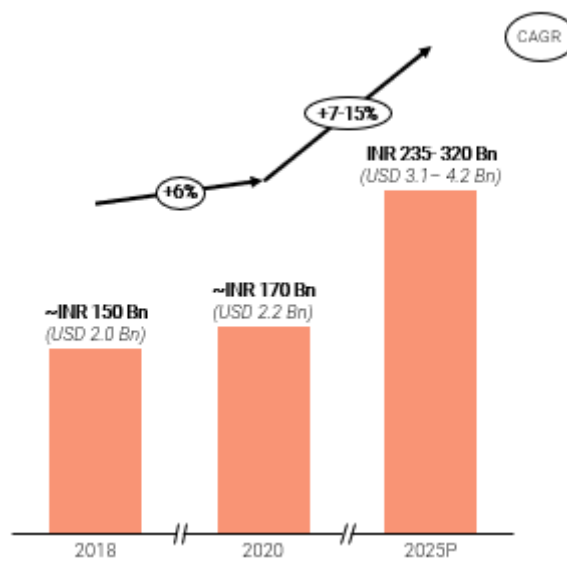
With increasing penetration of Smart-Tech including, smart-homes, smart-entertainment, smart-TVs etc., adjacent categories like Soundbars, Home theatre systems are projected to drive growth in the home audio segment. The increasing consumption of OTT, accelerated by pandemic induced lockdowns, has also been instrumental in driving growth in this category.

The demand for wireless speakers is on the rise and this segment is projected to remain the largest in this category, led by a paradigm shift from bulky audio systems to sleek and elegant, portable, and affordable wireless speakers and by an increase in the demand for smart, connected devices.

The home audio market is projected to reach ₹235-320 billion (approximately USD 3.1-4.2 billion) by 2025.

Fig. Home Audio Market in India for 2018, 2020 and 2025P

(USD Billion, INR Billion)



Source(s): RedSeer Research, RedSeer Analysis

Gaming Accessories Market

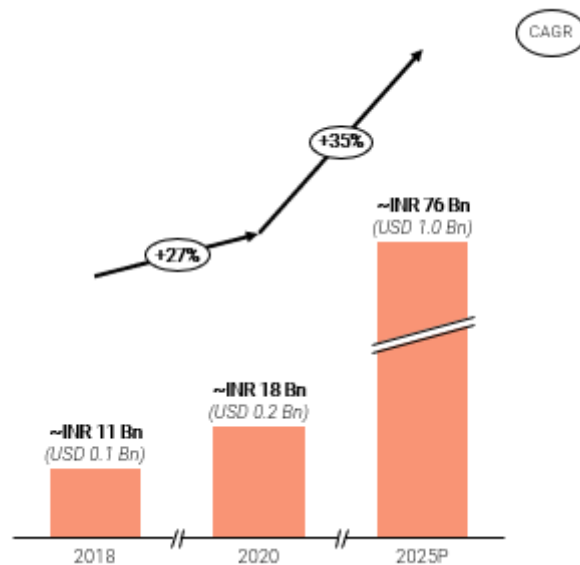
The gaming accessories market includes static and portable consoles, AR/VR headsets for gaming, and controllers (keyboard, mouse, joysticks). The market grew from ₹11 billion (USD 0.1 billion) to ₹18 billion (USD 0.2 billion) between 2018 and 2020.

eSports has grown manifold across the country, opening a new audience of casual and serious gamers looking to invest in consoles and affiliated accessories. COVID-19 induced lockdowns also saw the rise of gaming as a source of entertainment and engagement, becoming popular among Gen-Z and Millennials of the country, bringing in a large number of gamers into the ecosystem.

Social media has also created an environment for eSports in the country with many popular influencers posting gaming content online. Increasing acceptance towards gaming as potential career option/source of income amongst the youth is leading to a rise in numbers of casual and professional gamers. This rise is projected to continue, with the market growing from ₹18 billion (approximately USD 0.2 billion in 2020 to ₹76 billion (approximately USD 1 billion) in 2025, at a CAGR of 33%.

Fig. Gaming Accessories Market in India for 2018, 2020 and 2025P

(USD Billion, INR Billion)



Source(s): RedSeer Research, RedSeer Analysis

Personal Care Appliances Market

The personal care appliances market, which includes beauty and grooming appliances (hair care appliances, shavers, trimmers and facial cleansing appliances) grew from ₹32 billion (approximately USD 0.4 billion) in 2018 to ₹44 billion (approximately USD 0.6 billion) in 2020, growing at a CAGR of 17%.

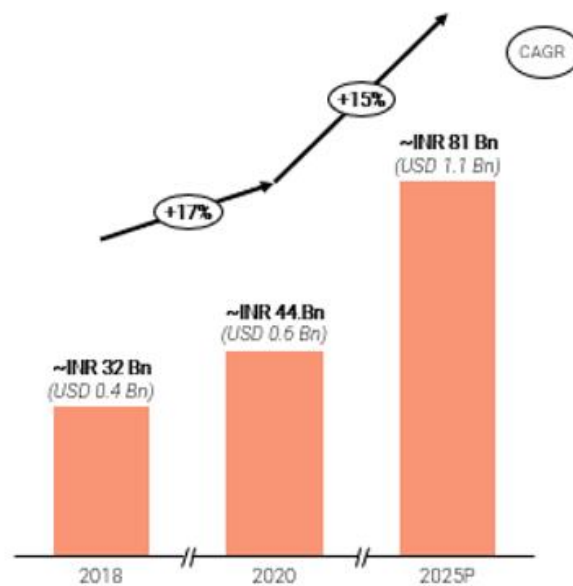
The growth is primarily led by the younger population cohorts, who are increasingly aware of global beauty & fashion trends and how they present themselves. Moreover, innovations in product development by brands have led to reduced prices for personal care appliances along with a wide product range. This has allowed brands to tap into a previously under-served segment of consumers to invest in personal care appliances.

Since salon and beauty parlor services are easily available and accessible in the country, Do-It-Yourself categories in this market witnessed low adoption. However, lockdowns and COVID-19 related restrictions brought many first-time users to the market. This uptick in demand is projected to retain as customers realize the value offered by DIY appliances, following the trend in global developed economies. Increasing impetus on Male Grooming has been a driver of growth in products such as trimmers and shavers.

There is also a trend of shift from unbranded to branded products, as brands deliver innovative technological solutions and customers see a rise in disposable incomes. These drivers are projected to grow the market at a CAGR of 13% to reach ₹81 billion (USD 1.1 billion) by 2025.

Fig. Personal Care Appliances Market in India for 2018, 2020 and 2025P

(USD Billion, INR Billion)



Source(s): RedSeer Research, RedSeer Analysis

Mobile Accessories Market

Due to the pandemic, the Mobile Accessories market in India remained rangebound, between 2018 to 2020. The market decreased slightly from approximately ₹230 billion (approximately USD 3.1 billion) in 2018 to approximately ₹228 billion (approximately 3.0 billion) in 2020.

With increasing number of smartphone users and rising penetration across Tier 2+ markets in India, the mobile accessories market, which includes chargers, cables, protective cases, memory cards and power banks, has been evolving. Currently the market is driven by the unbranded segment. As the market matures, the mobile accessories segment is projected to see an increase in the number of brands entering the space and grow at a CAGR of approximately 8% till 2025 to reach approximately ₹330 billion (approximately USD 4.4 billion).

Our Total Addressable Market in India and Our Present Categories

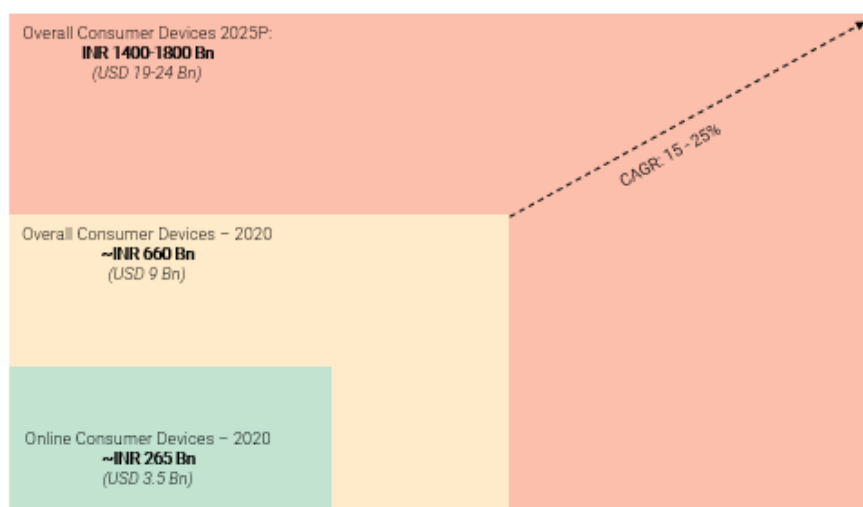
We have a large addressable market of approximately ₹660 billion (approximately USD 9 billion) in 2020, which is projected to grow to approximately ₹1400-1800 billion (USD 19-24 billion) by 2025.

We are targeting the entire Consumer Devices market in India which translates to approximately ₹660 billion (approximately USD 9 billion) Total Addressable Market and is projected to grow to approximately ₹1,400-1,800 billion (USD 19-24 billion) by 2025. Based on our current suite of offerings and considering the Indian market only, our addressable market comprises of the hearables and wearables, home audio, gaming accessories, personal care appliances, mobile accessories categories of the consumer devices market in India.

Within the Consumer Devices market, the organized online segment has been growing the fastest. Online retail in the Consumer Devices market includes retail through eCommerce marketplaces and Direct-to-Consumer platforms. Growth in the segment is driven by growing GenZ and Millennial population with relatively higher disposable incomes and digital maturity, rising smartphone penetration and affordability of data plans and improvements in the enabling infrastructure including online payments, logistics etc.

Fig. Our Total Addressable Market in Consumer Devices in the Indian Market and Our Present Categories – 2020 and 2025P

(INR Billion, USD Billion)



Source(s): RedSeer Research, RedSeer Analysis

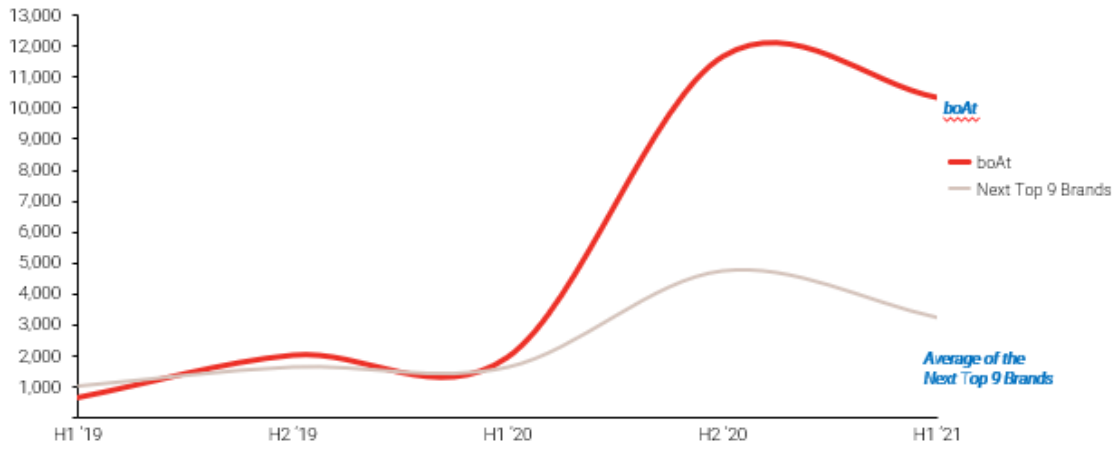
| Category | Overall Market (2020) | Overall Market (2025P) | Overall CAGR 2020-25P | Branded Market (2020) | Branded Market (2025P) | Branded CAGR 2020-25P |
|-------------------------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| <i>In INR million, except for %</i> | | | | | | |
| Consumer Devices | 660 | 1400-1800 | 15-25% | 362 | 930-1275 | 20-30% |
| Gaming Accessories | 18 | 76 | ~35% | 16 | 70 | ~35% |
| Personal Care Appliances | 44 | 81 | ~15% | 21 | 45 | ~15% |
| Home Audio | 170 | 235-320 | 7-15% | 121 | 175-240 | 8-15% |
| Mobile Accessories | 226 | 330 | ~8% | 80 | 130 | ~11% |
| Wearables | 32 | 170-275 | 40-55% | 30 | 160-260 | 40-55% |
| Hearables | 170 | 515-765 | 25-35% | 94 | 350-530 | 30-40% |

Source(s): RedSeer Research, RedSeer Analysis

Our Competitive Positioning

Our flagship brand, “boat” has been one of the fastest growing brands in the combined Indian earwear and wearable watch market between the first half of 2019 and the first half of 2021 (by value). Between the first half of 2019 and the first half of 2021, boAt grew approximately 15 times in terms of semi-annual sales by value in ₹ of the combined earwear and wearable watch categories, compared to the 3x average growth of Next Top 9 Brands (Next Top 9 Brands are defined as the average of semi-annual sales (by value in ₹) of next Top 9 combined earwear and wearable watch brands in the first half of 2021, excluding boAt). The earwear category includes TWS, neckbands and wireless over-the-ear headphones that supports functionality beyond audio (such as smart assistant, health & fitness tracking, audio experience enhancement or language translation), and is synonymous with term ‘wireless hearables’ used in this Draft Red Herring Prospectus. The wearable watch category includes devices that are in the form of a watch and capable of processing the data digitally, and excludes traditional analog and digital watches. It is the same as and is used synonymously with the term ‘smartwatches’ used in this Draft Red Herring Prospectus.

Fig. boAt vs Next Top 9 Brands - Semi-Annual Sales by value (in INR million) of Combined Earwear and Wearable Watch between H1 2019 and H1 2021.



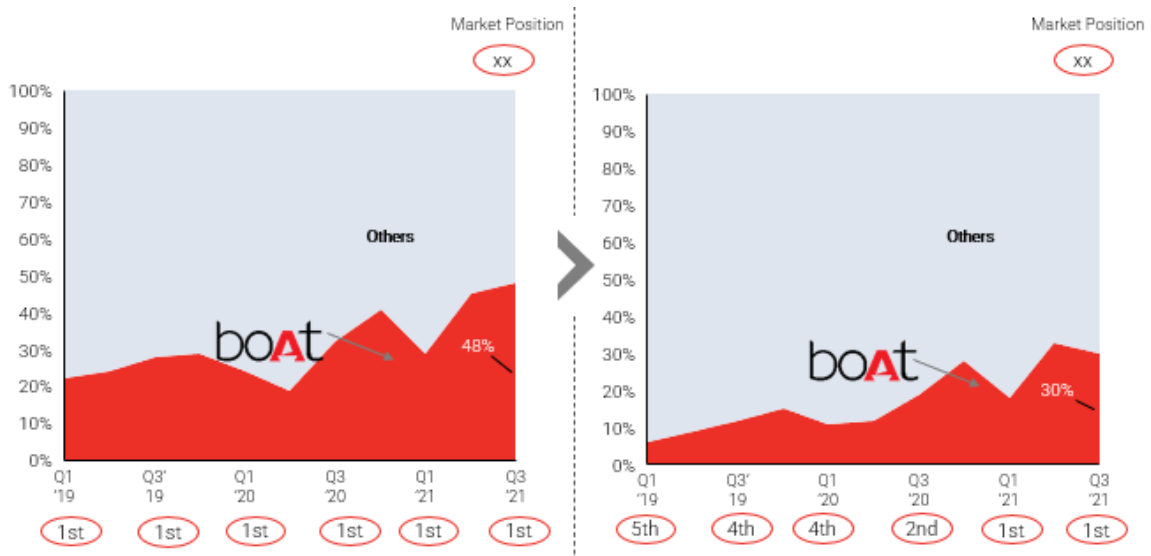
Source(s): Data - IDC India Monthly Wearable Device Tracker, Nov'21 Release; Charts - Research, RedSeer Analysis
 Note(s):

1. boAt is the market leader for H1 2021 in terms of the semi-annual sales of combined earwear and wearable watch
2. Next Top 9 Brands have been defined the next Top 9 Brands for H1 2021 and the industry average is defined as the average of their semi-annual sales of combined earwear and wearable watch by value in INR million

boAt entered the earwear market in Q2 2018. The rapid growth has enabled the our flagship brand “boat” to capture substantial market share in terms of both volume and value – across the wireless and TWS categories. In the branded earwear market, boAt captured 48% market share by volume and 30% by value in the third quarter of 2021 according to IDC. boAt has maintained its position as a market leader in this segment (in terms of value) over the past 5 quarters and its market share also grown in the past 2 years.

Fig. LHS - Market Share of boAt by volume in the Branded Earwear Market in India between Q1 2019 and Q3 2021; RHS -Market Share of boAt by Value in the Branded Earwear Market in India between Q1 2019 and Q3 2021

(LHS - % of the Total Market Volume in the Branded Earwear Market in India)
 (RHS - % of the Total Market Value in the Branded Earwear Market in India)
 (Market Share and Positions are by brand)

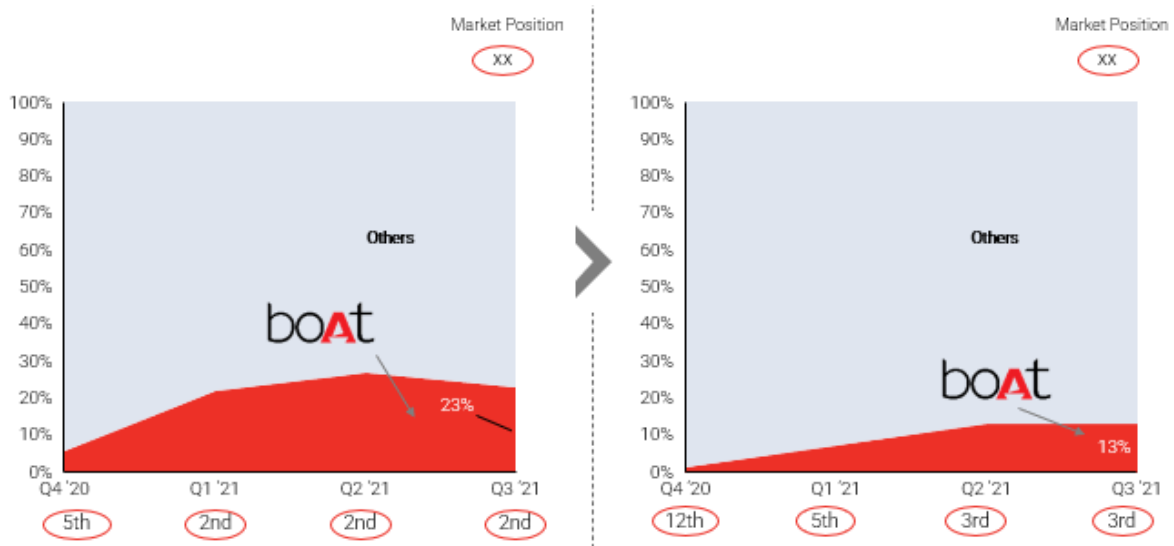


Source(s): Data - IDC India Monthly Wearable Device Tracker, Nov'21 Release, Charts - RedSeer Analysis

boAt has recently entered the wearable watch market in the fourth quarter of 2020. Within a year of the launch, boAt reached 23% in terms of the Indian branded market share by volume and 13% by value for the third quarter of 2021. boAt's market share has grown consistently by value over the last 3 quarters.

Fig. LHS - Market Share of boAt by volume in the Branded Wearable watch Market in India between Q4 2020 and Q3 2021; RHS - Market Share of boAt by value in the Branded Wearable watch2 Market in India between Q4 2020 and Q3 2021

(LHS - % of the Total Market Volume in the Branded Wearable watch Market in India)
 (RHS - % of the Total Market Value in the Branded Wearable watch Market in India)
 (Market Share and Positions are by brand)

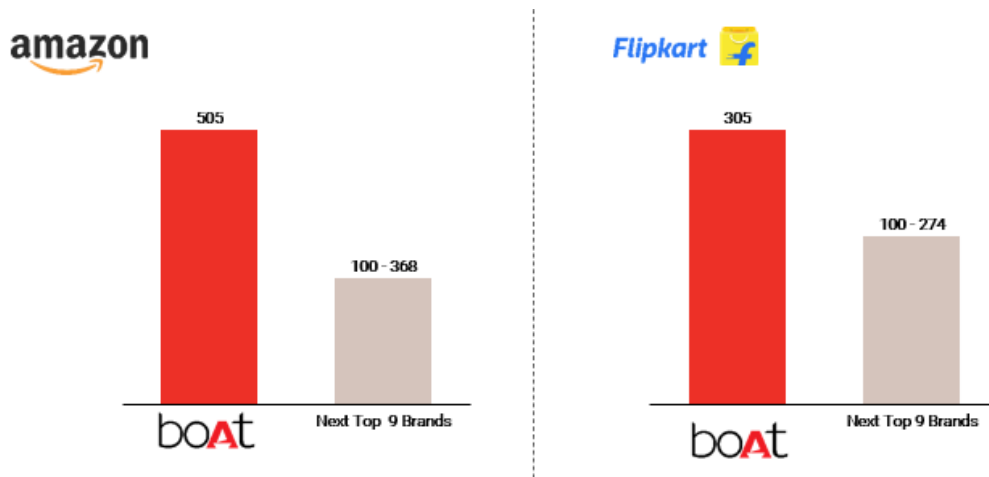


Source(s): Data - IDC India Monthly Wearable Device Tracker, Nov'21 Release, Charts - RedSeer Analysis

Moreover, in terms of number of hearables and wearables' SKUs rated 4.0 and above on eCommerce marketplaces, boAt is the market leader. It leads the next Top 9 Brands, with 1.4x – 5x of the SKUs rated 4.0 and above on Amazon and 1.1x – 3x on Flipkart.

Fig. boAt vs Next Top 9 Brands - No. of hearables and wearables SKUs rated 4.0 and above on eCommerce marketplaces in the week starting 15th November 2021

Lower end of the SKU range of the Next Top 9 Brands scaled to 100



Source(s): Platform Web Scraping, RedSeer Analysis

Note(s)

- 1. Next Top 9 Brands have been defined based on the no. of SKUs rated 4.0 and above on the respective eCommerce marketplace*
- 2. The lower limit of the SKU range is scaled to 100 for this chart*

BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on beginning page 26 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” beginning on page 28 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Further, such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations may vary from that used by other companies in India and other jurisdictions. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other peer companies.

The Restated Consolidated Financial Information have been prepared and presented in accordance with Ind AS, as applicable in India and restated in accordance with the SEBI requirements. The industry-related information contained in this section is derived from the report “Report on Consumer Devices In India” dated January 2022 (the “RedSeer Report”) prepared and issued by RedSeer Management Consulting Private Limited (“RedSeer”), and commissioned and paid for by us exclusively only for the purposes of confirming our understanding of the industry in which we operate in connection with the Offer. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” beginning on page 21. For further details and risks in relation to commissioned reports, see “Risk Factors – Internal Risks – Certain sections of this Draft Red Herring Prospectus contain information from the RedSeer Report, which has been commissioned and paid for by us, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks” on page 51.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Financial Information”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 28, 114, 205 and 276 respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

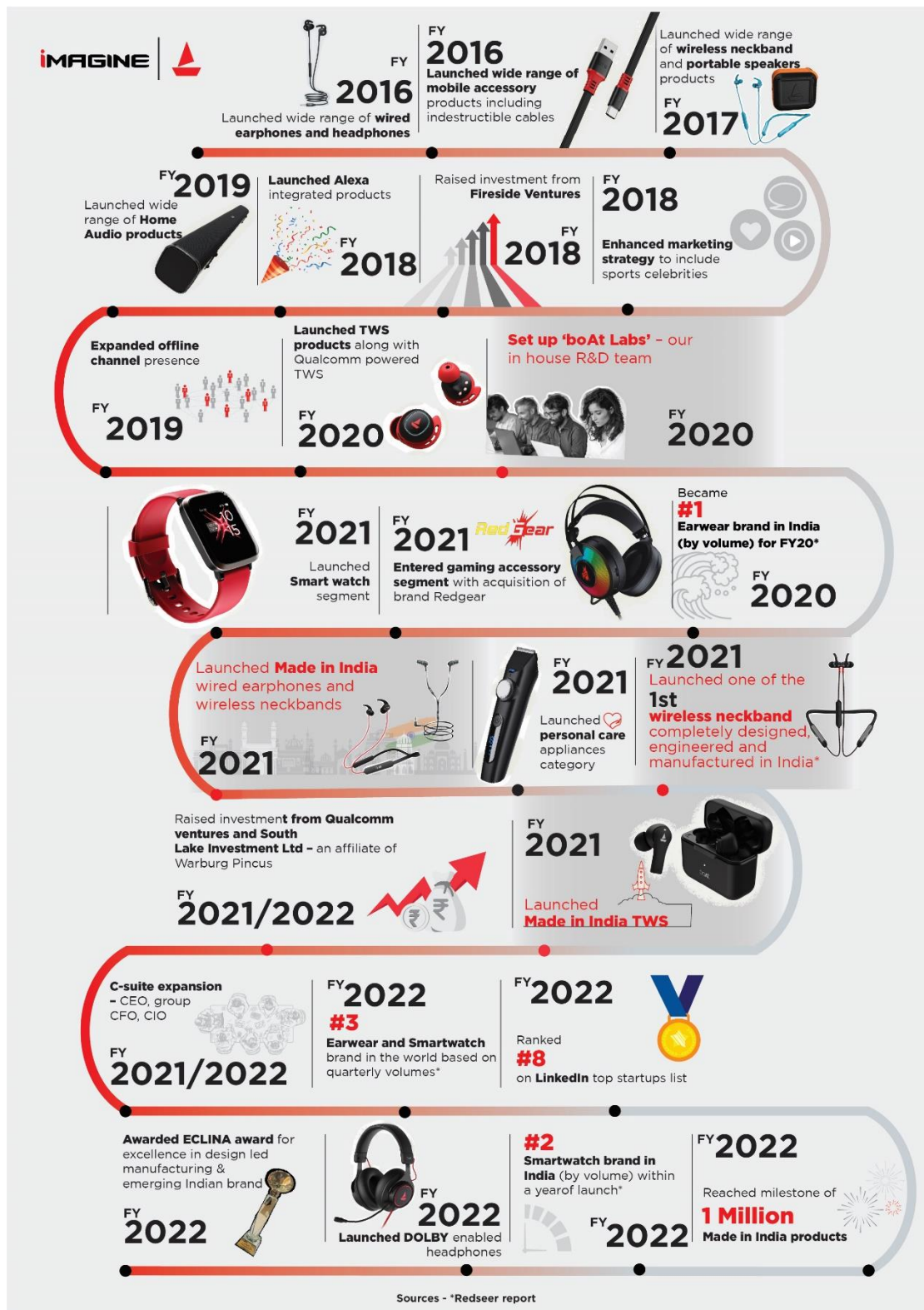
Overview

We are a digital-first consumer products company and one of the largest Indian digital-first brands in terms of revenue from operations for the financial year 2021. (Source: *RedSeer Report*). We have an attractive offering of wide-ranging, high-quality and aspirational lifestyle-focused consumer products at accessible price points, under our brands. Founded in 2013 and led by our flagship brand “boAt” launched in 2014, we have established leading market positions in volume and value terms in India across multiple, high-growth consumer categories such as audio and smartwatch as of September 30, 2021. (Source: *RedSeer Report*).

We seek to identify fast-growing, lifestyle-oriented product categories with high consumer engagement and large market opportunities and disrupt the incumbent industry landscape. We endeavour to achieve this by launching distinctive and aspirational products having a clear value proposition at accessible prices, specifically tailored for the Indian audience and marketed towards the rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers in India. While we initially started our journey with hearables products within the audio category, we offer products across a variety of price points and customer segments across multiple product categories, which comprise (i) audio (wired headphones and earphones, wireless headphones and earphones (neckbands), true wireless stereo (“TWS”), Bluetooth speakers and home theatre systems and sound bars), (ii) wearables (smartwatches), (iii) gaming accessories (wired and wireless headsets, mouse and keyboards), (iv) personal care appliances (trimmers and grooming kits) and (v) mobile accessories (chargers, cables, power banks and other accessories).

Our product mix has evolved significantly over the past several years as we have successfully entered into new product categories and diversified our business. For the year ended March 31, 2019, 96.01% of our revenue from operations was derived from the audio category, nil% from the wearables category and 3.99% from the other category. For the six months period ended September 30, 2021, 83.13% of our revenue from operations was derived from the audio category, 14.05% from the wearables category and 2.82% from the other category.

A timeline setting out significant milestones achieved by us since the launch of our “boAt” brand in 2014 till September 30, 2021 is set out below:



As of September 30, 2021, for the second quarter of Financial Year 2022, we were ranked #1 in India among the wireless hearables brands by value and volume and #2 among smartwatch brands in India in terms of volume (Source: *RedSeer Report*). Moreover, our market share in both wireless hearables and smartwatch segments has consistently increased over time, and for the quarter ended September 30, 2021, we had a market share of 48% and 23% in terms of volume, and 30% and 13% by value, in the branded wireless hearables and smartwatch markets, respectively (Source: *RedSeer Report*).

We believe that our digital-first approach has conferred upon us a set of competitive advantages over traditional offline-first business models, and serves as a strong enabler towards achieving our vision of disrupting the incumbent industry landscape within product categories we identify, rapidly building reach and scale, and establishing and maintaining a strong brand in the minds of consumers that can help us garner leading market positions.

- **Reach and accessibility:** We believe that our digital-first approach has enabled us to rapidly penetrate our target markets. India's large and fast-growing e-commerce ecosystem and its enabling infrastructure allows digital-first brands to instantly cater to over 90% pin codes across India (Source: *RedSeer Report*). Additionally, our digital-first approach enables us to reach a wider audience and gain better access to potential consumers through access to data, which is more readily available in an online distribution environment, helping us identify trends and product white spaces.
- **Agility and rapid pace of innovation to deliver a compelling value proposition:** As per the RedSeer Report, digital-first brands are better positioned to track customer journey and transactional behavior than offline-first legacy brands. We believe that this allows us to better understand consumer behavior and derive sharp insights which help us better predict and understand shifts in preferences for our products. Our digital-first approach provides us with near real time consumer feedback through ratings and reviews, as well as the ability to track our customers' purchase journey and to engage with them on a continual basis. These elements of a digital-first approach help us gain insights into consumer behaviour and understand and predict shifts in preferences for our products, in turn helping us in better demand forecasting and new product development.
- **Width of offering:** Our digital-first approach provides us with the ability to launch new products and SKUs at a lower cost and at greater speed as compared to traditional offline channels (Source: *RedSeer Report*). As a result, our approach allows us to offer a wide assortment of products as well as build depth across several sub-categories, thereby addressing various nuanced consumer needs. We launched 40, 70, 77, 45 new SKUs in the financial years ended March 2019, 2020, 2021 and six months period ended September 2021 respectively.

We aim to grow our consumer base and attract new consumers through effective branding, targeted advertising and consumer engagement. According to the RedSeer Report, our flagship brand "boAt" has (i) a higher top-of-mind awareness among its users, compared to top-of-mind awareness of other comparable brands (in hearables and wearables markets) among their respective users, and (ii) a higher unaided recall than other comparable brands (in hearables and wearables markets) among the respective non-users, which we believe has contributed to the growth in our consumer base. For the third quarter of Financial Year 2022, as per Flipkart's brand awareness index, our flagship "boAt" brand enjoyed the highest brand awareness score in the personal audio and wearables segments. Further, several of our products such as Rockerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces.

Further, our marketing and branding capabilities have enabled us to achieve high sales volumes. Accordingly, our flagship brand "boAt" has attained the #1 ranking among wireless hearables brands in terms of volume over multiple quarters from 2019 to the second quarter of the financial year 2022 (Source: *RedSeer Report*). In less than a year after launch in 2020, our flagship brand "boAt" has also been recognised as the #2 smartwatch brand in India in terms of volume for the second quarter of financial year 2022 (Source: *RedSeer Report*). For the six month period ended September 30, 2021, RedGear was one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*).

We have also made significant investments in developing our platform, including investing in our brands, building strong capabilities across design, research and development, technology relationships and supply chain, honing our digital marketing capabilities, recruiting key senior team members, and making acquisitions of brands/businesses which we are able to leverage as we seek to scale our business and further expand our product offerings and our channels of distribution, both within and outside India.

Our product design and development initiatives are housed under 'boAt Labs', our in-house research and development team that is focused on innovation, developing new products and other functions, including bill of material optimization and quality control. As of September 30, 2021, our 'boAt Labs' team comprised of 26 engineers, and included specialized hardware, firmware and software engineers with expertise in hardware design and development, software design and development and mobile application development. Through 'boAt Labs' we have developed our own proprietary technology stack in-house, which consists of IoT solution design, software and hardware design, cloud development, semi-conductor validation and embedded software design.

Furthermore, our Company along with our subsidiary, Imagine Marketing Singapore entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries, in January 2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the Internet of Things ("IoT") space and has a technology-focused platform for wearables through patented AI and ML capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases.

Our collaboration with established technology industry participants has helped us offer innovative products and provides us with insight into next-generation technology, which we can incorporate in our product offerings. For instance, we benefit from our relationships with industry participants such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp and integrate components and technology developed by them in our products, thereby enabling us to offer wide-ranging, high quality and aspirational lifestyle-focused consumer products at accessible price points.

Over the years, we have developed relationships with a diverse set of manufacturers and product developers across China, Vietnam and India and have entered into exclusive agreements with a number of them to manufacture products using design specifications and standards established by us. We maintain oversight, control and input on the manufacturing process and in some cases further support this by facilitating the delivery of raw materials and components from our suppliers to our contract manufacturers given the relationships we have with our suppliers. Additionally, we perform value engineering to optimize the cost and performance of our products. We have also implemented quality control and assurance parameters, and continue to improve these processes with our suppliers and manufacturers. Outsourcing the manufacturing of our products enables us to leverage the capabilities of a broad range of manufacturers and provides flexibility to meet our production needs.






We are also committed to developing and supporting the manufacturing ecosystem in India. We have begun working with over 10 suppliers in India for products across categories. We facilitate development and procurement for these manufacturers while making investments in moulds, establishing quality parameters and testing protocols. In addition, we entered into an agreement to establish a joint venture with Dixon Technologies in January 2022 for manufacturing and developing our Bluetooth-enabled hearables products.

We aim to continue to leverage our digital-first capabilities as well as our platform of strong consumer lifestyle brands to further build a portfolio of products across a wide range of consumer categories in India as well as expand in other markets beyond India. We believe that we are well-positioned to achieve this vision by leveraging the investments we have made in our "boAt" brand and our platform including strong supply channel relationships and research and development capabilities, coupled with our ability to understand and target India's large, digitally savvy consumer base.

We have grown our revenue from operations at a CAGR of 141.18% between financial years 2019 and 2021. Our revenue from operations was ₹2,258.49 million, ₹6,091.07 million, ₹13,137.16 million and ₹15,478.66 million for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, respectively. Our profit for the period/year for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021 was ₹80.37 million, ₹477.98 million, ₹865.37 million and ₹1,183.15 million, respectively, representing a profit after tax margin of 3.56%, 7.85%, 6.59% and 7.64%, respectively. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, we generated EBITDA of ₹141.40 million, ₹759.39 million, ₹1,332.95 million and ₹1,715.73 million, respectively, representing EBITDA Margin of 6.26%, 12.47%, 10.15% and 11.08% respectively. For the financial years, 2020 and 2021 and the six months period ended September 30, 2021, we generated an Operating ROCE of 92.69%, 56.03% and 21.69% (not annualized), respectively. Thus, we believe we have demonstrated the ability to grow rapidly while remaining profitable and delivering robust Operating ROCEs despite significant investments being made in building the brand and the business.

Our Portfolio

Our portfolio includes products under our flagship “boAt” brand, as well as under other brands such as “RedGear”, our value-oriented gaming accessories brand, “TAGG”, our premium audio and wearables brand, “Misfit”, our personal care and grooming sub-brand, and “DEFY”, our value-oriented audio brand.

| Brands | Product Category and Positioning | Year of Launch / Acquisition |
|---|---|------------------------------|
|  | Audio, wearables and mobile accessories | 2014 |
|  | Gaming accessories | Acquired in 2020 |
|  | Audio and wearables | 2021 |
|  | Personal care | 2021 |
|  | Audio and wearables | Acquired in 2021 |

Through this portfolio of brands, we are able to target specific segments and channels within the consumer devices market and offer a range of aspirational products at affordable price points, thereby catering to a large section of the Indian population. We continue to further develop and grow our brands and aim to launch additional brands in the consumer products space, both within and outside India.

Audio

We launched our “boAt” brand in 2014 with a foray in the audio market in India which we identified as a category with significant growth potential. We had considered the potential to disrupt the then-incumbent industry landscape by launching distinctive and aspirational products having a clear value proposition at accessible price points, and specifically tailored for the Indian audience. By differentiating our product offerings with well-designed lifestyle-oriented products indigenized to the Indian market, we have launched a wide range of SKUs for specific-use and sub-segmented users. For instance, most of our hearables are ‘IPX’ certified and developed with ‘sweat resistant’ capability and designed primarily for noisy environments, features which may be well-suited to the Indian environment. With the impetus of our marketing efforts, primarily through the online channel and marketed towards the rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers in India, we are able to cater to the large consumer base in India and compete with existing brands in hearables.

Our products in the audio category are available under our flagship brand “boAt”, as well as under brands “RedGear”, “TAGG” and “DEFY”, with a range of products such as home theatre systems, sound bars, wired earphones and headphones, wireless headphones and earphones and true wireless stereo.

Evidenced by the growth of revenue from operations in the audio category for the years/period presented, we believe that our journey in the audio category has driven consumer awareness and excitement around our products. Capitalizing on our digital-first approach, we have been able to achieve market leadership in hearables in terms of revenue from operations, which has enabled us to better understand the demands of the Indian consumer and benefit from swift consumer feedback loop which is one of the features of an online distribution environment. boAt was ranked #1 in India among the wireless hearables' brands in volume term with a market share of 48%, by volume and 30% by value, and has maintained the #1 position in this category by volume since 2019, with a consistent increase in market share annually (Source: *RedSeer Report*).

Wearables

We have identified wearables as a category with a large market potential and similar growth dynamics to the audio category, with the segment having massive room for growth in the future (Source: *RedSeer Report*). Launched in October 2020, our products in wearables (only smartwatches currently) are available under our flagship brand “boAt” and our recently acquired brand, “TAGG”. We continue to focus on expanding our presence in this category by enhancing our reach through different channels, geographies and brands. Similar to our approach in the audio category, our products in wearables are customised to the nuances of the Indian market. For instance, most of our smartwatches are sweatproof and waterproof, and are ‘IPX’ certified. Our smartwatches also have

features such as long battery life, multiple watch faces and strap colours to drive personalization, and several sensors to track various health metrics such as in-built GPS, heart rate, measuring steps and SpO₂.

Wearables is one of our primary product categories where we have established a market leading position and in the second quarter of financial year 2022, our “boAt” brand was ranked #2 in India among smartwatch brands and the tenth largest among smartwatch brands globally in terms of volume (Source: *RedSeer Report*). Our ‘Storm’ smartwatch is the leading smartwatch in India in terms of volume for the six month period ended September 30, 2021 (Source: *RedSeer Report*) and our ‘Xtend’ smartwatch is one of the earliest ‘Alexa-compatible’ and voice enabled smartwatch to be launched in India (Source: *RedSeer Report*).

We believe our success in expanding our presence from the audio category to wearables in a relatively short span of time reflects the strengths of our brand, our ability to gauge the pulse of the consumer devices market and successful execution of our vision to disrupt the incumbent landscape in attractive consumer categories. We believe our ability to effectively communicate our offerings in a targeted manner through our various associations and ambassador relationships has also helped us maintain a high value perception of our brands and reflects our ability to develop and diversify our product mix and leverage our growth playbook across product categories, while capitalizing on the strong equity generated by our brands.

Other Categories (Gaming Accessories, Personal Care Appliances, Others)

We have also embarked on similar product expansion initiatives across several other categories such as gaming accessories, which has grown in popularity across the country with a new audience of casual and serious gamers looking to invest in consoles and affiliated accessories (Source: *RedSeer Report*). Our products in this category are offered through our flagship “boAt” brand and “RedGear”, our value-oriented gaming accessories brand. For the six month period ended September 30, 2021, RedGear was one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*). We have since diversified the sales channels of RedGear by expanding into other online marketplaces and offline channels.

Similarly, we successfully ventured into the personal care appliances category in the third quarter of financial year 2022, and currently retail under the sub-brand “Misfit”, which offers products such as men’s trimmers and men’s grooming sets. We also sell a range of ancillary products that complement our products under the audio and wearables categories. These products include cables, chargers and power banks.

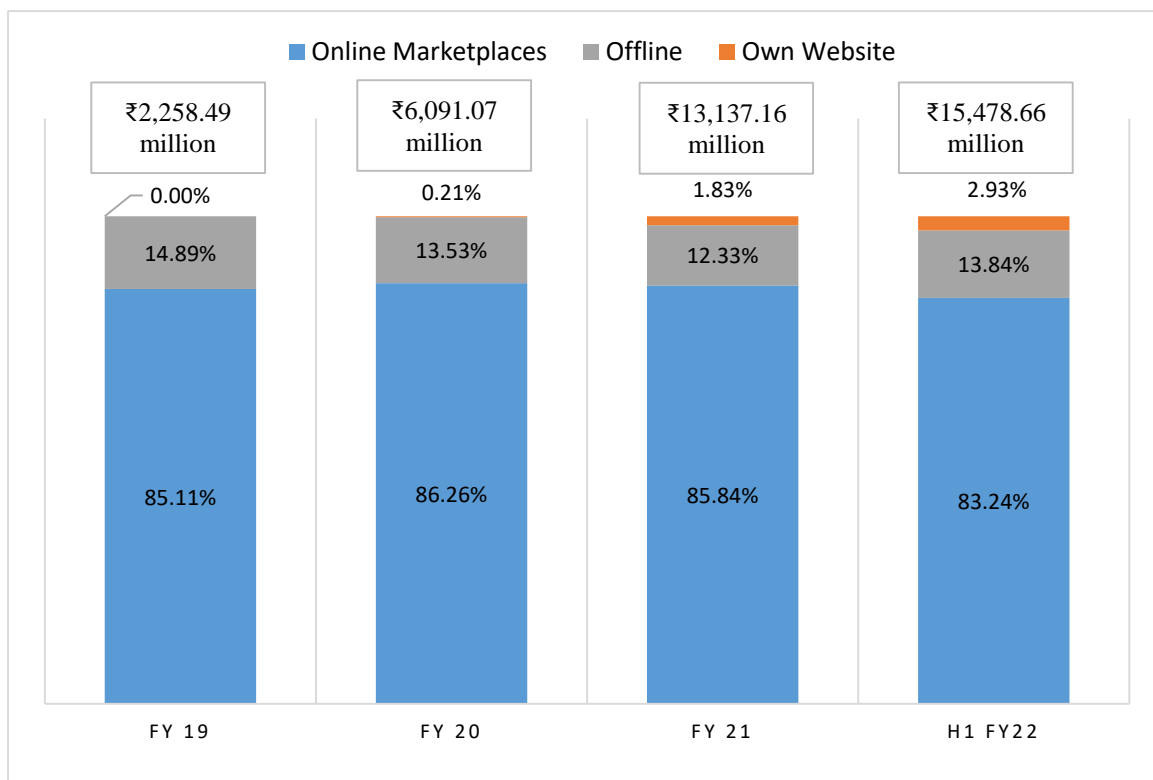
Channels

Along with developing and growing our product portfolio, we have also expanded our presence across online and offline channels to widen our distribution footprint. India’s large and fast-growing e-commerce ecosystem and its enabling infrastructure allows digital-first brands to instantly cater to over 90% pin codes across India (Source: *RedSeer Report*) and we believe that our digital-first approach has enabled us to rapidly penetrate our target markets. As a digital-first consumer products company, we have scaled our business by selling our products predominantly through established online marketplaces and we continue to expand our online presence through additional online marketplaces and our own website.

Our offline presence complements our digital-first model and further helps develop brand visibility and extends our reach.

Historically, the offline channel was not a key focus area for our Company. As we recognize the significant opportunity in offline channels within our product categories, both in terms of sales as well as branding benefits, we aim to significantly expand our footprint to the offline channel through omni-channel and offline retailers and distributors. For the quarter ending September 30, 2021, we were ranked as the #1 offline wireless hearables and wearables brand in India in terms of volume (Source: *RedSeer Report*). As of September 30, 2021, our products were available for sale in over 23,000 retail stores across India, and facilitated by a retail network of over 51 distributors and more than 180 sub-distributors in India, with a presence in over 32 states and Union Territories.

The table below sets out the percentage of our Sale of Products made through the online and offline channels for the Financial Years 2019, 2020 and 2021, and the six months period ended September 30, 2021:



Geographies and Demographics

We are currently exploring opportunities in overseas markets, which we believe can be a compelling growth vector for us. As part of our growth initiatives, we seek to leverage the established presence of online marketplaces with whom we work in the overseas markets. Our overseas expansion efforts are focused in international markets such as the United Arab Emirates, Nepal and countries in the South East Asia region, which we believe have a large Indian diaspora and/or a population with similar tastes and preferences as the audience in India.

Our Strengths

- One of the largest Indian digital-first brands with leading market positions across multiple fast-growing product categories;
- Our flagship brand “boAt” is a consumer brand with strong market positioning and a clear value proposition;
- Our digital-first platform capabilities are targeted to enable growth and continue to allow us to build a presence across multiple consumer categories; and
- Professional, founder-driven management team with deep industry expertise and track record, and an experienced consumer products CEO

One of the largest Indian digital-first brands with leading market positions across multiple fast-growing product categories

As one of the largest Indian digital-first brands in terms of revenue from operations for the financial year 2021, our focus on delivering high-quality, aspirational, lifestyle-focused products targeted at India’s rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers has led to our flagship brand “boAt” becoming synonymous with the hearables and wearables markets in India (Source: *RedSeer Report*). For the quarter ending September 30, 2021, our brand “boAt” was recognised as the #1 wireless hearables brand in value and volume terms and #2 smartwatch brand in India by volume with market shares of 48% and 23% in terms of volume, and 30% and 13% by value, in wireless hearables and smartwatches respectively (Source: *RedSeer Report*). For the six month period ended September 30, 2021, RedGear is one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*).

According to the RedSeer Report, retail penetration through the online channel remains fundamentally low in India with a large potential for expansion as the e-commerce market in India continues to develop. Being one of the first hearables and wearables companies within India to establish a digital-first model, the leading market position of our “boAt” brand provides us with a significant opportunity to capitalize on market trends prevalent in India and expand our product offerings across multiple adjacent product categories with a high-growth potential (Source: *RedSeer Report*).

The primary markets in which we enjoy leadership positions are fundamentally large and attractive with low but increasing levels of penetration in India. According to the RedSeer Report, the hearables market has grown from approximately ₹99 billion in 2018 to ₹170 billion in 2020, at a CAGR of approximately 31%. Hearables are expected to grow between 25% to 35% in terms of CAGR in the next 5 years and is projected to reach between ₹515 billion and ₹765 billion by 2025. The RedSeer Report also states that the wearables market has grown from ₹16 billion in 2018 to ₹32 billion in 2020, at a CAGR of approximately 39%. The wearables market in India is projected to grow at a CAGR of between 40% and 55% in the next 5 years and is projected to reach between ₹170 billion and ₹275 billion by 2025. Products in these markets have short replacement cycles and furthermore, there is an increasing trend of ownership of multiple pairs of such products among our target audience. Moreover, there is also an increasing penetration of smartphone and internet users in India and an inclination among users to make additional purchases of ancillary products. As a result, there is a growing market for a large number of products across product categories that we offer (Source: *RedSeer Report*).

For instance, many smartphones sold in India no longer include hearable accessories such as earphones, which need to be separately purchased. Additionally, the 3.5 mm audio receiver port is also being phased out, with most smartphones only including a USB-C port. This creates a market for wireless hearables such as Bluetooth earphones and headphones. Similarly, in the wearables product market, there is an increasing interest in lifestyle-oriented products fuelled by data analytics with a shift from analog watches to digital wearables driven by functional purposes such as in-built GPS capability, the ability to measure steps and to track SpO₂, among other health metrics (Source: *RedSeer Report*).

We believe that our digital-first business approach has conferred upon us a further set of inherent competitive advantages in comparison to traditional consumer brands, such as (i) an enhanced reach to the new-age consumer, (ii) increased accessibility through the online channel, (iii) a wider assortment and depth of products in various sub-categories, (iv) the creation of innovative product lines. These advantages enable us to offer distinctive aspirational products customized to the preferences of our target cohorts of consumers.

Our flagship brand “boAt” is a consumer brand with strong market positioning and a clear value proposition

Since the launch of our flagship brand “boAt” in 2014, we have consistently invested significant resources in enhancing the strength and appeal of the brand. We have done so by focusing on building its awareness, enhancing the appeal of products sold under the brand, offering products at affordable price points with a clear value proposition, maintaining a high quality of products sold under the brand and building consumer engagement pre and post sales. We have adopted a lifestyle approach towards our brand positioning and have consequently introduced products with trendy designs, vibrant colours and practical features that are relevant to our Indian audience across various product categories so as to differentiate our products from those of our competitors.

The success of our approach has been evidenced by our strong market positioning within the categories in which we operate as well as the fact that we have also replicated the success of our “boAt” brand across multiple product categories in line with our vision to develop a portfolio of products across multiple lifestyle categories. For the quarter ending September 30, 2021, our brand “boAt” was recognised as the #1 wireless hearables brand in value and volume terms and #2 smartwatch brand in India by volume with market shares of 48% and 23% in terms of volume, and 30% and 13% by value, in wireless hearables and smartwatches respectively (Source: *RedSeer Report*). For the quarter ended September 30, 2021, our “boAt” brand was globally ranked #2 among wireless hearables brands and our Company was globally ranked #3, by volume, in the combined earwear and smartwatch market (Source: *RedSeer Report*). In addition to our flagship “boAt” brand, we operate “RedGear”, one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market as per the sales volume in the six months ended September 30, 2021 on the leading marketplaces (Source: *RedSeer Report*), “TAGG”, our premium audio and wearables brand, “Misfit”, our personal care and grooming sub-brand, and “DEFY”, our value-oriented audio brand.

Furthermore, according to the RedSeer Report, our flagship brand “boAt” has (i) a higher top-of-mind awareness among its users, compared to top-of-mind awareness of other comparable brands (in hearables and wearables markets) among their respective users, and (ii) a higher unaided recall than other comparable brands (in hearables

and wearables markets) among the respective non-users, which we believe has contributed to the growth in our consumer base. For the third quarter of Financial Year 2022, as per Flipkart's brand awareness index, our flagship "boAt" brand enjoyed the highest brand awareness score in the personal audio and wearables segments. Further, several of our products such as Rockerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces.

Our digital-first platform capabilities are targeted to enable growth and continue to allow us to build a presence across multiple consumer categories

We have made significant investments in our platform and expect to continue to invest and leverage our digital-first capabilities as well as our strong consumer lifestyle brands to further build a portfolio of products across a wide range of attractive and high-growth consumer categories. We believe that we are well-positioned to achieve this vision by leveraging the investments we have made in our brands, our ability to understand and target India's large, digitally savvy consumer base, our strong research and development capabilities for new product development and product re-engineering, and our strong and growing supply channel relationships:

Ability to understand consumer behaviour and garner relevant category insights. We believe that our digital-first approach has conferred upon us a set of competitive advantages over traditional offline-first business models and serves as a strong enabler towards achieving our vision of disrupting the industry landscape within product categories we identify, rapidly building reach and scale, and establishing and maintaining a strong brand in the minds of consumers that can help us garner leading market positions. As a result, we are able to develop our product offerings based on feedback and insights received from our customers and sales channels on a real-time basis. We benefit from this ear-to-ground approach as we are able to identify demand trends, product gaps in our offering, as well as potential improvements to our existing products, which we leverage towards further adapting our products and our portfolio to the preferences of our consumers. Accordingly, several of our products such as Rockerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces.

Nuanced marketing capabilities to efficiently generate high levels of consumer engagement and sales. As a digital-first consumer products company, we utilise digital marketing to target consumers across the entire marketing funnel, from creating awareness and driving consideration to conversion by communicating what our brands stand to deliver. Through our marketing media initiatives, we have developed several innovative campaigns, and our portfolio of brands are promoted by several celebrities including musicians, cricketers, actors, designers and various media influencers through commerce channels and social media. We believe these investments made in building this capability is partly what has enabled us to spend on marketing efforts efficiently and improve profitability despite the investments we are making in building our business for growth.

We have engaged with entertainment events such as Lakme Fashion Week and Sunburn Festival and collaborations, as well as with new-age influencers and celebrity icons with respect to our marketing initiatives. We have developed strong relationships with the major online marketplaces in India and benefit from promotional activities undertaken by such platforms, including special launches and sales initiatives. We also engage with our consumers through several social media channels and as of December 31, 2021, have over 2 million followers across Facebook, Instagram, LinkedIn and Twitter, in the aggregate. Some of our successful marketing campaigns include #FloatsYourboAt and #livethesound.

Strong platform capabilities across design, research and development, technology relationships and supply chain. We have made significant investments in developing the capabilities of our platform, particularly in the areas of design, research and development of products, technology relationships and supply chain and manufacturing, which we are able to leverage as we grow our business. 'boAt Labs', our in-house research and development team comprising over 26 engineers as of September 30, 2021, has been instrumental in customizing and designing our products specifically for the Indian consumer. We believe that this differentiates our products from those of our competitors who may not have an established product development channel focused solely on India. Through 'boAt Labs' we have developed our own proprietary technology stack in-house, which consists of IoT solution design, software and hardware design, cloud development, semi-conductor validation and embedded software design. We have also developed automated testing capabilities to standardize testing parameters and shorten the testing times. Further, our Company along with our subsidiary, Imagine Marketing Singapore entered into an agreement to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries in January 2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the IoT space and has a technology-focused platform for wearables through patented AI and ML capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases. We expect this acquisition to further help develop our capabilities within these domains.

In Financial Year 2021 and for the six months period ended September 30, 2021, we launched over 77 and over 45 new products, respectively. Our product development capabilities also benefit from our ability to leverage our strong relationships and engagements with established technology industry participants such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp from whom we are able to source technology and components for the manufacturing of our products by our contract manufacturers. These collaborations have been instrumental towards our growth in the hearables and wearables product markets in India and provide us insights into next-generation technology which we can incorporate in our product offerings. We have also developed strong relationships with a diverse group of manufacturers, material suppliers and product development companies across China, Vietnam and India. These relationships are instrumental towards the launch of new product offerings within short periods of time. Through initiatives such as our joint venture with Dixon Technologies, we are making investments in supporting an Indian manufacturing ecosystem and are keen to capitalize on the “Make-in-India” initiative. Since the first quarter of Financial Year 2022, a large number of our products within our Rockerz, Bassheads and Airdopes product ranges, as well as within our accessories (including cables and power banks) are being manufactured in India. With a supplier base of over 10 suppliers, we aim to scale production to meet the growing demands of our consumers through contract manufacturers in India. In January 2022, we launched one of the first “Made-in-India” TWS with Dixon Technologies.

Professional, founder-driven management team with deep industry expertise and track record, and an experienced consumer products CEO

Our management team comprises of a diverse group of industry professionals having deep commercial experience and expertise across various disciplines, including the consumer lifestyle and technology industry. Since the commencement of our operations, we have built a culture of innovation driven by a commitment for developing quality products. Our founders and Promoters, Aman Gupta and Sameer Mehta have been working together since our inception in 2013, and have deep domain expertise, an impressive track record and have demonstrated an ability to successfully create, build and grow our business.

Our Company is led by our CEO, Vivek Gambhir who has over 28 years of professional experience including with Godrej Consumer Products Limited (as the chief executive officer and managing director) and Godrej Industries Limited (as the chief strategy officer). Vivek Gambhir was associated with Bain & Company India Private Limited as a Partner and was a founding member of Bain & Company’s consulting operations in India, and has significant experience in building consumer brands with value. Vivek Gambhir is supported by an experienced team of cross-functional professionals across senior and mid-level management that have significant experience in, and the understanding of, the audio, consumer brand and technology sectors. We are further supported by marquee investors such as Fireside Ventures, Qualcomm Ventures LLC and South Lake Investment Ltd, an affiliate of the Warburg Pincus Group.

Our Growth Strategy

Our growth strategy centres around our vision to develop a portfolio of market-leading lifestyle brands and products that cater to the needs of India’s large and rapidly-growing audience of young, digitally-enabled and trend-conscious consumers. We aim to achieve this by leveraging the strength of our digital-first platform, and the established brand equity and leadership positions of our brands, most notably our flagship “boAt” brand in the audio and wearables product categories, among others. The key elements of our growth strategy include:

- Build on our market leadership positions in our existing core, fast-growing categories to accelerate growth;
- Expand our presence into other adjacent product categories, either via our existing brands or brand extensions, by creating new brands or through acquisitions;
- Continue to invest in building our brands, including our flagship “boAt”, as well as our brand communities to enhance consumer engagement;
- Diversify our supplier and contract manufacturer network and investing in our “Make-In-India” initiative;
- Investing ahead of the curve in our research and development capabilities and technology relationships to develop new and innovative products within existing as well as new categories; and

- Expand into international markets primarily within our core audio and wearables categories.

Build on our market leadership positions in our existing core, fast-growing categories to accelerate growth

According to the RedSeer Report, as on September 30, 2021, our flagship brand “boAt” has an established market leading position in India for wireless hearables and wearables. According to the RedSeer Report, the hearables market has grown from approximately ₹99 billion in 2018 to ₹170 billion in 2020, at a CAGR of approximately 31%. The hearables are expected to grow between 25% to 35% in terms of CAGR in the next 5 years and is projected to reach between ₹515 billion and ₹765 billion by 2025. The RedSeer Report also reveals that the wearables market has grown from ₹16 billion in 2018 to ₹32 billion in 2020, at a CAGR of approximately 39%. The smartwatch market in India is projected to grow at a high CAGR of between 40% and 55% in the next 5 years and is projected to reach between ₹170 billion and ₹275 billion by 2025 (Source: *RedSeer Report*). While we aim to develop leading positions across other product categories, we believe that we can build upon our market leadership position in our existing categories through multiple levers and we plan to take advantage of the industry potential that we believe will drive growth in our hearables and wearables business.

Accelerating sales through the Online Channel

We aim to grow our consumer base and attract new consumers through effective branding, targeted advertising and consumer engagement. We believe that our business can continue to capitalize on the significant growth latent in the Indian e-commerce industry given India’s growing internet user base, coupled with positive aspects of demographics with a large number of online consumers. For our online sales channel, we intend to further invest in our existing strong strategic relationships with online marketplaces that retail our products, such as Amazon and Flipkart, and continue to jointly promote our brands and products on their platforms, while introducing more SKUs that we retail on these online marketplaces through exclusive product launches.

The case studies below illustrate two recent product launches conducted in collaboration with online marketplaces:

‘Rockerz 330’ neckbands – An ‘Amazon Special’ product launch (May 2021)



In May 2021, we engaged with Amazon to launch our ‘Rockerz 330’ wireless earphones (neckbands). Having distinctive features such as 30-hours playback battery life, fast-charging, ‘IPX5’ certification, a voice assistant and Type-C USB charging port, the ‘Rockerz 330’ neckband is one of our highest-selling hearable products for the six months period ended September 30, 2021. We undertook joint marketing efforts with Amazon for the launch of this product. This included sustained marketing on various social media platforms including on Amazon’s marketplace.

'Storm' smartwatch – A 'Flipkart Special' product launch (October 2020)



In October 2020, we engaged with Flipkart to launch 'Storm', our first smartwatch with 24/7 heart rate tracking and blood-oxygen monitoring features. In order to maximise visibility of the product launch, premium banners were posted on Flipkart's homepage along with a campaign that notified Flipkart users of the product launch. This campaign received over 155 million views in the month of its launch, and has significantly contributed to 'Storm' smartwatch being the leading smartwatch in India in terms of volume for the six month period ended September 30, 2021 (Source: *RedSeer Report*).

We also intend to grow the volume of our sales from other marketplaces and channels across the hearables and wearables product categories such as Nykaa, Tata Cliq and Myntra, and to increase the volume of our sales derived from our own website, www.boat-lifestyle.com. For the Financial Year 2021 and the six months period ended September 30, 2021, we were able to gross over 2.5 million and 10 million visits on a monthly average basis, respectively, on our online webstore. Sales from our own website commenced in 2020 and within one year of launch, contributed to 1.83% of our revenue from operations in Financial Year 2021, and 2.93% for the six months period ended September 30, 2021,

Accelerating Sales through the Offline Channel

While we are a digital-first consumer products company, we recognize the significance and benefits of accelerating sales through the offline channel and consequently, have scaled up our offline presence and intend to accelerate our efforts to do so. Our offline presence complements our digital-first model and further helps develop brand visibility and extends our reach.

Historically, the offline channel was not a key focus area for our Company. As we recognize the significant opportunity in offline channels within our product categories, both in terms of sales as well as branding benefits, we aim to significantly expand our footprint to the offline channel through omni-channel and offline retailers and distributors. For the quarter ending September 30, 2021, we were ranked as the #1 offline wireless hearables and smartwatch brand in India in terms of volume (Source: *RedSeer Report*). As of September 30, 2021, our products were available for sale in over 23,000 retail stores across India, and facilitated by a retail network of over 51 distributors and more than 180 sub-distributors in India, with a presence in over 32 states and Union Territories.

We plan to leverage our existing distributor relationships to penetrate the offline general trade segment to drive sales of our hearables and wearables into Tier 2+ cities and towns in India. As the consumers in Tier 2+ cities are catching up with the latest metro trends, hearables and wearables are growing faster in Tier 2+ cities. The hearables market in Tier 2+ cities has increased from 50% in 2018 to 60% in 2020 whereas the wearables market has grown from 20% in 2018 to 30% in 2020 (Source: *RedSeer Report*). We also plan to open our own retail stores (experience stores) that exclusively retail our products which we intend to use as a way to build our brands and better engage and connect with our community. Our consumers will have the benefit of familiarizing themselves with the 'touch and feel' of our products and to assess the quality of our products, leading to better consumer retention and higher customer lifetime value (Source: *RedSeer Report*).

Expanding into Adjacent Consumer Segments within our Core Categories

We also intend to focus on covering a range of specific consumer segments, product sub-categories and price points which we believe will be effective in widening our appeal across larger cross sections of the Indian consumer population and potentially attract more consumers to these categories. In terms of consumer segments, we plan to cater to various demographics by introducing new and differentiated collections. These could include brands or collections catered specifically for the profile of the consumer (e.g., women or children), or to their

budget (e.g., value brands compared to premium brands). For instance, “DEFY”, “TAGG” and “RedGear” are present examples of our differentiated brands and collections that target a wider range of consumer segments and product needs, and in March 2021, we launched “TRebel”, a product range specifically designed for women and which was promoted through a music video created by and featuring prominent actresses and singers.

In terms of product categories, we intend to focus on specific hearables and wearables that we believe are likely to become popular and high in demand. For example, we plan to accelerate the development and expansion of our smartwatches, as we believe that wearables has strong potential for growth driven by advancements in technology and expansion to adjacent product functionalities. We also plan to further develop our gaming accessories offering through our “RedGear” product range as the increasing acceptance towards gaming as potential career option/source of income amongst the youth is leading to a rise in numbers of casual and professional gamers (Source: *RedSeer Report*). Our expansion in this regard will continue to be guided by the extensive research through commissioned research, continued engagement with our consumers and sales channels to capitalize on prevailing market trends.

Expand our presence into other adjacent product categories either via our existing brands or brand extensions, by creating new brands or through acquisitions

In the past, we have effectively leveraged our brand, platform capabilities and channel relationships to expand our operations to adjacent product categories, most notably in the wearables, gaming accessories and personal care appliances categories, and intend to continue to do so. We believe that our brand, scalable business model, effective operational processes and proven track record of expansion, all position us well to capitalise on market opportunities, and accordingly, we intend to further expand our presence across multiple categories.

We aim to grow our business through further investment towards our existing brands, and by way of acquisitions of other consumer product brands. We also plan to drive organic growth by expanding into new product categories adjacent to our existing lines of business. We aim to expand our product offerings under our “boAt” brand, and evolve the brand further as a lifestyle brand with product offerings across an even wider range of lifestyle categories. We believe this is a significant step towards increasing our wallet share with our existing consumers, as well as leveraging the high brand recall and awareness of our flagship “boAt” brand to acquire new consumers.

We also plan to develop new brands that are relevant to the adjacent product categories we intend to expand into. For example, in June 2021, we launched our “Misfit” sub-brand which offers products in the men’s personal care and grooming category, such as trimmers. Through strategic acquisitions of existing brands, we are also keen to enter new categories or augment our product development capabilities. For example, in June 2021, we acquired TAGG Digital Strategies, a technology-driven lifestyle brand that strives to make premium products affordable and in September 2021, completed the acquisition of ‘RedGear’, our value-oriented gaming accessories brand with the aim to create and promote a gaming community in the country.

We also actively seek to acquire or invest in companies that can help us accelerate our expansion to additional product categories that resonate with our customer base, enable us to appeal to a wider cross section of customers, or strengthen our product portfolio and leadership position in existing categories. We believe that this will complement our organic growth initiatives and enable us to leverage our nuanced understanding of our customer base, our marketing capabilities, and platform capabilities to help the brands in our portfolio scale rapidly, thereby adding to our overall growth as a consumer products company and enable us to introduce innovative, feature rich and differentiated products.

Continue to invest in building our brands, including our flagship “boAt”, as well as our brand communities to enhance consumer engagement

We plan to continue to make further investments in developing our existing brands, so as to maintain a high social media recall and other positive association with our brands and to continue to attract new consumers to purchase our products.

We currently engage with our community through loyalty programmes, co-engagement with other brands, product and content co-creation as well as through consumer feedback received through our online channels. We also engage celebrities, brand influencers and brand ambassadors to promote our brand image in social and mainstream media. We also plan to deepen our engagement with our users by focusing on the emerging sub-culture and sub-segment trends through online and offline channels. This provides us with an opportunity to engage with consumers across various channels which results in high resonance and conversations with the brand evidenced by high ratings and reviews. For example, several of our products such as Rockerz 255, Airdopes 131 and Storm

smartwatch have a rating of 4 (out of 5) with over 400,000 ratings above across online marketplaces. Our brand 'boAt' has over two million followers across social media channels.

Diversifying our supplier and contract manufacturer network and investing in our “Make-in-India” initiative

We have taken significant steps to and plan to continue to diversify our supplier base and further increase the resilience of our supply chain by engaging new suppliers based in India and Vietnam, thereby increasing the share of our products that are manufactured in these countries.

We are also committed to developing and supporting the manufacturing ecosystem in India. We have begun working with over 10 suppliers in India for products across categories. We facilitate development and procurement for these suppliers while making investments in moulds, establishing quality parameters and testing protocols. In addition, we entered into an agreement to establish a joint venture with Dixon Technologies in January 2022 for manufacturing and developing our Bluetooth-enabled hearables products. Since the first quarter of Financial Year 2022, a large number of our products within our Rockerz, Bassheads and Airdopes product ranges, as well within our accessories (such as cables and power banks) are being manufactured in India. With a supplier base of over 10 suppliers and through initiatives such as our joint venture with Dixon Technologies, we have also made investments in building an Indian manufacturing ecosystem and are keen to capitalize on the “Make-in-India” initiative through contract manufacturing in India. The ‘Airdopes 101’ product range is one of our first TWS which was made in India and built by Dixon Technologies, and we are in the process of co-developing products with Indian manufacturers in order to develop a manufacturing and development ecosystem India. In October 2021, we launched our ‘Rockerz 355’ neckbands range in the Indian market, a product co-designed by us with an Indian supplier, thereby establishing our Indian product design credentials.

Investing ahead of the curve in our research and development capabilities and technology relationships to develop new and innovative products within existing as well as new categories

We believe that continuing to make early investments in research and development is critical for us to remain ahead of our competitors. Through ‘boAt Labs’, we have developed our own proprietary technology stack in-house, which consists of IoT solution design, software and hardware design, cloud development, semiconductor validation and embedded software design. We continue to work towards owning the designs and products we develop through the development of our intellectual property rights. For further details, see “*Business – Description of Our Business – Intellectual Property*” on page 161. Our product design and development initiatives are carried out under ‘boAt Labs’.

‘boAt Labs’ focuses on keeping abreast of market technology trends, driving product innovation, developing new products and enhancing existing products. The team is also responsible for identifying potential collaborative associations with semiconductor and technology participants in the industry and helping us respond effectively to technological changes and develop products with the latest technology features.

We intend to continue investing in our human capital in research and development and grow our ‘boAt Labs’ team to develop specialist capabilities and know-how relating to affordable research and development. As of September 30, 2021, our ‘boAt Labs’ team comprised 26 engineers.

We also intend to enter into further collaborations with technology companies in order to augment our product design and manufacturing capabilities, as we believe that enhanced technology can help us to differentiate product offerings and introduce new features and products ahead of our competitors. For instance, we plan to collaborate with technology companies to develop smart devices, which we believe may combine their expertise in internet-of-things technology with our existing expertise in developing speakers and audio devices. Such technological development of our products may potentially become gateways to internet-of-things and broader ecosystems that we may expand into in the future. We also collaborate with system-on-chip technology companies in the receivers and sensors space and explore the development of new products. For instance, in July 2021, we launched our ‘Immortal 1000D’ gaming headset, which is one of the first headphone devices in India to support the automatic activation of ‘Dolby Atmos’. Similarly, we have also launched low latency audio devices in wireless neckband and one of earliest ‘Alexa-compatible’ and voice enabled smartwatches in India (Source: *RedSeer Report*). Our in-house capabilities along with our several technology relationships have enabled us to launch products with 7.1 channel surround sound, Driverless 3D spatial sound, active noise cancellation and de-noising AI-based technology.

Along these lines, recently, our Company along with our subsidiary, Imagine Marketing Singapore entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries in January

2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the interest of things (“IoT”) space and has a technology-focused platform for wearables through a range of patented capabilities, end-to-end smart wearable solutions (hardware and software), and data-driven smart IoT platforms, thereby providing solutions and analytics for multiple-use cases. It has its operations across Singapore, India and China and has applied for over 30 patents. We expect this acquisition to augment our capabilities to introduce technologically advanced products and shorten the lead time to develop and introduce new products in the wearables and IoT segment.

Expand into international markets primarily within our core audio and wearables categories

We intend to expand our operations into international markets that have a large Indian diaspora with similar tastes and/or preferences as in India, such as the United Arab Emirates, Nepal and countries in the South East Asia region. We believe that, among other things, the strong brand equity we have created, our perceived trendiness particularly among young digitally-enabled consumers as well as our understanding of consumers’ tastes and preferences can enable us to engage such consumers in our target international markets.

As part of our overseas expansion, we intend to leverage the established presence of our online sales channels as this will help us ascertain our product-market fit in a capital-efficient manner, and guide possible subsequent investments in marketing and brand-building in these markets. We believe that the strong relationships we already enjoy with some of our sales channels will provide us with an advantage as we launch our presence in some of these adjacent markets where our sales channels have already previously established their businesses. In addition, given our leadership position in India and the relationships we enjoy with our supply chain, we believe the scale of our operations and our cost-position will enable us to offer a competitively priced offering in the new markets in which we launch our business.

Description of Our Business

Our Portfolio

Our growth strategy centres around our goal to develop a portfolio of lifestyle products that cater to the needs of India’s rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers, which are as follows:

Audio: Our hearables product range consists of headphones and earphones, and includes sub-categories such as wired earphones and headphones (marketed under our “Bassheads” ranges), wireless earphones and headphones (marketed under our “Rockerz” range) and true wireless stereo (marketed under our “Airdopes” ranges). Our product range also includes portable speakers (marketed under our “Stone” product range) and home audio devices (marketed under our “Aavante” range). Our “TRebel” range of products are designed for women, and includes wired, wireless and true wireless stereo.

Our audio products offer a variety of features. For example, our ‘Rockerz 235v2’ product has fast charging technology with eight hours of playback time and over 150 hours of standby time, a one press voice assistant, easy access integrated controls and is ‘IPX5’ rated. Similarly, our ‘Rockerz 330 pro’ product is a wireless neckband which has over 60 hours of playback time, is supported by ‘ENx’ technology that helps to capture voice without background glitches, fast charging capability, dual pairing and is ‘IPX5’ rated. Our ‘Rockerz 235’ and ‘Airdopes 441 pro’ TWS product have over 150 hours of playback time along with an instant voice assistant, sports friendly designs with touch controls and are ‘IPX7’ rated. Our recently launched Airdopes 601 ANC product range has hybrid active noise cancelling, ‘ENx’ technology, in-ear detection, fast charging charge and is ‘IPX4’ rated.



Wearables: Our wearables product products includes smartwatches such as ‘Storm’, ‘Flash’, ‘Xtend’, ‘Iris’ and ‘Matrix’ with a number of features that include ‘Alexa’ compatibility, multiple sensors, multiple sport modes, seamless app integration and analytics and cricket store notifications. ‘Storm’ smartwatch was the leading smartwatch in India in terms of volume for the six month period ended September 30, 2021 (Source: *RedSeer Report*) and ‘Xtend’ smartwatch was one of the earliest ‘Alexa-compatible’ and voice enabled smartwatches to be introduced in the Indian market, which we designed and developed in-house in collaboration with Amazon (Source: *RedSeer Report*). Our recently launched ‘Matrix’ smartwatch is equipped with a 1.65” AMOLED screen, health and fitness monitoring features and music and camera control.



Other Categories

Gaming Accessories: Our gaming accessories product range consists of gaming headphones (marketed under our “Immortal” product range under our flagship “boAt” brand and our “RedGear” brand) and gaming-related hardware and accessories such as gaming controllers, mouse and mouse pads and keyboards (marketed under our “RedGear” brand). We acquired the “RedGear” brand in September 2020. We have launched gaming accessories products with features for such as Immortals 1000D range, which is one of the first headphone devices in India to support the automatic activation of ‘Dolby Atmos’.

Personal Care Appliances: Our personal care product offering comprises of trimmers which are marketed under our “Misfit” sub-brand, and include our “Misfit T200” grooming kit, “Misfit T50” trimmer and other personal care appliances.



Other Accessories: Our accessories include chargers, power banks cables that are rugged and protected with materials such as polyethylene braided jackets.



In addition, we have adjacent brands that are marketed for specific purposes, and have products that can be found across our product categories. For instance, our “DEFY” brand was launched to cater to the value segment of the market and is focused on delivering hearables and wearables at affordable price points.

Research and Development

Our product design and development initiatives are housed under ‘boAt Labs’. ‘boAt Labs’ focuses on keeping abreast of market technology trends, driving product innovation, developing new products and enhancing existing products. Through “boAt Labs” we have developed our own proprietary technology stack in house, which consists of IoT solution design, software and hardware design, cloud development, semi-conductor validation, embedded software design and testing automation. The team is also responsible for identifying potential collaborative associations with semiconductor and technology participants in the industry and help us respond effectively to technological changes and develop products with the latest technology features. For instance, we benefit from our relationships with industry participants such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp and integrate components and technology developed by them in our products, thereby offering wide-ranging, quality-focused and aspirational consumer products at accessible price points.

As of September 30, 2021, our ‘boAt Labs’ team comprised of 26 engineers, and included specialized hardware, firmware and software engineers with expertise in hardware design and development, software design and development and mobile application development.

To further augment our capabilities within this domain, our Company along with our subsidiary, Imagine Marketing Singapore entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries, in January 2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the IoT space and has a technology-focused platform for wearables through patented AI and ML capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases.

Procurement and Manufacturing

For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, most of our contract manufacturing was from several manufacturers located in China. However, in order to diversify our supply chain network, we are investing in developing a supplier base in India and Vietnam. We engage contract manufacturers based in China, Vietnam and India to manufacture our products using design specifications and standards that we establish. We maintain oversight, control and input on the manufacturing process and further support this by facilitating the delivery of raw materials and components from our suppliers to our contract manufacturers. We believe that outsourcing the manufacturing of our products enables greater scale and flexibility at lower costs than establishing our own manufacturing facilities. We have exclusive supply agreements with most of our suppliers for the products that we sell and in addition to sourcing our products directly from suppliers, our relationships with industrial component manufacturers enable us to get access to the new models of chipsets and other components which we supply to manufacture our products. For instance, we have collaborations and relationships with a number of credible component suppliers such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp. We also regularly evaluate our contract manufacturers and suppliers, including whether or not to utilize new or alternative contract manufacturers or component suppliers for manufacturing our products. We adopt zero-based costing for components, engage alternate suppliers for components, define stringent quality parameters for products and suppliers and keep track of supplier scorecard for evaluation.

We have begun working with over 10 suppliers in India for products across product categories. We facilitate development and procurement for these manufacturers while making investments in moulds, establishing quality parameters and testing protocols. In addition, we entered into an agreement to establish a joint venture with Dixon Technologies in January 2022 for manufacturing and developing our Bluetooth-enabled hearables products.

Quality Assurance

Quality assurance for products received from manufacturers

To ensure that the raw materials and components sourced for manufacturing our products are of a high quality, we only collaborate with suppliers that have a proven track record and with whom we have developed strong working relationships. We have oversight and control over our supply chain and have an on-site team that visits the physical facilities of our manufacturers to inspect their manufacturing processes and the quality of our products at various stages. We provide our inputs to the manufacturers on improving the quality of our products, and our quality control process involves inspecting, testing or sampling of the products at various stages of the supply chain. Only products that are approved after the quality control process undergo mass production.

Quality control processes are conducted at the facilities of our manufacturers before the products are transported to our facilities. After the production stage, a further inspection is carried out. If defects are discovered at this stage, remedial actions are taken. After we receive products from our manufacturers, we conduct physical verification of the inventory at our warehouse. If there is any shortage from our manufacturers in China and Vietnam, we would debit the value of those products to our manufacturer's account with us. In the past, we have made claims against products delivered to us due to manufacturing defects and have successfully recovered our costs and our losses. For more information, see "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — We may face product returns, refunds and recalls, as well as product liability claims and legal proceedings, if the quality of our products does not meet our customers' expectations or causes harm to customers in the future, which may adversely affect our business, reputation and results of operations.*" on page 40.

Product warranties to consumers

We also provide warranties to our consumers in respect of the products we sell to them. The duration, nature and scope of the warranty varies on the relevant product. For instance, our standard warranty is for one year, while our cables (other than those supplied with our products) have a warranty of two years. We have a dedicated warranty team that monitors the frequency and nature of warranty claims on our products.

For the six months period ended September 30, 2021, warranty claims were made on 4.51% of our total sales orders, in respect of which 2.97% of our total sales orders had products which were replaced. See "*— Description of Our Business — Quality Assurance — Quality assurance for products received from manufacturers*" on page 158.

Sales Channels

Along with developing and growing our product portfolio, we have also expanded our presence across online and offline channels to widen our distribution footprint. The products under our brand “boAt” and “Misfit (by boAt)” are sold through our own online retail channel i.e. our own website, www.boat-lifestyle.com, as well as through business-to-business channels, whereas the products under our other brands “RedGear”, “DEFY”, “TAGG” are sold exclusively through business-to-business channels, including on the online marketplaces.

As a digital-first consumer products company, a large portion of our sales are derived from the online channel, which include online marketplaces such as Amazon and Flipkart, and our own website, www.boat-lifestyle.com. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, sales from online channels constituted 85.11%, 86.47%, 87.67% and 86.16% of our revenue from operations, respectively, with the remainder derived from offline channels. We continue to maintain strategic relationships with online marketplaces and regularly collaborate with them on marketing initiatives and understanding consumer preferences and purchasing behaviour. Given the existing and rapidly developing e-commerce ecosystem in India and its enabling infrastructure, our products are currently available to consumers located in approximately 90% of pin codes across India (Source: *RedSeer Report*).

Our offline presence complements our digital-first model and further helps develop brand visibility and extends our reach. As we recognize the significant opportunity in offline channels within our product categories, both in terms of sales as well as branding benefits, we have significantly expanded our footprint to offline presence and continue to sell our products through online and offline retail entities such as Tata Cliq and Tata Croma and various other offline retailers and distributors in India.

Although we commenced sales of our products through offline channels only in the financial year 2019, as of September 30, 2021, our products were available for sale in over 23,000 retail stores across India, and facilitated by a retail network of over 51 distributors and more than 180 sub-distributors in India, with a presence in over 32 states and Union Territories. We intend to continue expanding our offline distribution.

Marketing and Advertising

We aim to grow our consumer base and attract new consumers through effective branding, targeted advertising and consumer engagement. According to the RedSeer Report, our flagship brand “boAt” has (i) a higher top-of-mind awareness among its users, compared to top-of-mind awareness of other comparable brands (in hearables and wearables markets) their respective users, and (ii) a higher unaided recall than other comparable brands (in hearables and wearables categories among the respective non-users, which we believe has contributed to the growth in our consumer base).

Further, our strong marketing and branding capabilities have enabled us to achieve high sales volumes. Our flagship brand “boAt” attained the #1 ranking among wireless hearables brands in terms of volume over multiple quarters from the fourth quarter of the financial year 2019 to the second quarter of the financial year 2022 and in less than a year after launch in 2020, our flagship brand “boAt” was recognised as the #2 brand in smartwatches in terms of volume for the second quarter of financial year 2022 (Source: *RedSeer Report*). Several of our products such as Rockerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces. For the six month period ended September 30, 2021, RedGear is one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*) and for the third quarter of Financial Year 2022, as per Flipkart’s brand awareness index, our flagship “boAt” brand enjoyed the highest brand awareness score in the personal audio and wearables segments.

We use digital marketing to target users across the entire marketing funnel, from creating awareness and driving consideration to conversion by communicating what our flagship brand “boAt” stands to deliver. Through our marketing media initiatives, a deliberate retention program and presence across social media, we believe we have not only shaped how consumers perceive our brands, but also, how our target audience perceive consumer lifestyle products. Over the years, we have developed initiatives that target a consumer’s retention life cycle. We believe our marketing initiatives have been consistent across several forms of media, aided by organized and rigorous calendar planning across various channels and content formats, with the brand identity at its core and this has allowed us to build an engagement driven marketing approach that is efficient and productive. For financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our advertisement and promotion expenses were ₹123.48 million, ₹202.88 million, ₹478.63 million and ₹461.66 million, respectively.

We typically engage with our consumers through our social media channels and in developing our marketing initiatives, we use systematic audience profiling and cohort analysis to understand initiatives that our target audience would most likely respond best to. We also optimise our click-through rate and use search engine optimisation. We believe our marketing campaigns are also capital-efficient and ROI-efficient, which helps us reduce consumer acquisition costs and increase consumer lifetime value. Some of our successful marketing campaigns include #FloatsYourboAt and #livethesound.

We promote our brands and products through marketing techniques that include initiatives and alliances with other brands and several celebrities, such as musicians, cricketers, actors and influencers to promote our brands across digital and non-digital platforms. As of September 30, 2021, we had entered into contracts with over 20 brand ambassadors and influencers to promote our brands.

We structure our marketing efforts into the following themes:

1. *Sound of Champions:* We associate with sports events and teams like (e.g. Mumbai Indians, Chennai Super Kings, Punjab Kings, Kolkata Knight Riders, Delhi Capitals, Royal Challengers Bangalore) and celebrities like Rohit Sharma, Shikhar Dhawan, Hardik Pandya, KL Rahul, Shreyas Iyer, Mayank Agarwal and Ishan Kishan.
2. *Soul of Musicians:* We associate with leading singers and music composers who have the young audience grooving to their music like Guru Randhawa and B Praak.
3. *Glamour of Stars:* We associate with Bollywood celebrities who resonate with our target customers like Kartik Aaryan, Kiara Advani, Vir Das, Rohit Saraf and Shanaya Kapoor.
4. *Rhythm of Influencers:* We work with various macro, micro and nano influencers to effectively reach out to our target customer segment.
5. *Partnerships and Alliances:* We leverage various alliances like Sunburn, Lakme Fashion Week, Masaba Gupta, Marvel, T-Series, Kunal Rawal for our marketing activities, including the launch of special edition products with enhanced aesthetics and design catering to various requirements of our consumers.

We focus on communicating with our consumers through distinct brand activation events and campaigns. We released “TRebel”, our product range specifically designed for women in March 2021, and which launch was promoted through a music video created by and featuring prominent actresses and singers.

As part of our promotional and brand marketing initiatives, we release special or limited edition versions of our products from time to time. For instance, we released a limited edition range of headphones as part of our “Sound of Champions” campaign, which was a tie-up with select teams participating in the 2021 edition of the Indian Premier League. We also released a special edition portable speaker range “Stone SpinX 2.0”, which was showcased at the Lakme Fashion Week 2020 and “Airdopes 441”, a special edition line of headphones designed by celebrity designer Masaba Gupta to celebrate Lakme Fashion Week 2021. We have also released special edition products of our Airdopes 131, Rockerz 450, Stone 190 and Storm smartwatch range under license from Marvel.



For our customers and subscribers to our newsletters, we have loyalty programmes that provide them with discounts and rewards for continued purchases of our products. Such loyalty programmes are exclusive for customers purchasing our products on our website or subscribing to our newsletters. We also advertise our products on online marketplaces and have joint promotions with them from time to time.

Customer Service

While developing and growing our product portfolio, we have also expanded our presence across online and offline channels to widen our distribution footprint. In light of our expansion, we are committed to ensuring that our products are of a high quality and devoid of any manufacturing defects. However, in the event that any of our consumers identify a manufacturing defect in our products within the warranty period, they have the ability to reach out to us through a number of communication channels including our customer care helpline, by e-mail or directly through our social media channels.

Our consumers also have the option to physically return any defective products at a service centre of their choice or arrange for door-step collection of the defective product by one of our logistics service providers. Our consumers also have the option to directly return the defective products to the offline retailers from whom such products were purchased. As of September 30, 2021, we have 86 third-party operated service centres across India that provide diagnostic service and repair solutions for our entire portfolio of products across our product categories. In the event that repair is not feasible or practicable for any of our products, we aim to provide a replacement product within 10 days from such diagnosis. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, our returns were 6.05%, 9.22%, 7.52% and 8.24% of contracted price related to products sold, respectively.

Intellectual Property

We have 49 registered trademarks in India under various classes, including registration for our flagship brand “boAt”. Additionally, we have also filed applications for grant of 18 additional trademarks in India, which are pending registration at various stages. We have also obtained certificate of registration of design bearing design no. 329553-001 under the Designs Act, 2000 and Designs Rule, 2001. We have also registered the www.boat-lifestyle.com domain name on which we host our website and carry out e-commerce activities.

See “*Risk Factors – Internal Risk Factors – We may not be able to adequately protect our flagship “boAt” brand, other brands and 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.*” and “*Government and Other Approvals – Intellectual Property*” on pages 34 and 314, respectively.

For details of the trademark licence agreement dated June 4, 2021 entered into between our Company and our Subsidiary, Dive Marketing, for use of the ‘TAGG’ trademarks, see “*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, etc. in the last 10 years*” on page 173.

Competition

We compete with other industry participants for the wallet share of consumers, particularly for hearables and wearables. Our competitors include legacy audio and foreign brands, emerging Indian brands, Chinese smartphone OEMs, as well as private labels of marketplaces. We believe that we are able to remain competitive on the basis of our brand strength, reach and attractiveness to the rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers, the attractiveness and distinctiveness of our brand and design, technology and features, as well as the quality and affordability of our products. For more information, see “*Risk Factors — Internal Risk Factors — Risks Related to Our Business — We operate in an industry with several competitors including large and established ones, 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 across product categories.*” on page 30.

Employees

As of September 30, 2021, we had 292 employees. In addition to those employees, we also engaged 370 contract personnel, as of September 30, 2021. None of our employees are represented by a labour union. We have not experienced any work stoppages since our incorporation.

The following table provides a breakdown of our employees (excluding contract personnel) by function as of September 30, 2021:

| Function | Number |
|---------------------------|------------|
| Sales | 71 |
| Marketing & Design | 37 |
| Product | 23 |
| R&D | 26 |
| Customer Experience | 37 |
| Supply Chain & Operations | 56 |
| Finance | 26 |
| Corporate | 16 |
| Total | 292 |

Insurance

We maintain insurance policies to cover, among other things, losses caused due to fire and burglary and losses to our marine cargo. We also maintain insurance policies for commercial general liability and directors' and officers' liability. While we believe that the level of insurance we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we do not have insurance policies to cover all possible events. See "Risk Factors – Internal Risk Factors – Risks Related to Our Business – 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 50.

Awards and Accolades

Over the past few years, we and our management team have received several awards and accolades, the most notable of which include the following:

| Calendar Year | Details |
|---------------|--|
| 2021 | Awarded 'Best FMCD/FMCE Influencer Campaign- Bronze' by Exchange4media |
| | Awarded 'Most Powerful Brand of the Year-Emerging' by License India |
| | Awarded 'CXO Excellence' to Shashwat Singh by CXOTV & Tech Plus Media |
| | Recognised ET 40 under 40 – Aman Gupta by Economic Times |
| | Recognised BW 40 under 40 – Aman Gupta by BW Businessworld |
| | Secured 8 th Position in LinkedIn Top Startups to work for |
| | Awarded 'Best Campaign' - Bronze' for Use of Mobile and Mobile Monetization by Exchange4media |
| | Awarded 'Best Campaign- Silver' in Consumer Durables and Electronics by ET BrandEquity.com |
| | Secured 1 st Prize for R&D Large Scale by Elcina |
| | Awarded 'Excellence in Design-led Manufacturing & Emerging Indian Brand' by Elcina |
| 2020 | Awarded 'Best Use of Branded Content and Creators-Silver' for #ItsEffinDope by Social Samosa |
| | Awarded 'Best Use of Mobile' by ET BrandEquity.com |
| | Awarded 'Entrepreneur of the Year' in Product or Manufacturing Business to Aman Gupta by Entrepreneur Media |
| | Awarded 'Super 30 CMOs' to Aman Gupta by IAMAI & iProspect |
| | Awarded 'Most Promising Headphones Player' by BGR Tech |
| | Awarded 'Best Mobile Accessories Brand' at Mobility Accessories Awards |
| | Awarded 'Best Earbuds Brand' at DT Awards |
| 2019 | Awarded 'The Promising Brand 2019' by Economics Times |
| | Awarded 'India's Hottest Entrepreneur' to Aman Gupta by BW Businessworld |
| | Awarded 'Best in Ear Earphone' to boAt Bassheads 225 at Mobility Accessories Awards |
| | Awarded Gold for #iamaboAthead Digital Campaign at Great Lifestyle Brand Awards |
| | Recognised as Rising Stars Entrepreneurs Tech 25 Class of 2019 in the Entrepreneur Magazine to Aman Gupta and Sameer Mehta |
| 2018 | Awarded 'Best eRetail Start-Up of the Year' for Mobile and Accessory by Franchise India |
| | Recognised as a top 50 venture at Startup50 Awards by Smart CEO |

See "History and Certain Corporate Matters – Awards, Accreditations and Recognitions" on page 173.

Our Properties

As of September 30, 2021, we operated entirely out of leased premises. We lease our offices in New Delhi and Mumbai, our co-working space in Bangalore and our warehouses. We are required to pay security deposits, specified monthly rentals and common area maintenance charges for the duration of the relevant agreements, subject to periodic adjustments at agreed rates. We have leased the premises for our Registered Office for a term

of 33 months, which is valid until March 14, 2024. The premises for our Corporate Office is leased to us until January 2023.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. The description may not be exhaustive, and is only intended as a substitute to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. For further details in relation to our material approvals, see “Government and Other Approvals” beginning on page 313.

Key Acts, Regulations and Policies governing our Company

Consumer Protection Act, 2019 (the “Consumer Protection Act”) and rules made thereunder

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect 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” under the Consumer Protection Act includes 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 lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“**Ministry of Consumer Affairs**”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“**E-Commerce Rules**”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

Information Technology Act, 2002 (“Information Technology Act”)

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data.

The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“**DoIT**”), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**IT Security Rules**”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Intermediaries Rules**”) requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

The Personal Data Protection Bill, 2019 (the “Bill”)

The Bill, which proposes to supersede the Information Technology Act deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (a) “Personal Data” data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute: (i) financial data;(ii) health data;(iii) official identifier;(iv) sex life;(v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

Bureau of Indian Standards Act, 2016

Bureau of Indian Standards Act, 2016 provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the development of the activities, *inter alia*, standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services, and formatters connected therewith and incidental thereto. Functions of the BIS include, *inter alia*, (a) recognizing as an Indian standard, with the prior approval of the Central Government, the mark of any international body or institution at par with the standard mark, for such goods, articles, process, system or service in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as maybe prescribed to represent a particular Indian standard; (c) providing training services in relation to *inter alia*, quality management, standards, conformity assessment; (d) publishing Indian standards; promotion of safety in connection with any goods, article, process, system or service; and (e) any such other functions as may be necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stakeholders.

Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 (the “EITG Order”)

The EITG Order provides for the registration of certain scheduled electronic goods under relevant Indian Standards (“**IS**”) as prescribed by the BIS. As per the EITG Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the IS specified in the EITG Order. Further, manufacturers of these products are required to apply for registration from the BIS after getting their product tested from BIS recognized labs and requires manufacturers to mandatorily display the relevant IS mark as notified by the BIS on their products. Further, the BIS may notify additional categories of electronic goods requiring registration from time to time. The EITG Order also provides the BIS powers to inspect the premises of the manufacturer to ensure conformity of the products and issue directions in this regard.

The Indecent Representation of Women (Prohibition) Act, 1986 (“IRWA”)

The IRWA prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner. It states that no person shall publish or release any advertisements involving an obscene portrayal of women or agree to participate in the publication or show, in any form. In the event an offence under IRWA has been committed by a company, 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, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used, and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules define “pre-packaged commodity” as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, whole sale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the Act and the Rules

Laws relating to Country of Origin

Currently, Legal Metrology (Packaged Commodities) Rules, 2011 (“**Packaged Commodity Rules**”) require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. Demands for specifying the Country of Origin (“**COO**”) of products sold online has gained ground in view of Prime Minister's vision "Make in India". The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 01, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, *inter alia*, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller.

Legislations relating to sale of goods

The Sale of Goods Act, 1930 (the “Sale of Goods Act”)

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

Intellectual Property Laws

Intellectual property rights refer to the general term for intangible, intellectual, industrial property rights through patents, copyrights and trademarks and includes geographical indications, trade secrets, and confidential information. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.

The Trademarks Act, 1999 (the “Trademarks Act”)

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of

trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

The Patents Act, 1970 (the “Patents Act”)

The Patents Act recognises both product and process patents and prescribes eligibility criteria for grant of patents, including the requirement that an invention satisfy the requirements of novelty, inventive step and industrial applicability in order for it to avail patent protection. However, the Patents Act also provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy such criteria. Application by an Indian resident to any foreign authority in respect of an invention made outside India is prohibited without first making an application for the invention in India. Once granted, a patent remains valid for a period of twenty years from the date of filing of the patent application, subsequent to which it can be renewed. While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with a novel hardware are patentable. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Act, 1957. In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

The Designs Act, 2000 (the “Designs Act”)

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A ‘Design’ means only the features of shape, configuration, pattern, ornament or composition of lines or s 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 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. 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.

Environmental Laws

The Environment Protection Act, 1986 (the “Environment Act”) and The Environment (Protection) Rules, 1986 (the “Environment Rules”)

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 Environment 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 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 Rules prescribe standards for emission or discharge of environmental pollutants that an industry must comply with. Pursuant to the 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, an environmental statement for that financial year in the prescribed form

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”)

The 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.

Foreign Trade Regulations

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the Export-Import (“EXIM”) Policy.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“IEC”) granted by the Director General of Foreign Trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority

Foreign Investment Laws

Foreign investment in India is governed by the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Under the FEMA Rules and Consolidated FDI Policy (effective October 15, 2020), 100% foreign direct investment is permitted in single brand product retail trading sector, under the automatic route, subject to certain conditions specified thereunder. Further, in the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy.

In terms of the FEMA Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together with effect from April 1, 2020, will be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%), unless reduced by way of passing a special resolution. For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 359.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Labour Law Legislation

The various labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, include, but are not limited to, the following:

- i. Minimum Wages Act, 1948
- ii. Payment of Wages Act, 1936
- iii. Child Labour (Prohibition and Regulation) Act, 1986
- iv. Transgender Persons (Protection of Rights) Act, 2019
- v. Equal Remuneration Act, 1976
- vi. Maternity Benefit Act, 1961
- vii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- viii. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- ix. The Code on Wages, 2019*
- x. The Code on Social Security, 2020**
- xi. Various state shops and establishments legislations

**The GoI enacted ‘The Code on Wages, 2019’ which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act,*

1986) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

***The GoI enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

In addition to the above, our Company is subject to various laws and regulations such as the fire acts of various states, state laws under the Industrial Establishments (National and Festival Holidays) Act, 1965 and the provisions of the Companies Act 2013 and rules framed thereunder, and other applicable statutes imposed by the Government of India or the state governments and authorities for our day-to-day business and operations. Our Company is also amenable to various central tax laws including Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years, Central Goods and Service Tax Act, 2017, Central Sales Tax Act, 1956, Integrated Goods and Services Tax Act, 2017, Customs Act, 1961, professional tax related state-wise legislations, and various other state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as “Imagine Marketing Private Limited” under the Companies Act, 1956 in Mumbai, Maharashtra, as a private limited company, pursuant to a certificate of incorporation dated November 1, 2013, issued by the RoC. Pursuant to a special resolution passed by our Shareholders on January 18, 2022, our Company was converted into a public limited company and consequently, the name of our Company was changed to “Imagine Marketing Limited” and a fresh certificate of incorporation dated January 24, 2022 was issued by the RoC.

Changes in Registered Office

Except as stated below, there has been no change in the registered office of our Company since the date of incorporation.

| Date of change | Details of change | Reasons for change |
|-------------------|---|------------------------------|
| February 23, 2015 | The registered office of our Company was changed from 119, First Floor, Shah and Nahar Society, Off. D.E. Moses Road, Worli, Mumbai – 400 018, Maharashtra to 117, Shah and Nahar Industrial Estate, Off. Dr. E. Moses Road, Worli, Mumbai – 400 018, Maharashtra | For operational convenience. |
| October 27, 2017 | The registered office of our Company was changed from 117, Shah and Nahar Industrial Estate, Off. Dr. E. Moses Road, Worli, Mumbai – 400 018, Maharashtra to Gala Number 255, Guru Gobind Industrial Estate, Jay Coach, Goregaon (East), Mumbai – 400 063, Maharashtra | For operational convenience. |
| June 27, 2019* | The registered office of our Company was changed from Gala Number 255, Guru Gobind Industrial Estate, Jay Coach, Goregaon (East), Mumbai – 400 063, Maharashtra to 501B, Shri Guru Har Krishan Bhavan, Charat Singh Colony Road, Chakala, Andheri East, Mumbai – 400 093, Maharashtra. | For operational convenience. |
| July 26, 2021 | The registered office of our Company was changed from 501B, Shri Guru Har Krishan Bhavan, Charat Singh Colony Road, Chakala, Andheri East, Mumbai – 400 093, Maharashtra to E-Wing, Unit -505, Corporate Avenue, Opp. Solitaire Park, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra. | For operational convenience. |

* The Company had filed Form INC 22 wherein incorrect address of the registered address was recorded as 501A, Shri Guru Har Krishan Bhavan, Charat Singh Colony Road, Chakala, Andheri East, Mumbai – 400 093, Maharashtra with effect from May 20, 2019. Subsequently, the Company filed Form INC 22 wherein the address of the registered office was rectified and changed to 501B, Shri Guru Har Krishan Bhavan, Charat Singh Colony Road, Chakala, Andheri East, Mumbai – 400 093, Maharashtra with effect from June 27, 2019.

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. *“To carry on the business of manufacturing, buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing, in any manner whatsoever in all kinds of Consumer Electrical Appliance, Consumer Electronic devices, gadgets and its components on retail as well as wholesale basis in India or elsewhere.”*

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to our Memorandum of Association

The following changes have been made to our Memorandum of Association since incorporation:

| Date of change/Shareholders’ resolution | Nature of amendment |
|---|--|
| March 26, 2018 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹500,000 divided into 50,000 equity shares of ₹10 each to ₹700,000 divided into 60,000 equity shares of ₹10 each and 10,000 preference shares of ₹10 each. |

| Date of change/Shareholders' resolution | Nature of amendment |
|--|--|
| November 10, 2020 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹700,000 divided into 60,000 equity shares of ₹10 each and 10,000 preference shares of ₹10 each to ₹900,000 divided into 60,000 equity shares of ₹10 each and 30,000 preference shares of ₹10 each. |
| December 15, 2020 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹900,000 divided into 60,000 equity shares of ₹10 each, 30,000 preference shares of ₹10 each (comprising 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each and 24,891 preference shares of ₹10 each) to ₹120,900,000 divided into 60,000 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each and 20,000 Series B Preference Shares of ₹6,000 each. |
| March 25, 2021 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹120,900,000 divided into 60,000 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each and 20,000 Series B Preference Shares of ₹6,000 each to ₹265,394,000 divided into 14,509,400 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each and 20,000 Series B Preference Shares of ₹6,000 each |
| April 10, 2021 | Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company from ₹265,394,000 divided into 14,509,400 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each and 20,000 Series B Preference Shares of ₹6,000 each to ₹265,394,000 divided into 14,509,400 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each, 18,000 Series B Preference Shares of ₹6,000 each and 2,000 Series B1 Preference Shares of ₹6,000 each |
| May 13, 2021 | Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company from ₹265,394,000 divided into 14,509,400 equity shares of ₹10 each, 3,371 Series A Preference Shares of ₹10 each, 1,738 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each, 18,000 Series B Preference Shares of ₹6,000 each and 2,000 Series B1 Preference Shares of ₹6,000 each to ₹265,394,000 divided into 14,646,800 equity shares of ₹10 each, 162,709 Series A Preference Shares of ₹10 each, 347,600 Series A1 Preference Shares of ₹10 each, 24,891 preference shares of ₹10 each, 17,158 Series B Preference Shares of ₹6,000 each and 1,771 Series B1 Preference Shares of ₹6,000 each |
| December 15, 2021 | Clause V of our Memorandum of Association was amended to reflect the sub-division of the face value of the equity shares of our Company, from 14,646,800 equity shares of ₹10 each to 146,468,000 equity shares of ₹1 each |
| January 18, 2022 | Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Imagine Marketing Private Limited' to 'Imagine Marketing Limited' pursuant to the conversion of our Company from a private limited company to a public limited company |

Major events in the history of our Company

The table below sets forth some of the major events in the history of our Company:

| Calendar Year | Details |
|----------------------|--|
| 2013 | Our Company was incorporated as Imagine Marketing Private Limited |
| 2014 | Launched the "boAt" brand |
| 2016 | Launched mobile accessories and wired earphones |
| 2017 | Launched wireless earphones and portable speakers |
| 2018 | Investment by Fireside in our Company |
| 2020 | Established boAt Labs for in-house research and development Launched products in the wearable category Acquired "RedGear" brand for gaming accessories |
| 2021 | Investment by South Lake Investment Ltd, an affiliate of the Warburg Pincus Group, in our Company Investment by Qualcomm in our Company Launched 'Make in India' products Acquired "TAGG" brand for hearables and wearables products Launched "Misfit" brand for personal care products Incorporated Imagine Marketing Singapore Pte. Ltd., a subsidiary of our Company Incorporated HOB Ventures Private Limited, a subsidiary of our Company |

| Calendar Year | Details |
|---------------|--|
| 2022 | Entered into certain definitive agreements for making an investment in Kimirica Lifestyle Entered into certain definitive agreements for acquiring KaHa Singapore, KaHa India and KaHa China Entered into a joint venture with Dixon Technologies Limited. |

Awards, Accreditations and Recognitions

The table below sets forth certain key awards, accreditations, certifications and recognitions received by us, our Promoters and Chief Information Officer:

| Calendar Year | Details |
|---------------|--|
| 2021 | Awarded 'Best FMCD/FMCE Influencer Campaign- Bronze' by Exchange4media |
| | Awarded 'Most Powerful Brand of the Year-Emerging' by License India |
| | Awarded 'CXO Excellence' to Shashwat Singh by CXOTV & Tech Plus Media |
| | Recognised ET 40 under 40 – Aman Gupta by Economic Times |
| | Recognised BW 40 under 40 – Aman Gupta by BW Businessworld |
| | Secured 8 th Position in LinkedIn Top Startups to work for |
| | Awarded 'Best Campaign' - Bronze' for Use of Mobile and Mobile Monetization by Exchange4media |
| | Awarded 'Best Campaign- Silver' in Consumer Durables and Electronics by ET BrandEquity.com |
| | Secured 1 st Prize for R&D Large Scale by Elcina |
| | Awarded 'Excellence in Design led Manufacturing & Emerging Indian Brand' by Elcina |
| 2020 | Awarded 'Best Use of Branded Content and Creators-Silver' for #ItsEffinDope by Social Samosa |
| | Awarded 'Best Use of Mobile' by ET BrandEquity.com |
| | Awarded 'Entrepreneur of the Year' in Product or Manufacturing Business to Aman Gupta by Entrepreneur Media |
| | Awarded 'Super 30 CMOs' to Aman Gupta by IAMAI & iPprospect |
| | Awarded 'Most Promising Headphones Player' by BGR Tech |
| | Awarded 'Best Mobile Accessories Brand' at Mobility Accessories Awards |
| 2019 | Awarded 'Best Earbuds Brand' at DT Awards |
| | Awarded 'The promising Brand 2019' by Economics Times |
| | Awarded 'India's Hottest Entrepreneur' to Aman Gupta by BW Businessworld |
| | Awarded 'Best in Ear Earphone' to boAt Bassheads 225 at Mobility Accessories Awards |
| | Awarded Gold for #iamaboAthead Digital Campaign at Great Lifestyle Brand Awards |
| 2018 | Recognised as Rising Stars Entrepreneurs Tech 25 Class of 2019 in the Entrepreneur Magazine to Aman Gupta and Sameer Mehta |
| | Awarded 'Best eRetail Start-Up of the Year' for Mobile and Accessory by Franchise India |
| 2018 | Recognised as a top 50 venture at Startup50 Awards by Smart CEO |

Time/cost overrun

As on the date of this Draft Red Herring Prospectus, there have been no time/cost overruns in setting up our projects.

Defaults, rescheduling or restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there has been no default, rescheduling or restructuring of borrowings by our Company with financial institutions or banks.

Significant strategic and financial partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant strategic or financial partners.

Launch of key products or services, and entry into new geographies or exit from existing markets

For details of key products or services launched by our Company and entry into new geographies or exit from existing markets to the extent applicable, see "Business" beginning on page 141.

Details regarding acquisitions or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, etc. in the last 10 years

Except as stated below, our Company has not made any acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

1. **KaHa Entities**

Share purchase agreement dated January 6, 2022 entered into among our Company, KaHa Pte. Ltd. (“KaHa Singapore”), KaHa Technologies Private Limited (“KaHa India), Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung (collectively “KaHa Promoters”) (“KaHa India SPA”)

Our Company, KaHa Singapore, KaHa India and the KaHa Promoters entered into the KaHa India SPA, pursuant to which our Company agreed to purchase equity shares of KaHa India held by KaHa Singapore, subject to the fulfilment of each of the conditions precedent set out in the KaHa India SPA. Pursuant to the KaHa India SPA, our Company proposes to acquire 100% shareholding interest in the KaHa India, subsequent to which KaHa India will become a wholly owned subsidiary of our Company.

Share purchase agreement dated January 10, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd. (“KaHa Singapore”), Nott Hariprasad, Tan Hwee Hua, Yourest Angel Fund Trust, Metals International B.V., IOTPlus Singapore Pte. Ltd., Seeds Capital Pte. Ltd., Tembusu ICT Fund I Pte. Ltd., Tembusu Partners Pte. Ltd. (collectively “KaHa Investors”) and Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung (collectively “KaHa Promoters”) (“KaHa Investor SPA”)

Our Subsidiary, Imagine Marketing Singapore, KaHa Singapore, KaHa Investors and KaHa Promoters entered into the KaHa Investor SPA, pursuant to which Imagine Marketing Singapore agreed to purchase ordinary shares and preference shares of KaHa Singapore held by the KaHa Investors, subject to the fulfilment of each of the conditions precedent set out in the KaHa Investor SPA.

Share purchase and share subscription agreement dated January 14, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd. (“KaHa Singapore”), Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung (collectively “KaHa Promoters”) (“KaHa Promoter SSPA”)

Our Subsidiary, Imagine Marketing Singapore, KaHa Singapore and KaHa Promoters entered into the KaHa Promoter SSPA, pursuant to which Imagine Marketing Singapore agreed to: (a) purchase ordinary shares of KaHa Singapore held by the KaHa Promoters; and (b) subscribe ordinary shares of KaHa Singapore, subject to the fulfilment of each of the conditions precedent set out in the KaHa Promoter SSPA. KaHa Technologies Private Limited (“**KaHa India**”) and KaHa Technologies Shenzhen Co. Ltd (“**KaHa China**”) are wholly owned subsidiaries of KaHa Singapore. Pursuant to the KaHa Investor SPA and KaHa Promoter SSPA, Imagine Marketing Singapore proposes to acquire 100% shareholding interest in the KaHa Singapore and KaHa China, subsequent to which KaHa Singapore and KaHa China will become wholly owned subsidiaries of Imagine Marketing Singapore and consequently, subsidiaries of our Company.

2. **Kimirica Lifestyle**

Share subscription, shareholders’ and share purchase agreement dated January 17, 2022 entered into among Mohit Jain, Rajat Jain, Rica Jain, Kimi Jain (collectively “Kimirica Promoters”), Hunter Amenities International Limited (“Hunter Amenities”), Kimirica Hunter International LLP (“Kimirica Hunter”), Kimirica Lifestyle Private Limited (“Kimirica Lifestyle”) and our Subsidiary, HOB Ventures (“Kimirica SSSPA”)

Our Subsidiary, HOB Ventures, Kimirica Promoters, Hunter Amenities, Kimirica Hunter and Kimirica Lifestyle entered into the Kimirica SSSPA, pursuant to which HOB Ventures agreed to (a) subscribe to 4,286 preference shares of face value ₹10 each of Kimirica Lifestyle; and (b) purchase 476 equity shares of face value ₹10 each of Kimirica Lifestyle from Kimirica Promoters, subject to completion of the conditions precedents set out in the Kimirica SSSPA. Pursuant to the Kimirica SSSPA, HOB Ventures proposes to acquire 33.30% of the total paid-up share capital of Kimirica Lifestyle, on a fully diluted as converted basis.

Business transfer agreement dated January 17, 2022 entered into among Kimirica Hunter International LLP (“Kimirica Hunter”), Kimirica Lifestyle Private Limited (“Kimirica Lifestyle”) and our Subsidiary, HOB Ventures (“Kimirica BTA”)

Our Subsidiary, HOB Ventures, Kimirica Hunter and Kimirica Lifestyle entered into the Kimirica BTA, pursuant to which Kimirica Hunter has agreed to transfer, as a going concern on a slump sale, the business of ideating,

developing, and selling personal care products on online marketplaces, mobile app, website owned/operated and through retail outlets and supplying private label products along with all assets, liabilities and employees of Kimirica Hunter to Kimirica Lifestyle, subject to completion of the conditions precedents set out in the Kimirica BTA. In terms of the Kimirica BTA, the transfer excludes the existing business of Kimirica Hunter of manufacturing, sale and supply of luxury toiletries, cosmetics, ayurvedic medicines, preparations, room amenities, amenity kits, sets, hotel and guest supplies, personal care products, room décor products, food & beverage operating supplies to (a) hotel industry, (b) airline industry, (c) existing global brands owned by Kimirica Hunter, and (d) any leads brought by Kimirica Hunter which culminate in an offshore contract.

Deed of assignment dated January 17, 2022 entered into among Kimirica Hunter International LLP (“Kimirica Hunter”) and Mohit Jain (collectively “Assignors”), Rajat Jain, Rica Jain, Kimi Jain, Kimirica Lifestyle Private Limited (“Kimirica Lifestyle”) and our Subsidiary, HOB Ventures (“Deed of Assignment”)

Pursuant to the Deed of Assignment, the Assignors agreed to transfer and assign all its rights, title and interest in the intellectual property as listed in the Deed of Assignment including trademarks, brand names, domain name and all formulations pertaining to the products related business of Kimirica Hunter, including, but not limited to the “Kimirica” brand, to Kimirica Lifestyle.

3. TAGG

Intellectual property purchase and acquisition agreement dated June 4, 2021 (“IPPAA”) entered into among Dive Marketing, TAGG Digital Strategies Pvt. Ltd. (“TAGG Digital Strategies”), Amitesh Bhardwaj, Saurav Prakash, Rohit Dhingra and M/s. 4COM Technologies

In terms of the IPPAA, TAGG Digital Strategies has transferred all rights, interest and title in all intellectual property rights, including patents, trademarks, service marks, logos, trade names, copyright, designs and internet domain names, pertaining to the audio and smart wearable products related business of TAGG Digital Strategies (including, but not limited to the “TAGG” word and label (“TAGG Trademarks”)) to Dive Marketing.

Trademark licence agreement dated June 4, 2021 entered into among our Company and Dive Marketing Private Limited

Our Company has entered into trademark licence agreement dated June 4, 2021 with Dive Marketing, pursuant to which Dive Marketing has granted an exclusive, revocable, transferable, assignable, sub-licensable licence to our Company to use the TAGG Trademarks for our products and promotional materials in India for a period of two years (“Term”) from execution date, i.e., June 4, 2021. The Term may be extended for another period of two years on such terms as may be mutually agreed between Dive Marketing and our Company. From the date of launch of the product, our Company is required to pay Dive Marketing, on a quarterly basis, a royalty of an amount equivalent to 1% on the net sales earned by use of the TAGG Trademarks.

4. RedGear

Asset transfer agreement dated September 1, 2020 (“Asset Transfer Agreement”) entered into among Redwood Interactive and our Company

In terms of the Asset Transfer Agreement, our Company has acquired from Redwood Interactive full and complete title to the trademarks pertaining to the “RedGear” label and certain inventories. Pursuant to the Asset Transfer Agreement, our Company has acquired two trademarks for “RedGear” label in respect of (i) headphones, speakers, mousepads, internal cooling fans for computers; and (ii) gamepads, gaming keyboards and gaming mouse, respectively.

5. Sirena Labs

Share subscription agreement dated November 1, 2019 entered into among our Company, Sirena Labs Private Limited (“Sirena Labs”), Hari Haran Bojan and Akanksha Anand (collectively, “Sirena Promoters”) (“Sirena SSA”)

Our Company, Sirena Labs and Sirena Promoters entered into the Sirena SSA, pursuant to which our Company subscribed equity shares of Sirena Labs. Pursuant to the Sirena SSA, our Company acquired 25% of the then-shareholding interest in Sirena Labs.

Our Company also entered into the shareholders' agreement dated November 1, 2019 with Sirena Labs, the Sirena Promoters, Medari Reuben Hanock Babu and Abinika Radha Krishnan ("**Sirena SHA**") setting out, among others, the terms and relationship between the parties to the agreement and their rights and obligations in relation to our Company's shareholding.

In terms of the Sirena SHA, our Company has certain rights, among others, (i) right to nominate one director and one observer on the board of directors of Sirena Labs; (ii) affirmative voting matters requiring prior written consent of our Company for undertaking actions in relation to certain matters involving the business, operations and financial decisions of Sirena Labs such as alteration of constitutional documents of Sirena Labs, any transactions affecting the share capital or rights attached to any securities of Sirena Labs, any related party transactions and any transaction that would have a financial effect outside the scope of the approved annual business plan; (iii) certain information and inspection rights in relation to the business and financials of Sirena Labs; (iv) right of first refusal and tag-along rights in case of transfer of shares by other shareholders of Sirena Labs; (v) exit rights and drag along rights in case of an initial public offering or a strategic sale; (vi) drag along rights in case exit is not provided; (vii) pre-emptive and anti-dilution rights. Also, see "*Restated Consolidated Financial Information - Note 41 – Investment in Sirena Labs Private Limited*" and see "*Outstanding Litigation and Other Material Developments*" on pages 265 and 309.

Shareholders' Agreements and Other Agreements

Share Subscription and Shareholders' agreements

Share subscription agreement dated April 4, 2018 entered into among our Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust) ("Fireside") ("Fireside Series A SSA")

Our Company, the Promoters and Fireside entered into the Fireside Series A SSA, pursuant to which Fireside agreed to subscribe 3,371 Series A Preference Shares. The Series A Preference Shares were allotted to Fireside on April 6, 2018.

Series A1 Share Subscription Agreement dated December 31, 2018 entered into among our Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust) ("Fireside Series A1 SSA")

Our Company, the Promoters and Fireside entered into the Fireside Series A1 SSA, pursuant to which Fireside agreed to subscribe to 1,738 Series A1 Preference Shares. The Series A1 Preference Shares were allotted to Fireside on January 8, 2019.

Fireside has issued a release letter dated January 25, 2022 to our Promoters pursuant to which Fireside has agreed to release our Promoters with effect from the date of commencement of trading of the Equity Shares on the recognized Stock Exchanges pursuant to the consummation of the Offer from the indemnification obligations that our Promoters have towards Fireside pursuant to Clause 9 of the Fireside Series A SSA and the Fireside Series A1 SSA (collectively, the "**Fireside SSAs**")

Notwithstanding the release letter issued by Fireside, the indemnification obligations of our Promoters towards Fireside pursuant to Clause 9 of the Fireside SSAs in respect of any act of fraud shall continue in accordance with the terms of the Fireside SSAs. Further, any indemnity obligations of our Company shall also continue to be applicable in accordance with the terms of the Fireside SSAs.

Share subscription and purchase agreement dated December 14, 2020 entered into among our Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust) and South Lake Investment Ltd ("South Lake") ("South Lake Series B SSPA")

Our Company, the Promoters, Fireside and South Lake entered into the South Lake Series B SSPA, pursuant to which South Lake agreed to: (a) subscribe to 15,507 Series B Preference Shares; and (b) purchase 3,348 equity shares of face value ₹10 each from Sameer Mehta, 3,348 equity shares of face value ₹10 each from Aman Gupta and 2,559 Series A Preference Shares from Fireside. The Series B Preference Shares were allotted to South Lake on January 5, 2021.

South Lake has issued a release letter dated January 26, 2022 to our Promoters pursuant to which South Lake has agreed to release our Promoters with effect from the date of commencement of trading of the Equity Shares on the recognized Stock Exchanges pursuant to the consummation of the Offer ("**Effective Date**") from the

indemnification obligations that our Promoters have towards South Lake in terms of the South Lake Series B SSPA (under Clause 8.2.1(a) of the South Lake Series B SSPA) for certain misrepresentation, breach or inaccuracy of the business warranties provided under South Lake Series B SSPA (i.e. the Company warranties set out in Part B of Schedule 2 of the South Lake Series B SSPA).

Notwithstanding the release letter issued by South Lake, the indemnification obligations of our Promoters towards South Lake pursuant to Clause 8.2.1(a) of the South Lake Series B SSPA shall continue for any misrepresentation, breach or inaccuracy of the business warranties, in relation to any indemnity claim made by an indemnified party prior to the Effective Date. Further, the indemnity obligations of our Promoters for any act of fraud in relation to the business warranties, as well as for any misrepresentation, breach or inaccuracy of fundamental warranties provided pursuant to the South Lake Series B SSPA, shall continue to be applicable in accordance with the terms of the South Lake Series B SSPA, and any indemnity obligations of our Company shall also continue to be applicable in accordance with the terms of the South Lake Series B SSPA.

Share subscription agreement dated April 9, 2021 entered into among our Company, Sameer Mehta, Aman Gupta and Qualcomm Ventures LLC (“Qualcomm”) (“Qualcomm Series B1 SSA”)

Our Company, the Promoters, and Qualcomm entered into the Qualcomm Series B1 SSA, pursuant to which Qualcomm agreed to subscribe to 1,762 Series B1 Preference Shares at a price of ₹283,749 per share. The Series B1 Preference Shares were allotted to Qualcomm on April 20, 2021.

Qualcomm has issued a release letter dated January 25, 2022 to our Promoters pursuant to with effect from the date of commencement of trading of the Equity Shares on the recognized Stock Exchanges pursuant to the consummation of the Offer, (A) Qualcomm has agreed to release our Promoters from all liability towards Qualcomm pursuant to the personal covenants provided by our Promoters under Qualcomm Series B1 SSA (including but not limited to the covenants set out in Clause 12.11 of the Qualcomm Series B1 SSA) and (B) our Promoters have agreed to release Qualcomm from all liability towards our Promoters pursuant to Qualcomm’s covenants under the Qualcomm Series B1 SSA.

Notwithstanding the release letter issued by Qualcomm, all obligations of the Company (including without limitation indemnity obligations under Clause 8 of the Qualcomm Series B1 SSA) shall continue to be applicable in accordance with the terms of the Qualcomm Series B1 SSA.

Amended and Restated Shareholders’ Agreement dated April 9, 2021 entered into among our Company, Sameer Mehta, Aman Gupta, Fireside, South Lake and Qualcomm (Fireside, South Lake and Qualcomm, collectively referred to as the “Investors”) (“Shareholders’ Agreement”) as amended by the SHA Waiver and Amendment Agreement

Our Company, our Promoters, Fireside, South Lake and Qualcomm entered into the Shareholders’ Agreement to set out the terms and conditions of the relationship of the shareholders of our Company and certain matters connected therewith.

In terms of the Shareholders’ Agreement, the parties have certain rights and obligations, among others, (i) right to nominate Directors on our Board and observers in the meetings of the Board and committees, subject to certain shareholding thresholds in the Company; (ii) affirmative voting matters requiring prior written consent of the Investors for undertaking actions in relation to certain matters involving the business, operations and financial decisions of the Company; (iii) certain information and inspection rights in relation to the business and financials of the Company; (iv) transfer restrictions / tag-along rights / right of first offer in case of transfer of shares; (v) pre-emptive rights and anti-dilution rights in the event our Company issues any shares; and (vi) exit rights and drag along rights in case of an initial public offering or a strategic sale.

Further, in order to facilitate the Offer in accordance with applicable laws, our Company, our Promoters and the Investors have entered into the SHA Waiver and Amendment Agreement recording certain amendments and waivers to the Shareholders’ Agreement and acknowledgments in respect of the Offer to the extent provided in SHA Waiver and Amendment Agreement.

Pursuant to the SHA Waiver and Amendment Agreement, the Board shall comprise a maximum of 11 (eleven) Directors, in compliance with applicable law including the provisions of the Companies Act and the SEBI Listing Regulations. Subject to receipt of approval of the Shareholders, by way of a special resolution, at the first Shareholders meeting held by the Company after the date of listing and commencement of trading of Equity

Shares pursuant to the Offer, each of the Promoters and South Lake have a right to nominate and recommend Directors to the Board of the Company in the following manner:

Sameer Mehta

- a. Sameer Mehta shall have a right to nominate a maximum of 2 (two) nominee Directors at all times till he (together with any of his affiliates) holds 15% (fifteen percent) of the share capital.
- b. Sameer Mehta shall have a right to nominate a maximum of 1 (one) nominee Director at all times till he (together with any of his affiliates) holds 5% (five percent) of the share Capital.

Aman Gupta

- a. Aman Gupta shall have a right to nominate a maximum of 2 (two) nominee Directors at all times till he (together with any of his affiliates) holds 15% (fifteen percent) of the share capital.
- b. Aman Gupta shall have a right to nominate a maximum of 1 (one) nominee Director at all times till he (together with any of his affiliates) holds 5% (five percent) of the share capital.

South Lake

- a. South Lake shall have a right to nominate a maximum of 1 (one) nominee Director at all times till South Lake (together with any of its affiliates) holds 5% (five percent) of the share capital. The nominee Director of South Lake shall not be liable to retire by rotation.

For the calculation of the percentage threshold for the respective rights of the aforementioned parties to nominate nominee Directors, the share capital is calculated on a fully diluted basis, excluding unvested stock options granted by our Company.

In addition to the above, our Company, our Promoters and the Investors (collectively, the “**Parties**”) have agreed to waive their respective rights in relation to *inter-alia* appointment of the chairman on the Board, and transfer restrictions with respect to the Equity Shares by the Promoters, from the date of filing of the Draft Red Herring Prospectus to facilitate the Offer. The Parties have also agreed to waive their respective rights in relation to appointment of observers on the board, from the date of filing of the red herring prospectus by the Company in relation to the Offer. Further, in terms of the SHA Waiver and Amendment Agreement, the Shareholders’ Agreement shall terminate upon the listing and trading of the Equity Shares of the Company pursuant to the Offer.

Share subscription agreement dated January 7, 2022 entered into among our Company and Innoven Capital India Private Limited (“Innoven” and the agreement as “Innoven SSA”) and the right to subscribe agreement dated July 16, 2019 entered into among our Company and Innoven (“RTS Agreement”)

In terms of the RTS Agreement, our Company had granted Innoven a right to subscribe to certain preference shares of our Company as a consideration for the loan availed by our Company from Innoven. Subsequently, in terms of the Innoven SSA, Innoven exercised its right to subscribe under the RTS Agreement, pursuant to which Innoven subscribed to 463,500 Equity Shares.

Joint venture agreement

Joint venture agreement dated January 17, 2022 entered into among Dixon Technologies (India) Limited (“Dixon Technologies”) and our Company (“JV Agreement”)

Our Company has entered into a joint venture agreement dated January 17, 2022 (“**Execution Date**”) with Dixon Technologies for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties.

The JV Agreement sets out the terms and conditions that shall govern the relationship between Dixon Technologies and our Company (collectively “**JV Partners**” and individually as “**JV Partner**”) and the operations, management and development of the business and affairs of the Proposed JV (*defined below*). In terms of the JV Agreement, the JV Partners will jointly incorporate a private limited company under the Companies Act (“**Proposed JV**”) with equal shareholding and directors and make contribution towards the share capital of the Proposed JV.

In terms of the JV Agreement, the JV Partners have certain rights and obligations, among others, (i) right to nominate directors on the board of directors of the Proposed JV; (ii) right to purchase all securities held by other JV Partner in case of a deadlock between the JV Partners; (iii) affirmative voting matters requiring unanimous approval of at least one director nominated by each JV Partner; and (iv) transfer restrictions / right of first offer / right of first refusal and tag along right / drag along right. Pursuant to the JV Agreement, the board of directors of the Proposed Joint Venture shall comprise of four directors, where each JV Party is entitled to nominate two directors on the board of directors of the Proposed JV.

As on the date of this Draft Red Herring Prospectus, the Proposed JV is yet to be incorporated by the JV Partners.

Other agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

Holding Company of our Company

As on date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries namely, (i) Dive Marketing Private Limited; (ii) Imagine Marketing Singapore Pte. Ltd.; and (iii) HOB Ventures Private Limited. Further, pursuant to closing of KaHa India SPA, KaHa Investor SPA and KaHa Promoter SSPA, the KaHa Entities, that is, KaHa Pte. Ltd., KaHa Technologies Private Limited and KaHa Technologies Shenzhen Co. Ltd will become wholly owned subsidiaries of our Company.

The details of our three Subsidiaries are set forth below:

1. Dive Marketing Private Limited (“Dive Marketing”)

Corporate Information

Dive Marketing was incorporated on June 3, 2021 as a private limited company under the Companies Act, 2013. The registered office of Dive Marketing is located at E-Wing, Unit- 505, Corporate Avenue, Opp. Solitaire Corporate, Park, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India.

Nature of Business

The principle business of Dive Marketing is, amongst others, buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing, in any manner whatsoever in all kinds of consumer electrical appliances, consumer electronic devices, gadgets and its components on retail as well as wholesale basis in India or elsewhere.

Capital Structure and shareholding

As on the date of this Draft Red Herring Prospectus, the authorized share capital of Dive Marketing is ₹100,000 divided into 10,000 equity shares of ₹10 each.

The issued, subscribed and paid-up capital of Dive Marketing is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Our Company holds 100% of the issued and paid-up equity share capital of Dive Marketing, including one equity share held by Jignesh Rambhia in his capacity as a nominee shareholder of our Company.

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Dive Marketing not accounted for by our Company.

2. *Imagine Marketing Singapore Pte. Ltd. (“Imagine Marketing Singapore”)*

Corporate Information

Imagine Marketing Singapore was incorporated on November 29, 2021 as a private limited company under laws of Republic of Singapore. The registered office of Imagine Marketing Singapore is located at 101 Cecil Street, #09-06, Tong Eng Building, Singapore- 069533.

Nature of Business

The principle business of Imagine Marketing Singapore is, wholesale trade of a variety of goods without a dominant product.

Capital Structure and shareholding

As on the date of this Draft Red Herring Prospectus, the issued share capital of Imagine Marketing Singapore is USD 10,000 divided into 10,000 ordinary shares of USD 1 each.

The issued, subscribed and paid-up capital of Imagine Marketing Singapore is USD 10,000 divided into 10,000 ordinary shares of USD 1 each.

Our Company holds 100% of the issued and paid-up capital of Imagine Marketing Singapore.

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Imagine Marketing Singapore not accounted for by our Company.

3. *HOB Ventures Private Limited (“HOB Ventures”)*

Corporate Information

HOB Ventures was incorporated on December 31, 2021 as a private limited company under the Companies Act, 2013. The registered office of HOB Ventures is located at E-Wing, Unit-505, Corporate Avenue, Opp. Solitarie Corporate Park, Chakala, Andheri, Mumbai, Mumbai City- 400093, Maharashtra, India.

Nature of Business

The principle business of HOB Ventures is, amongst others to acquire any of the businesses, in India and abroad, providing infrastructural facilities and managing, licensing of brands and to acquire directly or indirectly or through collaboration, joint venture, partnerships, strategic acquisitions in the companies, bodies corporate and other entities engaged in any of the business interests or similar businesses, and to carry on the above businesses either directly or through its affiliates and subsidiaries or under license and/or trade agreements in India and elsewhere.

Capital Structure and shareholding

As on the date of this Draft Red Herring Prospectus, the authorized share capital of HOB Ventures is ₹100,000 divided into 10,000 equity shares of ₹10 each.

The issued, subscribed and paid-up capital of HOB Ventures is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Our Company holds 100% of the issued and paid-up equity share capital of HOB Ventures, including one equity share held by Vivek Gambhir in his capacity as a nominee shareholder of our Company.

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of HOB Ventures not accounted for by our Company.

Agreements with Key Managerial Personnel, Director or any other employee

There are no agreements entered into by our Key Managerial Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by the Promoter Selling Shareholders: The Promoter Selling Shareholders have not given any guarantee to any third parties as on the date of this Draft Red Herring Prospectus.

MANAGEMENT

Board of Directors

In accordance with our Articles of Association and the Companies Act, our Company is authorised to have up to eleven directors, which may be increased upon approval of the members by way of special resolution.

As on the date of this Draft Red Herring Prospectus, our Company has eight Directors, comprising three Executive Directors, one Non-Executive Nominee Director and four Non-Executive Independent Directors, of which one is an independent woman director. The Chairman of our Board, Sameer Mehta, is an Executive Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

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

| Name, designation, address, occupation, date of birth, term, period of directorship and DIN | Age (in years) | Directorships in other companies |
|---|----------------|---|
| <p>Sameer Mehta</p> <p><i>Designation:</i> Chairman and Executive Director</p> <p><i>Address:</i> 702, Sukh Sagar CHS 227/A, Sir Balchandra Road, Matunga East, Mumbai - 400 019, Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> November 29, 1976</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since November 1, 2013</p> <p><i>DIN:</i> 02945481</p> | 45 | <p><i>Indian Companies</i></p> <ol style="list-style-type: none"> 1. Cast Tech Private Limited 2. Triocast Technologies Private Limited 3. Cast Tech Allied Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |
| <p>Aman Gupta</p> <p><i>Designation:</i> Executive Director</p> <p><i>Address:</i> R-21, Hauz Khas, South Delhi, Delhi - 110 016, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> March 3, 1981</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since November 1, 2013</p> <p><i>DIN:</i> 02249682</p> | 40 | <p><i>Indian Companies</i></p> <ol style="list-style-type: none"> 1. Erampage Marketing Private Limited 2. HOB Ventures Private Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |
| <p>Vivek Gambhir</p> <p><i>Designation:</i> Chief Executive Officer and Executive Director</p> <p><i>Address:</i> House No. D-84, Malcha Marg, Chanakya Puri, New Delhi, Delhi - 110 021, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> November 27, 1968</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since April 20, 2021</p> | 53 | <p><i>Indian Companies</i></p> <ol style="list-style-type: none"> 1. Metropolis Healthcare Limited 2. Harvard Business School Club of India 3. Samast Technologies Private Limited 4. Honasa Consumer Private Limited 5. HOB Ventures Private Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |

| Name, designation, address, occupation, date of birth, term, period of directorship and DIN | Age (in years) | Directorships in other companies |
|---|-----------------------|---|
| <i>DIN: 06527810</i> | | |
| Anish Saraf | 44 | <i>Indian Companies</i> |
| <i>Designation: Non-Executive Director (nominee of South Lake)</i> | | 1. Warburg Pincus India Private Limited 2. PRL Developers Private Limited 3. Kalyan Jewellers India Limited 4. R Retail Ventures Private Limited 5. Biba Apparels Private Limited 6. PVR Limited 7. Medplus Health Services Limited 8. Parksons Packaging Limited 9. Good Host Spaces Private Limited |
| <i>Address: B-3002, 30th Floor, Raheja Vivarea, Sane Guruji Marg, Jacob Circle, Mumbai - 400 011, Maharashtra, India</i> | | |
| <i>Occupation: Service</i> | | |
| <i>Date of birth: October 30, 1977</i> | | |
| <i>Term: Not liable to retire by rotation</i> | | <i>Foreign Companies</i> |
| <i>Period of Directorship: Since January 5, 2021</i> | | Nil |
| <i>DIN: 00322784</i> | | |
| Purvi Sheth | 49 | <i>Indian Companies</i> |
| <i>Designation: Independent Director</i> | | 1. Deepak Nitrite Limited 2. Nirigyan Information Consulting and Services Private Limited 3. Lastaki Advisors Private Limited |
| <i>Address: 505/B, Eldorado, Kashinath Dhuru Lane, Off Veer Savarkar Marg, Opposite Siddhi Vinayak Temple, Prabhadevi, Mumbai, 400 025, Maharashtra</i> | | |
| <i>Occupation: Proprietor of Shilputsi Consultants</i> | | <i>Foreign Companies</i> |
| <i>Date of birth: May 31, 1972</i> | | Nil |
| <i>Term: For a period of five years from November 12, 2021 (not liable to retire by rotation)</i> | | |
| <i>Period of Directorship: Since November 12, 2021</i> | | |
| <i>DIN: 06449636</i> | | |
| Aashish Kamat | 56 | <i>Indian Companies</i> |
| <i>Designation: Independent Director</i> | | 1. IDFC First Bank Limited |
| <i>Address: 10, Sorrento, Mount Pleasant Road, Malabar Hill, Mumbai - 400 006, Maharashtra, India</i> | | <i>Foreign Companies</i> |
| <i>Occupation: Senior Advisor</i> | | Nil |
| <i>Date of birth: October 6, 1965</i> | | |
| <i>Term: For a period of five years from November 12, 2021 (not liable to retire by rotation)</i> | | |
| <i>Period of Directorship: Since November 12, 2021</i> | | |
| <i>DIN: 06371682</i> | | |
| Anand Ramamoorthy | 47 | <i>Indian Companies</i> |
| <i>Designation: Independent Director</i> | | 1. Hexagon Capability Center India Private Limited |
| | | <i>Foreign Companies</i> |

| Name, designation, address, occupation, date of birth, term, period of directorship and DIN | Age (in years) | Directorships in other companies |
|---|-----------------------|--|
| <p><i>Address:</i> C-1001, Akme Ballet Apartments, Doddanakundi Outer Ring Road, Doddanakundi, Bangalore North, Marathahalli Colony, Bangalore - 560 037, Karnataka, India</p> <p><i>Occupation:</i> Job Holder</p> <p><i>Date of birth:</i> June 7, 1974</p> <p><i>Term:</i> For a period of five years from November 12, 2021 (not liable to retire by rotation)</p> <p><i>Period of Directorship:</i> Since November 12, 2021</p> <p><i>DIN:</i> 05277865</p> | | Nil |
| <p>Deven Waghani</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 8642, NE, 7th Street, Medina, WA, 98039 – 4801</p> <p><i>Occupation:</i> Software Business Executive</p> <p><i>Date of birth:</i> April 28, 1965</p> <p><i>Term:</i> For a period of five years from December 15, 2021 (not liable to retire by rotation)</p> <p><i>Period of Directorship:</i> Since December 15, 2021</p> <p><i>DIN:</i> 09434542</p> | 56 | <p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p> |

Brief profiles of our Directors

Sameer Mehta is the Chairman and an Executive Director of our Company. He is also the Chief Product Officer of our Company and heads the product research and development of our Company. He is one of the founders and Promoters of our Company. He holds a bachelor's degree in commerce from University of Mumbai. He has experience in technology, product research and development. He also co-founded Redwood Interactive which owned 'RedGear', a gaming brand in India.

Aman Gupta is an Executive Director of our Company. He is also the Chief Marketing Officer of our Company and heads the marketing department for all brands in our Company's portfolio. He is one of the founders and Promoters of our Company. He holds a post-graduate degree in management from Indian School of Business, Hyderabad and is a qualified chartered accountant with the Institute of Chartered Accountants of India. He was associated with KPMG India Private Limited as an assistant manager, Harman International India Private Limited as senior manager – lifestyle, home and multimedia and Citicorp Finance India Limited. He is a recipient of the Economic Times and BW Business World's 40 under 40 Awards, Internet and Mobile Association of India's Super 30 CMO Honor Roll, as well as the Entrepreneur India's Entrepreneur of the Year 2020 (For Product or Manufacturing Business – Consumer Durables) Award. He also serves as the chairman of Internet and Mobile Association of India - Direct to Customer Committee.

Vivek Gambhir is the Chief Executive Officer and an Executive Director of our Company. He holds a bachelor's degree in science (computer science), a bachelor's degree in arts (economics and business) from Lafayette College, Easton, Pennsylvania and a master's degree in business administration from Harvard Business School, Boston, Massachusetts. He was the chief executive officer and managing director of Godrej Consumer Products Limited and the chief strategy officer of Godrej Industries Limited. He was associated with Bain & Company India Private Limited as a partner and was a founding member of Bain & Company's consulting operations in India. He has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India. He is currently on the advisory board of the Central Square Foundation and authors a leadership blog, www.monday-8am.com.

Anish Saraf is a Non-Executive Director of our Company. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and is a qualified chartered accountant with the Institute of

Chartered Accountants of India. He is associated with Warburg Pincus India Private Limited since 2006 where he currently holds the position of managing director.

Purvi Sheth is an Independent Director of our Company. She has passed the bachelor of arts degree examination (economics and political science) from St. Xavier's College, Mumbai, University of Mumbai and has completed the certificate of professional development program from the Wharton Business School, University of Pennsylvania. She has been associated with the firm, Shilputsi Consultants, for more than 25 years where she currently holds the position of the chief executive officer.

Aashish Kamat is an Independent Director of our Company. He holds a bachelor's degree in arts from the Franklin and Marshall College and is a member of the Pennsylvania Institute of Certified Public Accountants. He was previously the managing director in corporate & investment bank department of JP Morgan Chase Bank, N.A, the chief financial officer and managing director of Bank of America (GCIB), chief executive officer of UBS AG, Mumbai Branch, India, managing director of UBS AG, Hong Kong Branch and managing director, chief operating officer of L Catterton Asia.

Anand Ramamoorthy is an Independent Director of our Company. He holds a bachelor's degree in engineering (metallurgical engineering) from University of Roorkee, a master's degree in mechanical engineering from Auburn University and a master's degree in business administration from Santa Clara University. He currently serves as the vice-president, India country executive of Micron Technology Operations India LLP. He was previously associated with Marvell Semiconductors, Inc. as senior director of India business development, and McAfee Software India Private Limited as senior director, sales.

Deven Waghani is an Independent Director of our Company. He holds a bachelor's degree of technology in chemical engineering from Indian Institute of Technology, Bombay, and a master's degree in business administration from the University of Chicago. He also holds a post-graduate diploma in management from Indian Institute of Management, Calcutta. He was associated with McKinsey & Company as a senior engagement manager, Microsoft as senior director – SBU strategy and business development, and Hewlett – Packard as vice president – strategy and planning. He also serves as the senior vice president – business operations, for Automation Anywhere Inc.

Arrangement or Understanding with major shareholders, customers, suppliers or others

Other than Anish Saraf, Non-Executive Director, nominated on our Board by South Lake pursuant to the Shareholders' Agreement, none of our Directors have been appointed or selected pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others. For details, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" on page 176.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to Key Managerial Personnel of our Company.

Terms of Appointment of our Executive Directors

Sameer Mehta

Sameer Mehta was appointed as an Executive Director of our Company since incorporation i.e. November 1, 2013 and as the Chairman of our Company since January 18, 2022 pursuant to resolutions passed by our Board on January 18, 2022. Our Company has entered into an employment agreement dated December 19, 2020 with Sameer Mehta. In terms of his employment agreement, Sameer Mehta is entitled to receive remuneration, statutory dues and other benefits from our Company, the details of which are set forth below:

1. He is entitled to receive a remuneration amounting to ₹10.00 million per annum, subject to revisions as may be determined by our Board from time to time and any limits that may be prescribed under applicable law.
2. Further, he is entitled for reimbursement of all reasonable business-related expenses incurred by him in the performance of his duties, including those incurred in connection with business related travel, boarding and lodging and telecommunications in accordance with our Company's policy in force.

Pursuant to the resolution of our Board dated October 25, 2021, the remuneration of Sameer Mehta was increased to ₹25.00 million per annum.

Aman Gupta

Aman Gupta was appointed as an Executive Director of our Company since incorporation i.e. November 1, 2013. Our Company has entered into an employment agreement dated December 19, 2020 with Aman Gupta. In terms of his employment agreement, Aman Gupta is entitled to receive remuneration, statutory dues and other benefits from our Company, the details of which are set forth below:

1. He is entitled to receive a remuneration amounting to ₹10.00 million per annum, subject to revisions as may be determined by our Board from time to time and any limits that may be prescribed under applicable law.
2. Further, he is entitled for reimbursement of all reasonable business-related expenses incurred by him in the performance of his duties, including those incurred in connection with business related travel, boarding and lodging and telecommunications in accordance with our Company's policy in force.

Pursuant to the resolution of our Board dated October 25, 2021, the remuneration of Aman Gupta was increased to ₹25.00 million per annum.

Vivek Gambhir

Vivek Gambhir was appointed as the Chief Executive Officer with effect from February 9, 2021 pursuant to resolution passed by our Board on January 9, 2021, and as the Executive Director of our Company pursuant to resolutions passed by our Board and Shareholders on April 20, 2021 and October 27, 2021, respectively. Our Company has entered into an employment agreement dated February 9, 2021 (“**Effective Date**”) with Vivek Gambhir for a period of five years from Effective Date (“**Term**”). In terms of his employment agreement, Vivek Gambhir is entitled to receive remuneration, statutory dues and other benefits from our Company, the details of which are set forth below:

1. He is entitled to a fixed compensation of ₹30.00 million per annum for the first two years from the Effective Date comprising a base amount of ₹25.00 million and a variable amount of ₹5.00 million subject to the achievement of certain performance metrics to be determined by our Board. For the remainder period of the Term, our Board may, at its sole discretion, review the salary from time to time to grant such increments as it may deem appropriate.
2. Further, he is entitled for reimbursement of all reasonable business-related expenses incurred by him in the performance of his duties, including those incurred in connection with business related travel, boarding and lodging and telecommunications in accordance with our Company's policy in force

Time Vested Options

Vivek Gambhir is entitled to the grant of ESOPs of our Company aggregating to up to 3.00% of the equity share capital of our Company on a fully diluted basis as of the Effective Date, to be granted in certain time intervals from the Effective Date, as set out in the employment agreement.

Performance Linked Options:

Vivek Gambhir is also entitled to grant of ESOPs aggregating to 1% of the equity share capital of our Company, on a fully diluted basis as of the Effective Date, to be granted subject to performance of our Company based on certain trigger price being met applying certain price benchmarks, as set out in the employment agreement. These ESOPs shall vest on the fourth anniversary of the Effective Date.

For details, see “*Capital Structure - Employee Stock Option Schemes*” on page 90.

Compensation paid to our Executive Directors by our Company

The compensation details in relation to our Executive Directors for the Financial Year 2021 are set forth below:

| Name of our Director | Compensation paid (in ₹ million) |
|----------------------|----------------------------------|
| Sameer Mehta | 10.00 |
| Aman Gupta | 10.00 |
| Vivek Gambhir | 3.44 |

Except as stated above, there is no other compensation paid, benefit in kind granted, or deferred or contingent compensation accrued or payable to any of our Executive Directors for Fiscal 2021.

Remuneration to our Non-Executive Directors and Independent Directors

Our Non-Executive Directors are not entitled to receive a sitting fee or commission for attending meetings of our Board. Pursuant to the resolutions passed by our Board for their appointment, our Independent Directors are entitled to receive a fixed remuneration and a sitting fee for attending meetings of our Board, as detailed in their letters of appointment, and as may be revised by our Board from time to time. As on date of this Draft Red Herring Prospectus, our Independent Directors are entitled to receive a fixed remuneration of ₹15,00,000 per annum, a sitting fee of ₹75,000 for attending each meeting of our Board and ₹50,000 for attending each committee meeting of our Board. Further, our Independent Directors are entitled to be reimbursed by our Company in relation to expenses incurred by them in the participation in meetings of our Company. Our Independent Directors are not entitled to any commission.

No compensation, sitting fees, commission or benefits in kind were paid to our Non-Executive Directors and Independent Directors in Fiscal 2021. Further, there is no deferred or contingent compensation accrued or payable to any of our Non-Executive Directors or Independent Directors for Fiscal 2021

Loans to Directors

Except as set forth in related party transactions and as reported in the Restated Consolidated Financial Information, see “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” on page 257, no loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to our Directors of our Company.

Bonus or profit sharing plan for our Directors

Our Company does not have a bonus or profit sharing plan for our Directors. However, certain Executive Directors may be entitled to performance linked incentives under their respective terms of appointment.

For details, see “– *Terms of Appointment of our Executive Directors*” above.

Shareholding of our Directors in our Company

Except as disclosed in “*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 89, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. Our Directors are not required to hold any qualification shares in our Company.

Confirmations

None of our Directors are or were a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, 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.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, or companies in which they are interested in, by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Remuneration paid or payable to our Directors from our Subsidiaries

None of our Directors have been paid any remuneration by our Subsidiaries, including any contingent or deferred compensation accrued for Fiscal 2021.

Interest of Directors

All our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company. Further, our Independent Directors may be deemed to be

interested to the extent of sitting fees, commission and reimbursement of expenses, if any, payable to them for attending meetings of our Board or committees thereof. Further, our Directors may be interested to the extent of Equity Shares held by the entities nominating such Directors to our Board.

Our Directors may be interested to the extent of Equity Shares and employee stock options, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For details, please see “– Shareholding of our Directors” above.

Our Executive Directors, Sameer Mehta and Aman Gupta are interested in our Company by the virtue of being our Promoters, and to the extent of benefits accruing to them pursuant to the agreements entered into by them with our Company. Further, Sameer Mehta is a registered proprietor of one of the trademarks, registered in People’s Republic of China, and an application has been made for getting the trademark assigned to the Company. For further details, see “Government and Other Approvals – Intellectual Property”. Additionally, one of our Directors, Sameer Mehta may be interested in transactions entered into by our Company with other entities (i) in which he holds shares, or (ii) controlled by him. For details, please see “– Terms of Appointment of our Executive Directors”, “– Service contracts with Directors” and “– Bonus or profit sharing plan for our Directors” above and Restated Consolidated Financial Information – Note 37 – Related Party Disclosures” on page 257.

Interest in property

None of our Directors are interested in any property acquired by our Company or proposed to be acquired by it.

Interest in acquisition of land, construction of building or supply of machinery

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interests

Except as disclosed in “Restated Consolidated Financial Information – Note 37 – Related Party Disclosures” on page 257, our Directors do not have any other business interest in our Company.

Interest in promotion of our Company

Except for Sameer Mehta and Aman Gupta, none of our Directors have any interest in the promotion or formation of our Company, as on the date of this Draft Red Herring Prospectus.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

| Name of Director | Date of Change | Reasons |
|-------------------------|-----------------------|--|
| Vikram Chogle | January 19, 2022 | Resigned as a non-executive director |
| Kanwaljit Singh | January 8, 2022 | Resigned as a non-executive director |
| Deven Waghani | December 15, 2021 | Appointed as an independent director* |
| Purvi Sheth | November 12, 2021 | Appointed as an independent director* |
| Aashish Kamat | November 12, 2021 | Appointed as an independent director* |
| Anand Ramamoorthy | November 12, 2021 | Appointed as an independent director* |
| Vivek Gambhir | April 20, 2021 | Appointed as an executive director** |
| Anish Saraf | January 5, 2021 | Appointed as a non-executive director*** |
| Vikram Chogle | January 5, 2021 | Appointed as a non-executive director*** |

* Regularised as an Independent Director pursuant to the resolution dated December 15, 2021 passed by the Shareholders.

**Regularised as an executive director pursuant to the resolution dated October 27, 2021 passed by the Shareholders.

*** Regularised as a non-executive director pursuant to the resolution dated January 5, 2021 passed by the Shareholders.

Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws, our Board may, from time to time, at their discretion, raise or borrow or secure the payment of any sum or sum of money for the purpose of our Company’s

business and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of our Company (present and future), including its uncalled and unpaid capital.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are eight Directors on our Board, comprising three Executive Directors, one Non-Executive Nominee Director and four Non-Executive Independent Directors. Additionally, out of the four Independent Directors, one is an independent woman director. The Chairman of our Board, Sameer Mehta, is an Executive Director. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee;
- (d) CSR Committee; and
- (e) Risk Management Committee

Audit Committee

The Audit Committee was constituted by a resolution of the Board dated January 18, 2022. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

- 1. Aashish Kamat (Independent and Non-Executive Director) - Chairperson;
- 2. Anand Ramamoorthy (Independent and Non-Executive Director); and
- 3. Anish Saraf (Non-Executive Director)

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- 1. to investigate any activity within its terms of reference;
- 2. to seek information from any employee;
- 3. to obtain outside legal or other professional advice; and
- 4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) examining and 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, half-yearly and annual financial statements before submission to the Board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) 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;
- (14) discussion with internal auditors of any significant findings and follow up there on;

- (15) 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;
- (16) 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;
- (17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) reviewing the functioning of the whistle blower mechanism;
- (19) monitoring the end use of funds raised through public offers and related matters;
- (20) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (21) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (22) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- (23) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (24) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

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;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses;
- (5) The appointment, removal and terms of remuneration of the chief internal auditor; and
- (6) Statement of deviations in terms of the SEBI Listing Regulations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board on January 18, 2022. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

1. Purvi Sheth (Independent and Non-Executive Director) - **Chairperson**;

2. Anand Ramamoorthy (Independent and Non-Executive Director); and
3. Anish Saraf (Non-Executive Director)

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and requisite experience and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (3) Formulation of criteria for evaluation of independent directors and the Board;
- (4) Devising a policy on Board diversity;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);
- (6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that

- (1) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (3) 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.
- (4) 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:
 - (a) administering the ESOP Schemes;
 - (b) determining the eligibility of employees to participate under the Plan;

- (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price under the Plan; and
 - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
- (5) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (6) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated January 18, 2022, in compliance with Section 178 and any other applicable law of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

1. Deven Waghani (Independent and Non-Executive Director) - **Chairperson**;
2. Aman Gupta (Executive Director); and
3. Vivek Gambhir (Executive Director).

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, 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.

CSR Committee

The CSR Committee was constituted by a resolution of our Board dated January 18, 2022 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act 2013. The CSR Committee currently comprises:

1. Aman Gupta (Executive Director) - **Chairperson**;

2. Vivek Gambhir (Executive Director); and
3. Purvi Sheth (Independent and Non-Executive Director)

Scope and terms of reference:

- (1) 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;
- (2) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
- (3) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- (4) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated January 18, 2022 and its composition and terms of reference are in compliance with the requirements under Regulation 21 of SEBI Listing Regulations and other applicable provisions of the Companies Act 2013. The Risk Management Committee currently comprises:

1. Aashish Kamat (Independent and Non-Executive Director) - **Chairperson**;
2. Sameer Mehta (Executive Director); and
3. Vivek Gambhir (Executive Director)

Scope and terms of reference:

The Risk Management Committee shall be responsible for, among other things, the following:

Powers of Risk Management Committee

The Risk Management Committee shall have powers, including the following:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To implement and monitor policies and/or processes for ensuring cyber security;
3. To frame, devise and monitor risk management plan and policy of the Company;
4. To review and recommend potential risk involved in any new business plans and processes;
5. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
6. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law.

Role of the Risk Management Committee

The role of the Risk Management Committee shall 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 listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG

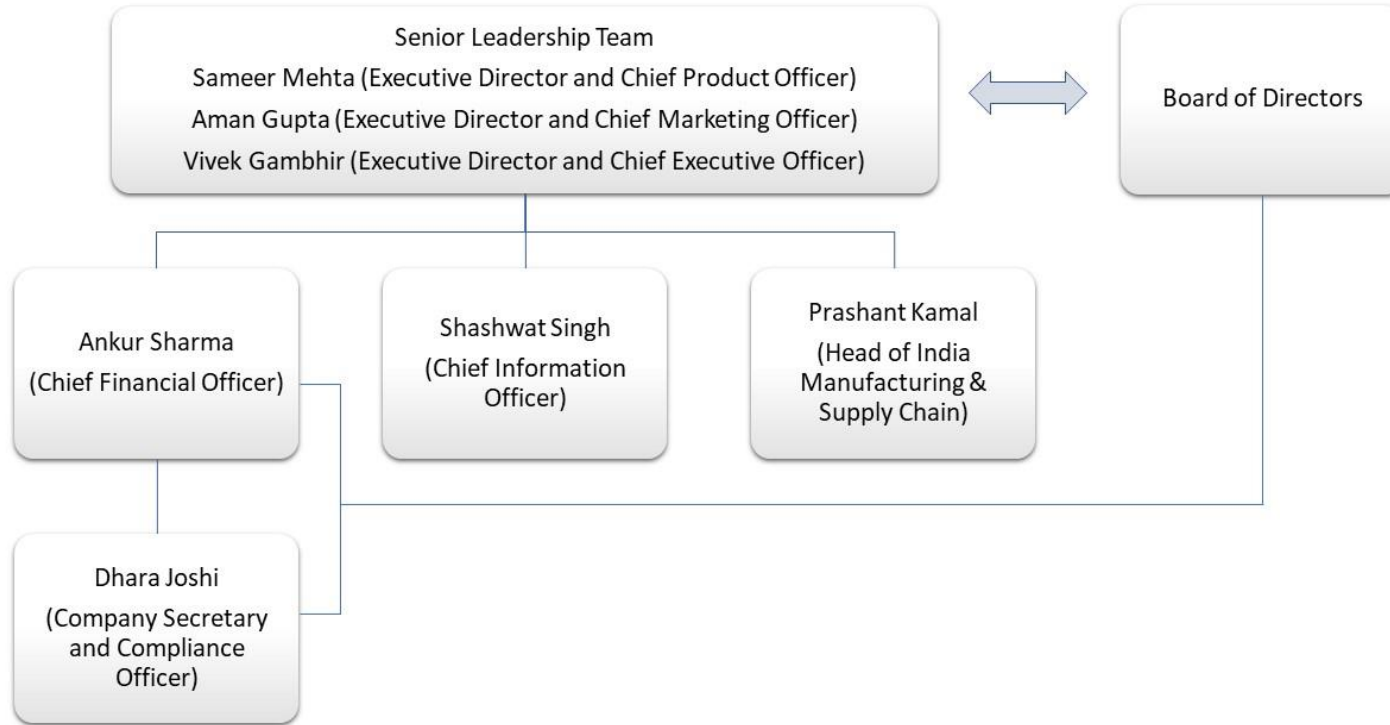
related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.

- b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - 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.
 - (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.

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Management Organisation Structure

Organisational Chart



Key Managerial Personnel

In addition to Sameer Mehta, Aman Gupta and Vivek Gambhir, our Executive Directors, whose details are provided in “– *Brief Profiles of our Directors*” and “– *Compensation paid to our Executive Directors*” above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Ankur Sharma is the Chief Financial Officer of our Company. He has been associated with our Company since June 4, 2021. He is responsible for overall finance functions of our Company. He holds a bachelor’s degree in business studies from the University of Delhi and a post-graduate diploma in business management from Infinity Business School. He is also an Ernst & Young scholarship holder. Prior to joining our Company, he was associated with Reliance Securities Limited, Anil Dhirubhai Ambani Group as the country head – Hong Kong, AGS Transact Technologies Limited as an executive vice president in the finance and accounts department and Cravatex Brands Limited as the chief financial officer. No remuneration was paid to him during Fiscal 2021 as he joined our Company in Fiscal 2022.

Dhara Joshi is the Company Secretary and the Compliance Officer of our Company. She is also the legal counsel of our Company. She is responsible for overall legal, compliance and secretarial functions of our Company. She has been associated with our Company since February 1, 2021 and was appointed as the Company Secretary from May 13, 2021 and as the Compliance Officer from January 18, 2022. She holds a bachelor’s degree in commerce from M.L. Dahanukar College of Commerce, University of Mumbai and a bachelor’s degree in law from Jitendra Chauhan College of Law, University of Mumbai. She is also a qualified company secretary with the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with FSN E-Commerce Ventures Private Limited as assistant manager - legal, Threpsi Solutions Private Limited as an assistant manager, Mail Order Solutions Private Limited as an executive - legal, Micro Housing Finance Corporation Limited as an executive - legal and Shah and Associates, Company Secretaries as an executive assistant. In Fiscal 2021, she was paid a remuneration of ₹0.21 million by our Company.

Shashwat Singh is the Chief Information Officer of our Company. He has been associated with our Company since May 14, 2021. He is responsible for information technology initiatives and strategy of our Company. He holds a bachelor's degree in information and communication technology from Dhirubhai Ambani Institute of Information and Communication Technology and a master’s degree in business administration from Indian Institute of Technology, Kharagpur. Prior to joining our Company, he was associated with Hindustan Unilever Limited as the information technology lead – supply chain, South Asia, Kimberly-Clark India Private Limited as the technology lead, Asian Paints Limited as a senior manager - systems and Infosys Technologies Limited as an associate consultant – enterprise solutions. No remuneration was paid to him during Fiscal 2021 as he joined our Company in Fiscal 2022.

Prashant Kamal is the Head of India Manufacturing and Supply Chain of our Company. He has been associated with our Company since July 1, 2021. He is responsible for manufacturing and supply chain functions of our Company and is currently heading the manufacturing initiatives in India. He holds a bachelor’s degree in technology (materials and metallurgical engineering) from Indian Institute of Technology, Kanpur. Prior to joining our Company, he was associated with Microsoft (China) Co. Limited as senior sourcing manager, Nokia (China) Investment Co. Limited, Flextronics Technologies (India) Private Limited as senior director – materials management and LG Electronics India Private Limited as assistant manager. No remuneration was paid to him during Fiscal 2021 as he joined our Company in Fiscal 2022.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship between Key Managerial Personnel and Directors

None of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Bonus or profit-sharing plan for the Key Managerial Personnel

There is no bonus or profit sharing plan for the Key Managerial Personnel. However, certain Key Managerial Personnel are entitled to variable bonus of the annual compensation based on the performance of such Key Managerial Personnel and the overall performance of our Company.

Shareholding of Key Managerial Personnel in our Company

Except as disclosed in “*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 89, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Attrition of Key Managerial Personnel

The attrition of Key Managerial Personnel is not high in our Company compared to the industry.

Contingent and deferred compensation payable to Key Managerial Personnel

Except as disclosed in this section, our Company has not paid any compensation or granted any benefit to any of our Key Managerial Personnel (including contingent or deferred compensation) in all capacities in Fiscal 2021. Further, there is no contingent or deferred compensation payable to our Key Managerial Personnel for Fiscal 2021

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel of our Company has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel

Except as disclosed above in relation to our Executive Directors, none of our Key Managerial Personnel has any interest in our Company except to the extent of their directorships held in Subsidiaries of our Company, remuneration, shares allotted or options granted pursuant to any employee stock option schemes, benefits and reimbursement of expenses incurred by them in the ordinary course of business.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

| Name | Date of change | Reason |
|----------------|-----------------------|---|
| Sameer Mehta | December 15, 2021 | Appointed as chief product officer |
| Aman Gupta | December 15, 2021 | Appointed as chief marketing officer |
| Ankur Sharma | December 15, 2021 | Appointed as chief financial officer |
| Sushant Dalmia | September 9, 2021 | Resigned as chief financial officer |
| Prashant Kamal | July 1, 2021 | Appointed as head of India manufacturing and supply chain |
| Shashwat Singh | May 14, 2021 | Appointed as chief information officer |
| Dhara Joshi | May 13, 2021 | Appointed as company secretary |
| Vivek Gambhir | February 9, 2021 | Appointed as chief executive officer |
| Sushant Dalmia | September 30, 2019 | Appointed as chief financial officer |

Employee stock option and stock purchase schemes

For details of the employee stock option scheme of our Company, see “*Capital Structure – Employee Stock Option Plan*” on page 90.

Payment or Benefit to Key Managerial Personnel of our Company

Except as disclosed in “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” on page 257, no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

Service contracts

Except as stated above under “– *Terms of appointment of our Executive Directors*” on page 185 and the statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors and Key Managerial Personnel, are entitled to any benefit upon termination of employment or superannuation.

PROMOTERS AND PROMOTER GROUP

Promoters

The Promoters of our Company are Sameer Mehta and Aman Gupta. As on the date of this Draft Red Herring Prospectus, our Promoters hold 76,740,000 Equity Shares aggregating to 80.10% (56.52% on a fully diluted basis, *i.e.*, assuming conversion of Preference Shares and exercise of vested stock options) of the issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of the shareholding of our Promoters in our Company, see “*Capital Structure- History of equity share capital build-up, contribution and lock-in of Promoters’ shareholding - Build-up of Promoters’ shareholding in our Company*” on page 83.

Details of our Promoters

Sameer Mehta



Sameer Mehta, aged 45 years, is a citizen of India. He resides at 702, Sukh Sagar CHS 227/A, Sir Balchandra Road, Matunga East, Mumbai - 400 019, Maharashtra, India. He is the Chairman and an Executive Director of our Company. For details of his date of birth, educational qualifications, professional experience, experience in the business of our Company, positions/posts held in the past and other directorships, other ventures, special achievements, financial, business, and other activities, see “*Management*” beginning on page 182.

His PAN number is AFWPM8893C.

Aman Gupta



Aman Gupta, aged 40 years, is a citizen of India. He resides at R-21, Hauz Khas, South Delhi, Delhi- 110016. He is an Executive Director of our Company. For details of his date of birth, educational qualifications, professional experience, experience in the business of our Company, positions/posts held in the past and other directorships, other ventures, special achievements, financial, business, and other activities, see “*Management*” beginning on page 182.

His PAN number is ADQPG0730Q

Our Company confirms that the respective PAN numbers, driving license number of Aman Gupta, Aadhaar card numbers, bank account numbers and the passport numbers of each of our Promoters, will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus. Sameer Mehta does not have a driving license.

Except as disclosed in “*Management*” beginning on page 182, our Promoters are not involved in any other ventures.

Change of control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) being Directors of our Company and receiving sitting fees, if any, remuneration, benefits and reimbursement of expenses payable to them in such capacity; (iii) their shareholding in our Company; and (iv) the dividends payable (if any) and other distributions in respect of the Equity Shares held by them. For details on of our Promoters and shareholding of our Promoters in our Company, see “*Management*” and “*Capital Structure – Notes to Capital*”

Structure – History of the Equity Share Capital held by our Promoters” on pages 182 and 83, respectively. Further, Sameer Mehta is a registered proprietor of one of the trademarks, registered in People’s Republic of China, and an application has been made for getting the trademark assigned to the Company. For further details, see *“Government and Other Approvals – Intellectual Property”*. Additionally, one of our Promoters, Sameer Mehta may be interested in transactions entered into by our Company with other entities (i) in which he holds shares, or (ii) controlled by him. For further details, see *“Financial Information- Note 37 – Related Party Disclosures”* on page 257.

Our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested in cash or shares or otherwise by any person, either to induce any of our Promoters to become, or qualify them as a director, 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.

Payment of Benefits to our Promoters or the members of the Promoter Group

Except as disclosed in *“Management - Compensation paid to our Executive Directors”*, *“- Interests of our Promoter”* and *“Financial Information - Note 37 – Related Party Disclosures”* on pages 186, 199 and 257, respectively, no benefit or amount has been given or paid to our Promoters or members of the Promoter Group within the two years immediately preceding the date of filing this Draft Red Herring Prospectus or is intended to be paid or given to our Promoters or members of the Promoter Group as on the date of this Draft Red Herring Prospectus.

Material Guarantees

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares or Preference Shares of our Company as on the date of this Draft Red Herring Prospectus.

Companies or Firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated themselves from any company or firm during the last three years preceding the date of this Draft Red Herring Prospectus.

| Name of the Promoter | Name of the dissociated entity | Reason and circumstances leading to the Disassociation | Date of Disassociation |
|-----------------------------|---------------------------------------|---|-------------------------------|
| Sameer Mehta | Kores (India) Limited | Resigned as per the terms of South Lake Series B SSPA | November 30, 2020 |
| Aman Gupta | - | - | - |

Promoter Group

As on the date of this Draft Red Herring Prospectus, the following is the list of persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (in addition to our Promoters):

Natural persons forming part of the Promoter Group

As on the date of this Draft Red Herring Prospectus, the natural persons forming a part of the Promoter Group are as follows:

| Name of the Promoter | Name of Relative | Relationship |
|-----------------------------|-------------------------|---------------------|
| Sameer Mehta | Rajni Ashok Mehta | Mother |
| | Nandini Thirani Mehta | Spouse |
| | Sachin Ashok Mehta | Brother |
| | Kabir Mehta | Son |
| | Anand Kumar Thirani | Spouse’s Father |
| | Neha Thirani Bagri | Spouse’s Sister |
| | Rekha Anand Thirani | Spouse’s Mother |
| Aman Gupta | Neeraj Kumar Gupta | Father |

| Name of the Promoter | Name of Relative | Relationship |
|-----------------------------|-------------------------|---------------------|
| | Jyoti Gupta | Mother |
| | Priya Dagar | Spouse |
| | Anmol Kumar Gupta | Brother |
| | Adaa Gupta | Daughter |
| | Miraya Gupta | Daughter |
| | Satyavir Singh | Spouse's Father |
| | Beena Dagar | Spouse's Mother |
| | Luckshya Dagar | Spouse's Brother |
| | Charu Smita | Spouse's Sister |

Entities forming part of the Promoter Group

As on the date of this Draft Red Herring Prospectus, the entities forming a part of our Promoter Group are as follows:

| S. No. | Name of entity |
|---------------|---|
| 1. | eRampage Marketing Private Limited |
| 2. | Advanced Telemedia Private Limited |
| 3. | Artisanal Trails Private Limited |
| 4. | Mezora Consumers Private Limited |
| 5. | White Mountain Collectives LLP |
| 6. | Redwood Interactive |
| 7. | Shashi Tradewell Private Limited |
| 8. | Solar Packaging Private Limited |
| 9. | A & N Enterprises |
| 10. | Stuti Tourism Private Limited |
| 11. | Infinity Holidays |
| 12. | Novelty Gift Centre |
| 13. | Adappt Intelligence Private Limited |
| 14. | Cast Tech Private Limited |
| 15. | Kores (India) Limited |
| 16. | Futuristic Securities Limited |
| 17. | Kores International Private Limited |
| 18. | Shri Amarsinhji Stationery Industries Limited |
| 19. | Arraystorm Lighting Private Limited |
| 20. | Vishvakirti Consultancy LLP |
| 21. | Aum High Power Plating And Equipments LLP |
| 22. | Art Enterprises |
| 23. | Pepega (Insulation And Packaging) Limited |
| 24. | Creations Student Stationery Private Limited |
| 25. | Madhur Stationery LLP |
| 26. | Quality Inks Private Limited |
| 27. | J K Gypsum Private Limited |

GROUP COMPANIES

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered (i) the companies (other than the Subsidiaries) with which there were related party transactions in Fiscals 2019, 2020, 2021 and six months period ended September 30, 2021, as disclosed in the Restated Consolidated Financial Information; and (ii) other companies considered material by our Board pursuant to the Materiality Policy. In accordance with our Materiality Policy, for the purposes of disclosure in this Draft Red Herring Prospectus, our Company has considered as material, the companies (other than the Subsidiaries), that are a part of the Promoter Group with which there were transactions in the most recent financial year and stub period, being Fiscal 2021 and the six months period ended September 30, 2021 (“**Test Period**”), which individually or in the aggregate, exceed 1% of the total restated revenue of the Company for the Test Period.

Accordingly, as on the date of this Draft Red Herring Prospectus, our Board has identified two Group Companies, the details of which are set forth below:

1. Kores (India) Limited; and
2. South Lake Investment Ltd

Further, our Company has had certain related party transactions with Sirena Labs Private Limited (“**Sirena Labs**”) during the six-month period ended September 30, 2021 and Financial Years ended March 31, 2021 and 2020, in the nature of sale of goods, purchase of goods and services, reimbursement of expenses received, contribution paid towards equity share capital, advance given and advance received back. For details, see “*Restated Consolidated Financial Information - Note 37 – Related Party Disclosures*” on page 257. However, Sirena Labs has not been considered as a group company of our Company, since we do not have the consent and the requisite information and confirmations pertaining to Sirena Labs to include it as a ‘group company’ of the Company, due to the ongoing dispute with Sirena Labs. For further information in relation to dispute, see “*Outstanding Litigation and Other Material Developments*” on page 309. Also, see “*Restated Consolidated Financial Information - Note 41 – Investment in Sirena Labs Private Limited*” on page 265.

An exemption application dated January 26, 2022, under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted by our Company to the SEBI along with this Draft Red Herring Prospectus, for (i) excluding Sirena Labs from being considered as “group company” of our Company; and (ii) from including any confirmations required from an associate company under SEBI ICDR Regulations in respect of Sirena Labs in the Offer Document. For details, refer to “*Summary of Offer Document*” beginning on page 13.

Details of our Group Companies

Kores (India) Ltd

The registered office of Kores (India) Limited is situated at 301/302, Ashford Chambers Lady Jamshedji Road, Mahim (West) Mumbai, Maharashtra, 400016 India.

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 (NAV) Per Share derived from the audited financial statements of Kores (India) 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://kores.in/>.

South Lake Investment Ltd

The registered office of South Lake Investment Ltd is situated at C/o Warburg Pincus Asia Ltd, 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius.

South Lake Investment Ltd does not have a website. Accordingly, 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 based on audited financial statements of South Lake Investment Ltd for financial years ended March 31, 2021 and March 31, 2020 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.boat-lifestyle.com/pages/investor-relations>.

Interests of our Group Companies

As on the date of this Draft Red Herring Prospectus:

- a. Our Group Companies do not have any interest in the promotion or formation of our Company.
- b. Our Group Companies do not have any interest in any property acquired by our Company within the three years immediately preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing this Draft Red Herring Prospectus.
- c. Our Group Companies do not have any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc.

Except as set forth in “*Restated Consolidated Financial Information– Note 37 – Related Party Disclosures*” on page 257, our Group Companies, Subsidiaries or Associate Companies have no business interest in our Company.

Common Pursuits between our Group Companies, our Company and our Subsidiaries

There are no common pursuits between our Group Companies, our Company and our Subsidiaries. However, some of our Subsidiaries are either engaged in or are authorised by their respective constitutional documents to engage in the same line of business as that of our Company.

Related business transactions

For details of the related business transactions with our Group Companies and the significance on the performance of our Company, see “*Restated Consolidated Financial Information – Note 37 – Related Party Disclosures*” on page 257.

Litigation involving our Group Companies

There are no litigation involving our Group Companies whose outcome could have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules issued thereunder.

Our Company does not have a formal dividend distribution policy. The dividend, if any, will depend on a number of internal and external factors, including but not limited to profits, capital requirements, contractual obligations and restrictions, restrictive covenants in financing arrangements, the overall financial condition of our Company and other factors considered relevant by the Board.

Further, our Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the operations, the then ongoing or planned business expansion or other factors which may be considered by the Board. As a result, we may not declare dividend in the foreseeable future. For details in relation to risks involved in this regard, 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 50.

Our Company has not declared and paid any dividends on the equity shares or preference shares in any of the three Financial Years preceding the date of this Draft Red Herring Prospectus, the six-month period ended September 30, 2021, and the period from October 1, 2021 until the date of this Draft Red Herring Prospectus. As of September 30, 2021, the arrears of preferred cumulative dividend not yet declared by the Company amounts to less than ₹0.01 million

SECTION V – FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Imagine Marketing Limited (formerly known as *Imagine Marketing Private Limited*)

E-Wing, Unit-505, Corporate Avenue

Opposite Solitaire Park

Chakala

Andheri East

Mumbai 400 093

Dear Sirs,

- 1) We B S R & Co. LLP, Chartered Accountants (“we” or “us” or “B S R”) have examined the attached Restated Consolidated Financial Information of Imagine Marketing Limited (*formerly known as Imagine Marketing Private Limited*) (the “**Company**” or the “**Holding Company**” or the “**Issuer**”) and its subsidiary (the Company and its subsidiary together referred to as the “**Group**”) and of its associate, comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended 30 September 2021 and 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 25 January 2022 for the purpose of inclusion in the Draft Red Herring Prospectus (the “**DRHP**”) prepared by the Company in connection with its proposed initial public offer of equity shares of face value of Rs. 1 each comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (“**IPO**”) prepared 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 (the “**ICDR Regulations**”);
 - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”) (the “**Guidance Note**”); and
 - (d) E-mail dated 28 October 2021 from Securities and Exchange Board of India (“**SEBI**”) to Association of Investment Bankers of India instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the “**the SEBI e-mail**”).
- 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 DRHP to be filed with the SEBI 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 as stated in note 2.1 of Annexure V to the Restated Consolidated Financial Information.

The respective Board of Directors of the companies included in the Group and its associate responsibility 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 complies with the Act, the ICDR Regulations, the Guidance Note and the SEBI e-mail.

- 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 9 November 2021 in connection with the proposed IPO of

equity shares of the Company;

- (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, the ICDR Regulations and the SEBI e-mail.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, the Guidance Note and the SEBI e-mail in connection with the proposed IPO of equity shares of the Company.

- 4) These Restated Consolidated Financial Information have been compiled by the management of the Company from:
- a) the audited special purpose interim consolidated financial statements of the Group and its associate as at and for the six months period ended 30 September 2021 prepared in accordance with recognition and measurement principles of the Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” specified under Section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Act (the “Interim Special Purpose Consolidated Financial Statements”) which have been approved by the Board of Directors at their meeting held on 25 January 2022; and
 - b) the audited special purpose Ind AS consolidated financial statements of the Company and its associate as at and for the years ended 31 March 2021 and 31 March 2020 and the audited special purpose Ind AS standalone financial statements of the Company as at and for the year ended 31 March 2019, which were prepared by the Company after taking into consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their meeting held on 25 January 2022. The audited special purpose Ind AS consolidated financial statements for the year ended 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2020 and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021. Similarly, the audited special purpose Ind AS consolidated financial statements for the year ended 31 March 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021.

Further, the audited special purpose Ind AS standalone financial statements for the year ended 31 March 2019 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021.

- 5) For the purpose of our examination, we have relied on:
- (a) Auditors’ report issued by us dated 25 January 2022, on the special purpose interim consolidated financial statements of the Group and its associate as at and for the six months period ended 30 September 2021 as referred in Paragraph 4(a) above. The auditor’s report on the audited special purpose interim consolidated financial statements of the Group and its

associate as at and for the six months period ended 30 September 2021 included the following Emphasis of Matter paragraph (as referred in Annexure VI of the Restated Consolidated Financial Information):

As at and for the six months period ended 30 September 2021:

The auditors' report has drawn attention to the basis of preparation of these special purpose interim consolidated financial statements. The special purpose interim consolidated financial statements have been prepared by the Holding Company for the purpose of preparation of the Restated Consolidated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the Holding Company by way of a fresh issue and offer for sale of equity shares by the existing shareholders by way of initial public offer. Accordingly, the special purpose interim consolidated financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

- (b) Auditors' reports issued by us dated 25 January 2022, on the special purpose Ind AS consolidated financial statements of the Company and its associate as at and for the years ended 31 March 2021 and 31 March 2020 as referred in Paragraph 4 (b) above. These audited special purpose Ind AS consolidated financial statements are prepared in accordance with basis of preparation as referred to Note 2.1 of the audited special purpose Ind AS consolidated financial statements for the years ended 31 March 2021 and 31 March 2020. The auditor's reports on the audited special purpose Ind AS consolidated financial statements of the Company and its associate as at and for the years ended 31 March 2021 and 31 March 2020 included the following Emphasis of Matter paragraph (as referred in Annexure VI of the Restated Consolidated Financial Information):

As at and for the years ended 31 March 2021 and 31 March 2020:

The auditors' reports have drawn attention to the basis of preparation of these special purpose Ind AS consolidated financial statements. As explained therein, these special purpose Ind AS consolidated financial statements have been prepared by the Holding Company in response to the requirements of the e-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail") for submission to SEBI. Accordingly, the special purpose Ind AS consolidated financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

- (c) Auditors' report issued by us dated 25 January 2022, on the special purpose Ind AS standalone financial statements of the Company as at and for the year ended 31 March 2019 as referred in Paragraph 4 (b) above. These audited special purpose Ind AS standalone financial statements are prepared in accordance with basis of preparation as referred to Note 2.1 of the audited special purpose Ind AS standalone financial statements for the year ended 31 March 2019. The auditor's report on the audited special purpose Ind AS standalone financial statements of the Company as at and for the year ended 31 March 2019 included the following Emphasis of Matter paragraph (as referred in Annexure VI of the Restated Consolidated Financial Information):

As at and for the year ended 31 March 2019:

The auditors' report has drawn attention to the basis of preparation of these special purpose Ind AS standalone financial statements. As explained therein, these special purpose Ind AS standalone financial statements have been prepared by the Company in response to the requirements of the e-mail dated October 28, 2021 from Securities and Exchange Board of

India (“SEBI”) to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the “the SEBI e-mail”) for submission to SEBI. Accordingly, the special purpose Ind AS standalone financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

- 6) As indicated in our audit reports referred to in paragraph 5 above on the special purpose interim consolidated financial statements as at and for the six months period ended 30 September 2021 and special purpose Ind AS consolidated financial statements as at and for the years ended 31 March 2021 and 31 March 2020:

As at and for the period ended 30 September 2021:

The special purpose interim consolidated financial statements include the Company’s share of net profits/losses of Rs. Nil for the six months period ended 30 September 2021, as considered in the special purpose interim consolidated financial statements, in respect of one associate, whose financial information has not been audited by us. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion is not modified in respect of this matter.

As at and for the year ended 31 March 2021:

The special purpose Ind AS consolidated financial statements include the Company’s share of net profits/losses of Rs. Nil for the year ended 31 March 2021, as considered in the special purpose Ind AS consolidated financial statements, in respect of one associate, whose financial information has not been audited by us. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Company.

Our opinion is not modified in respect of this matter.

As at and for the year ended 31 March 2020:

The special purpose Ind AS consolidated financial statements include the Company’s share of net loss of Rs 6.67 million for the year ended 31 March 2020, as considered in the special purpose Ind AS consolidated financial statements, in respect of one associate, whose financial information has not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the special purpose Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Company.

Our opinion is not modified in respect of this matter.

- 7) Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- i. 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 2021, 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 six months period ended 30 September 2021;
 - ii. does not contain any qualifications requiring adjustments. However, items relating to

emphasis of matter, as referred to in paragraph 5 above and those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements of the Company as at and for the year ended 31 March 2019 in respect of the Company's internal financial controls over financial reporting process (mainly relating to review of period end accruals / provisions and classification of account balances) which were not operating effectively and which could potentially result in material misstatements in the payables, receivables, income and expense account balances of the financial statements of the Company, all of which do not require any corrective adjustments in the Restated Consolidated Financial Information, have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and

- iii. have been prepared in accordance with the Act, the ICDR Regulations, the Guidance Note and the SEBI e-mail.
- 8) We have not audited any financial statements of the Group and its associate as of any date or for any period subsequent to 30 September 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group and its associate as of any date or for any period subsequent to 30 September 2021.
- 9) 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/ standalone financial statements mentioned in paragraph 5 above.
- 10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the SEBI 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 **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

AMAR SUNDER
Partner
Membership No.: 078305
UDIN: 22078305AAAAAB3791

Place: Mumbai
Date: 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure I

Restated Consolidated Statement of Assets and Liabilities

(All amounts are in Rs. million, unless otherwise stated)

| Particulars | Notes | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|----------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 3 | 23.60 | 17.47 | 9.03 | 2.32 |
| Right-of-use assets | 4 | 152.59 | 97.28 | 53.84 | 1.37 |
| Other intangible assets | 5 | 77.28 | 48.92 | - | - |
| Investments accounted for using the equity method | 6 | - | - | 43.33 | - |
| Financial assets | | | | | |
| Investments | 7 | 26.53 | 24.48 | 23.31 | 25.89 |
| Other financial assets | 8 | 53.63 | 17.41 | 14.30 | 1.29 |
| Non-current tax assets (net) | 9 | 9.56 | 0.04 | 8.29 | 6.90 |
| Deferred tax assets (net) | 9 | 37.52 | 26.10 | - | - |
| Other non-current assets | 10 | 1.80 | - | - | - |
| TOTAL NON-CURRENT ASSETS | | 382.51 | 231.70 | 152.10 | 37.77 |
| CURRENT ASSETS | | | | | |
| Inventories | 11 | 7,323.01 | 3,088.23 | 749.58 | 331.26 |
| Financial assets | | | | | |
| Trade receivables | 12 | 6,352.34 | 754.83 | 552.75 | 382.67 |
| Cash and cash equivalents | 13 | 351.14 | 1,443.93 | 73.15 | 0.22 |
| Bank balance other than cash and cash equivalents | 14 | 1,166.41 | 45.00 | 12.50 | - |
| Loans | 15 | 9.91 | 0.59 | 0.93 | 0.56 |
| Other financial assets | 8 | 1,145.07 | 6.05 | 2.25 | 0.63 |
| Other current assets | 10 | 4,206.93 | 1,213.94 | 361.74 | 86.23 |
| TOTAL CURRENT ASSETS | | 20,554.81 | 6,552.57 | 1,752.90 | 801.57 |
| TOTAL ASSETS | | 20,937.32 | 6,784.27 | 1,905.00 | 839.34 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Equity share capital | 16 | 95.25 | 0.45 | 0.50 | 0.50 |
| Instruments entirely equity in nature | 16 | 108.71 | 93.09 | - | - |
| Other equity | 17 | 6,125.71 | 4,548.14 | 714.79 | 230.47 |
| TOTAL EQUITY | | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| LIABILITIES | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 18 | - | - | 134.80 | 122.49 |
| Lease liabilities | 19 | 118.58 | 77.05 | 41.41 | 0.34 |
| Provisions | 20 | 4.56 | 2.02 | 0.79 | 0.25 |
| Deferred tax liabilities (net) | 9 | - | - | 0.85 | 24.10 |
| TOTAL NON-CURRENT LIABILITIES | | 123.14 | 79.07 | 177.85 | 147.18 |
| CURRENT LIABILITIES | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 18 | 7,310.57 | 415.33 | 353.31 | 144.86 |
| Lease liabilities | 19 | 41.09 | 24.57 | 13.49 | 1.09 |
| Trade payables | | | | | |
| Total outstanding dues of micro enterprise and small enterprises | 21 | 48.43 | 30.57 | 3.88 | 4.21 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21 | 6,009.83 | 1,175.27 | 339.62 | 137.68 |
| Other financial liabilities | 22 | 28.43 | 37.90 | 10.15 | 120.15 |
| Other current liabilities | 23 | 290.73 | 75.89 | 19.72 | 41.75 |
| Provisions | 20 | 473.67 | 208.54 | 176.85 | 0.23 |
| Current tax liabilities (net) | 9 | 281.76 | 95.45 | 94.84 | 11.22 |
| TOTAL CURRENT LIABILITIES | | 14,484.51 | 2,063.52 | 1,011.86 | 461.19 |
| TOTAL LIABILITIES | | 14,607.65 | 2,142.59 | 1,189.71 | 608.37 |
| TOTAL EQUITY AND LIABILITIES | | 20,937.32 | 6,784.27 | 1,905.00 | 839.34 |

Basis of preparation, measurement and significant accounting policies

2

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure II

Restated Consolidated Statement of Profit and Loss

(All amounts are in Rs. million, unless otherwise stated)

| Particulars | Notes | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-------|--|-----------------------------|-----------------------------|-----------------------------|
| INCOME | | | | | |
| Revenue from operations | 24 | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Other income | 25 | 52.85 | 66.59 | 8.52 | 2.63 |
| TOTAL INCOME | | 15,531.51 | 13,203.75 | 6,099.59 | 2,261.12 |
| EXPENSES | | | | | |
| Purchases of stock-in-trade | 26 | 16,320.43 | 12,547.02 | 4,915.06 | 2,008.68 |
| Changes in inventories of stock-in-trade | 27 | (4,234.78) | (2,338.65) | (418.32) | (269.56) |
| Employee benefits expense | 28 | 175.12 | 149.20 | 64.92 | 134.61 |
| Finance costs | 29 | 99.77 | 118.78 | 100.39 | 24.47 |
| Depreciation and amortisation expense | 30 | 31.83 | 31.98 | 13.49 | 2.80 |
| Other expenses | 31 | 1,555.01 | 1,513.23 | 771.87 | 245.99 |
| TOTAL EXPENSES | | 13,947.38 | 12,021.56 | 5,447.41 | 2,146.99 |
| Profit before share of losses of equity accounted investee and tax | | 1,584.13 | 1,182.19 | 652.18 | 114.13 |
| Share of loss of equity accounted investee (net of tax) | | - | - | (6.67) | - |
| Profit before tax | | 1,584.13 | 1,182.19 | 645.51 | 114.13 |
| Tax expense | 9 | | | | |
| Current tax | | 412.08 | 327.33 | 187.28 | 36.97 |
| Deferred tax | | (11.10) | (10.51) | (19.75) | (3.21) |
| Total tax expense | | 400.98 | 316.82 | 167.53 | 33.76 |
| PROFIT FOR THE PERIOD/YEAR (A) | | 1,183.15 | 865.37 | 477.98 | 80.37 |
| OTHER COMPREHENSIVE LOSS | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Remeasurements of the net defined benefit plans | | (1.29) | (0.01) | (0.16) | - |
| Income tax relating to these items | | 0.32 | 0.00 | 0.04 | - |
| OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR, NET OF TAX (B) | | (0.97) | (0.01) | (0.12) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR (A+B) | | 1,182.18 | 865.36 | 477.86 | 80.37 |
| Profit for the period/year attributable to: | | | | | |
| Owners of the Holding Company | | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Non-controlling interests | | - | - | - | - |
| Profit for the period/year | | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Other comprehensive loss for the period/year attributable to: | | | | | |
| Owners of the Holding Company | | (0.97) | (0.01) | (0.12) | - |
| Non-controlling interests | | - | - | - | - |
| Other comprehensive loss for the period/year, net of tax | | (0.97) | (0.01) | (0.12) | - |
| Total comprehensive income for the period/year attributable to: | | | | | |
| Owners of the Holding Company | | 1,182.18 | 865.36 | 477.86 | 80.37 |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income for the period/year | | 1,182.18 | 865.36 | 477.86 | 80.37 |
| Earnings per equity share (face value of Rs. 10 each) | | | | | |
| Basic (Rs.) | 32 | 11.77 | 8.53 | 4.78 | 0.80 |
| Diluted (Rs.) | 32 | 11.71 | 7.97 | 4.42 | 0.79 |
| Basis of preparation, measurement and significant accounting policies | | | | | |
| | 2 | | | | |

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure III

Restated Consolidated Statement of Changes in Equity

(All amounts are in Rs. million, unless otherwise stated)

A. EQUITY SHARE CAPITAL

| Particulars | Number of Shares | Amount |
|---|------------------|--------------|
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| Equity Shares of ₹ 10/- each fully paid up | | |
| Restated balance at 1 April 2018 | 50,000 | 0.50 |
| Changes in equity share capital during the year | - | - |
| Balance at 31 March 2019 | 50,000 | 0.50 |
| Changes in equity share capital during the year | - | - |
| Balance at 31 March 2020 | 50,000 | 0.50 |
| Changes in equity share capital during the year | (4,934) | (0.05) |
| Balance at 31 March 2021 | 45,066 | 0.45 |
| Changes in equity share capital during the period | 9,479,934 | 94.80 |
| Balance at 30 September 2021 | 9,525,000 | 95.25 |

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

| Particulars | Series A CCPS * | | Series B CCPS ** | |
|--|------------------|-------------|------------------|---------------|
| | Number of Shares | Amount # | Number of Shares | Amount ## |
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | | | |
| Restated balance at 1 April 2018 | - | - | - | - |
| Changes in preference share capital during the year (refer note below) | - | - | - | - |
| Balance at 31 March 2019 | - | - | - | - |
| Changes in preference share capital during the year | - | - | - | - |
| Balance at 31 March 2020 | - | - | - | - |
| Changes in preference share capital during the year | 5,109 | 0.05 | 15,507 | 93.04 |
| Balance at 31 March 2021 | 5,109 | 0.05 | 15,507 | 93.04 |
| Changes in preference share capital during the period | 504,891 | 5.05 | 1,762 | 10.57 |
| Balance at 30 September 2021 | 510,000 | 5.10 | 17,269 | 103.61 |

Note: 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. Subsequently, with effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

* Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

** Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

Series A CCPS - Total proceeds received of Rs. 210 million in FY 2018-19 on fresh issuance of Series A CCPS which was classified as compound financial instruments up to 4 January 2021. Refer note 16(h)

Series B CCPS - Total proceeds received of Rs. 4,400.09 million in FY 2020-21 and Rs. 499.96 million in the six months period ended 30 September 2021 on fresh issuance of Series B CCPS.

C. OTHER EQUITY

| Particulars | Equity component of compound financial | Reserves and Surplus | | | | | Retained earnings | Total Other Equity |
|--|--|----------------------|-------------------------|----------------------------|-----------------|-----------------------------------|-------------------|--------------------|
| | | Securities Premium | Debt Redemption Reserve | Capital redemption reserve | General reserve | Share Options Outstanding Account | | |
| Balance at 1 April 2018 | - | - | - | - | - | 84.22 | 84.22 | |
| Profit for the year | - | - | - | - | - | 80.37 | 80.37 | |
| Other comprehensive income for the year | - | - | - | - | - | - | - | |
| Total comprehensive income for the year | - | - | - | - | - | 80.37 | 80.37 | |
| Equity component on fair valuation of compound financial instrument | 92.95 | - | - | - | - | - | 92.95 | |
| Deferred tax on above equity component | (27.07) | - | - | - | - | - | (27.07) | |
| Balance at 31 March 2019 | 65.88 | - | - | - | - | 164.59 | 230.47 | |
| Profit for the year | - | - | - | - | - | 477.98 | 477.98 | |
| Other comprehensive income for the year | - | - | - | - | - | (0.12) | (0.12) | |
| Total comprehensive income for the year | - | - | - | - | - | 477.86 | 477.86 | |
| Share-based payments to employees | - | - | - | - | 3.00 | - | 3.00 | |
| Reversal of deferred tax originally recognised on equity component of compound financial instrument due to tax rate change | 3.46 | - | - | - | - | - | 3.46 | |
| Transfer to Debt Redemption Reserve | - | - | 11.25 | - | - | (11.25) | - | |
| Balance at 31 March 2020 | 69.34 | - | 11.25 | - | 3.00 | 631.20 | 714.79 | |
| Profit for the year | - | - | - | - | - | 865.37 | 865.37 | |
| Other comprehensive income for the year | - | - | - | - | - | (0.01) | (0.01) | |
| Total comprehensive income for the year | - | - | - | - | - | 865.36 | 865.36 | |
| Securities premium on preference shares issued | - | 4,307.05 | - | - | - | - | 4,307.05 | |
| Securities premium on account of change in classification of compound financial instrument | - | 209.95 | - | - | - | - | 209.95 | |
| Expenses incurred directly in connection with issue of CCPS | - | (91.52) | - | - | - | - | (91.52) | |
| Securities premium utilised for buy back of equity shares | - | (1,135.45) | - | - | - | - | (1,135.45) | |
| Securities premium transferred to capital redemption account on buy back of equity shares | - | (0.05) | - | 0.05 | - | - | - | |
| Buy back distribution tax | - | - | - | - | - | (264.52) | (264.52) | |
| Share-based payments to employees | - | - | - | - | 11.82 | - | 11.82 | |
| Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification | 16.44 | - | - | - | - | - | 16.44 | |
| Reclassification of Equity component of CCPS from Other equity to Instruments entirely Equity in nature | (85.78) | - | - | - | - | - | (85.78) | |
| Transferred to general reserve | - | - | (11.25) | - | 11.25 | - | - | |
| Balance at 31 March 2021 | - | 3,289.98 | - | 0.05 | 11.25 | 1,232.04 | 4,548.14 | |
| Profit for the period | - | - | - | - | - | 1,183.15 | 1,183.15 | |
| Other comprehensive income for the year | - | - | - | - | - | (0.97) | (0.97) | |
| Total comprehensive income for the period | - | - | - | - | - | 1,182.18 | 1,182.18 | |
| Securities premium on preference shares issued | - | 489.39 | - | - | - | - | 489.39 | |
| Expenses incurred directly in connection with issue of CCPS | - | (12.08) | - | - | - | - | (12.08) | |
| Utilised for issue of bonus shares | - | (99.79) | - | (0.05) | - | - | (99.84) | |
| Share-based payments to employees | - | - | - | - | 17.92 | - | 17.92 | |
| Balance at 30 September 2021 | - | 3,667.50 | - | - | 11.25 | 2,414.22 | 6,125.71 | |

Refer note 17B for nature and purpose of reserves.

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure IV

Restated Consolidated Statement of Cash Flows

(All amounts are in Rs. million, unless otherwise stated)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 1,584.13 | 1,182.19 | 645.51 | 114.13 |
| <i>Adjustments for:</i> | | | | |
| Share of net loss of equity accounted investees | - | - | 6.67 | - |
| Depreciation and amortisation expense | 31.83 | 31.98 | 13.49 | 2.80 |
| Share based payment expense | 17.92 | 11.82 | 3.00 | - |
| Interest on fixed deposits | (38.72) | (21.38) | (0.90) | - |
| Interest on income tax refund | - | (0.64) | - | - |
| Fair valuation (gain)/loss from investments designated at FVTPL | (2.05) | (1.17) | 2.58 | (1.18) |
| Liabilities no longer required, written back | (0.05) | (0.03) | (2.46) | - |
| Provisions no longer required, written back | (5.84) | (14.33) | - | - |
| Gain on derecognition of liability component of CCPS | - | (20.43) | - | - |
| Gain on waiver of lease liabilities | - | (3.35) | - | - |
| Gain on modification of leases | (0.73) | - | - | - |
| Finance cost | 99.77 | 118.78 | 100.39 | 24.47 |
| Provision for impairment of non-current investment | - | 43.33 | - | - |
| Provision for loss allowance for trade receivables | 64.30 | - | 58.18 | 5.48 |
| Provision for doubtful advances | - | 28.63 | - | - |
| Provision for doubtful interest receivable on trade advance | - | 1.77 | - | - |
| Provision for slow and non moving inventory | 155.58 | 168.30 | 45.95 | - |
| Provision for warranty | 425.44 | 181.94 | 86.00 | - |
| Provision for expected return liability | 36.15 | 20.95 | 89.75 | - |
| Unrealised foreign exchange (gain) / loss | 10.62 | (11.78) | 0.28 | 4.95 |
| Operating profit before working capital changes | 2,378.35 | 1,716.58 | 1,048.44 | 150.65 |
| <i>Adjustments for :</i> | | | | |
| (Increase)/Decrease in inventories | (4,390.36) | (2,506.95) | (464.27) | (269.56) |
| (Increase)/Decrease in trade receivables | (5,661.81) | (187.75) | (228.26) | (225.17) |
| (Increase)/Decrease in loans | (9.32) | 0.34 | (0.37) | (0.03) |
| (Increase)/Decrease in other financial assets | (12.93) | (5.14) | (14.60) | (0.80) |
| (Increase)/Decrease in other current assets | (2,987.15) | (880.83) | (275.51) | (44.75) |
| Increase/(Decrease) in trade payables | 4,838.82 | 873.06 | 201.87 | 115.17 |
| Increase/(Decrease) in other financial liabilities | 2.53 | 16.31 | (110.32) | 35.00 |
| Increase/(Decrease) in other current liabilities | 214.84 | 56.17 | (22.03) | 4.56 |
| Increase/(Decrease) in current and non-current provisions | (193.92) | (169.97) | 1.41 | 0.48 |
| Cash (used in)/generated from operations | (5,820.95) | (1,088.18) | 136.36 | (234.45) |
| Taxes paid (net of refunds) | (237.35) | (332.83) | (117.74) | (25.54) |
| Net Cash flows (used in)/generated from operating activities (A) | (6,058.30) | (1,421.01) | 18.62 | (259.99) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment made in equity shares of an associate company | - | - | (50.00) | - |
| Purchase of tangible assets | (12.30) | (16.40) | (9.89) | (2.46) |
| Purchase of intangible assets | (46.76) | (35.50) | - | - |
| Fixed deposits placed | (2,252.71) | (45.00) | (12.50) | - |
| Fixed deposits matured | - | 12.50 | - | - |
| Interest on fixed deposits | 7.71 | 17.84 | 0.87 | - |
| Net cash flow (used in) investing activities (B) | (2,304.06) | (66.56) | (71.52) | (2.46) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of preference shares, including securities premium | 499.96 | 4,400.09 | - | 210.00 |
| Expenses incurred for issuance of preference share capital | (12.08) | (91.52) | - | - |
| Payment towards buy back of equity shares | - | (1,135.50) | - | - |
| Payment towards distribution tax on buy back of equity shares | - | (264.52) | - | - |
| Proceeds from issue of debentures | - | - | 150.00 | - |
| Repayment towards debentures | - | (112.50) | (37.50) | - |
| Proceeds from term loan | - | 100.00 | 40.00 | - |
| Repayment towards term loan | (35.29) | (60.00) | (21.18) | - |
| Proceeds from short-term borrowings other than cash credit (net) | 4,624.70 | (16.06) | 134.08 | 14.48 |
| Repayment of lease liabilities | (21.54) | (19.26) | (10.44) | (1.16) |
| Interest and other borrowing costs paid | (92.01) | (92.96) | (72.18) | (15.09) |
| Net cash flow generated from financing activities (C) | 4,963.74 | 2,707.77 | 182.78 | 208.23 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (3,398.62) | 1,220.20 | 129.88 | (54.22) |
| Cash and cash equivalents at the beginning of the period/year | 1,282.15 | 61.95 | (67.93) | (13.71) |
| Cash and cash equivalents at the end of the period/year (refer note below) | (2,116.47) | 1,282.15 | 61.95 | (67.93) |
| Components of cash and cash equivalents: | | | | |
| Cash on hand | 0.01 | 0.07 | 0.01 | 0.10 |
| Balance with banks | | | | |
| In current accounts | 238.04 | 42.00 | 73.14 | 0.12 |
| In deposits with original maturity of less than 3 months | 113.09 | 1,401.86 | - | - |
| Total cash and cash equivalents (refer note 13) | 351.14 | 1,443.93 | 73.15 | 0.22 |
| Less: Cash credit from bank (refer note 18) | (2,467.61) | (161.78) | (11.20) | (68.15) |
| Cash and cash equivalents for Statement of Cash flows | (2,116.47) | 1,282.15 | 61.95 | (67.93) |

The above Restatement Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure IV

Restated Consolidated Statement of Cash Flows

(All amounts are in Rs. million, unless otherwise stated)

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

| | Opening balance 1 April 2021 | Cash flows | Non- cash movement | Closing balance 30 September 2021 |
|---|---------------------------------|-----------------|--------------------|--------------------------------------|
| Long-term borrowings (including current maturities) | 58.82 | (35.29) | - | 23.53 |
| Loan repayable on demand | 194.73 | 4,624.70 | - | 4,819.43 |
| Leases | 101.62 | (21.54) | 79.59 | 159.67 |
| Total liabilities from financing activities | 355.17 | 4,567.87 | 79.59 | 5,002.63 |

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

| | Opening balance 1 April 2020 | Cash flows | Non- cash movement | Closing balance 31 March 2021 |
|---|---------------------------------|-----------------|--------------------|----------------------------------|
| Long-term borrowings (including current maturities) | 266.12 | (72.50) | (134.80) | 58.82 |
| Loan repayable on demand | 210.79 | (16.06) | - | 194.73 |
| Leases | 54.90 | (19.26) | 65.98 | 101.62 |
| Total liabilities from financing activities | 531.81 | (107.82) | (68.82) | 355.17 |

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

| | Opening balance 1 April 2019 | Cash flows | Non- cash movement | Closing balance 31 March 2020 |
|---|---------------------------------|---------------|--------------------|----------------------------------|
| Long-term borrowings (including current maturities) | 122.49 | 131.32 | 12.31 | 266.12 |
| Loan repayable on demand | 76.71 | 134.08 | - | 210.79 |
| Leases | 1.43 | (10.44) | 63.91 | 54.90 |
| Total liabilities from financing activities | 200.63 | 254.96 | 76.22 | 531.81 |

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

| | Opening balance 1 April 2018 | Cash flows | Non- cash movement | Closing balance 31 March 2019 |
|--|---------------------------------|---------------|--------------------|----------------------------------|
| Long-term borrowings | - | 117.05 | 5.44 | 122.49 |
| Loan repayable on demand | 62.23 | 14.48 | - | 76.71 |
| Leases | 1.38 | (1.16) | 1.21 | 1.43 |
| Total liabilities from financing activities | 63.61 | 130.37 | 6.65 | 200.63 |

Non-cash movement represents:

- With respect to long-term borrowings, accrual of interest on liability component of compound financial instruments and reclassification of liability component to Instrument entirely equity in nature (Refer note 16(h)).
- With respect to leases, accrual of interest on lease liabilities.

During the six months period ended 30 September 2021, the Holding Company has converted 2,559 Series A CCPS to 2,559 equity shares of Rs 10 each. The same has been treated as non-cash items and accordingly not reflected in the Restated Consolidated Statement of Cash Flows. (Refer note 16)

Refer note 31 (ii) for amount spent towards corporate social responsibility

The above Statement should be read together with significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustments to Restated Consolidated Financial Information in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure V

Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

1 GROUP INFORMATION

Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited *) ("Holding Company" or "Company") was incorporated on 1 November 2013 under the erstwhile Companies Act, 1956. The registered office of the Holding Company is in Mumbai, Maharashtra, India. The principal place of business of the Holding Company is in India. The Holding Company is engaged in the business of trading of digital-first consumer technology products such as headphones, earphones, speakers, wearables and related accessories.

* Subsequent to six months period ended 30 September 2021, the Holding Company has changed its name from Imagine Marketing Private Limited to Imagine Marketing Limited based on the approval from Registrar of Companies, Maharashtra and accordingly it has become a public limited company.

The Holding Company and its subsidiary (hereinafter jointly referred to as the 'Group') together with the Group's interest in the associate considered in these restated consolidated financial statements are:

a) Subsidiary

| Name of the company | Country of incorporation | Principal activities | Proportion (%) of equity interest | | | |
|----------------------------------|--------------------------|----------------------|-----------------------------------|---------------|---------------|---------------|
| | | | As at | As at | As at | As at |
| | | | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Dive Marketing Private Limited * | India | Sub-license of brand | 100% | - | - | - |

* New subsidiary incorporated with effect from 3 June 2021.

b) Associate

Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

| Name of the company | Country of incorporation | Principal activities | Proportion (%) of equity interest | | | |
|-------------------------------|--------------------------|--|-----------------------------------|---------------|---------------|---------------|
| | | | As at | As at | As at | As at |
| | | | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Sirena Labs Private Limited @ | India | Designing, developing and manufacturing smart speakers | 21% | 23% | 27% | - |

@ Associate with effect from 5 November 2019.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

A. Statement of Compliance

The restated consolidated financial information of the Group and its associate comprise the Restated Consolidated Balance Sheet as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the six months ended 30 September 2021 and years ended 31 March 2021, 31 March 2020 and 31 March 2019, the summary of significant accounting policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the proposed initial public offering of equity shares of face value of Rs. 1 each of the Holding Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Holding Company 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;
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"); and
- E-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail").

The Restated Consolidated Financial Information of the Group and its associate have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the consolidated financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information has been compiled by the Group and its associate from:

- Audited special purpose interim consolidated financial statements of the Group and its associate as at and for the six months period ended 30 September 2021, prepared in accordance with recognition and measurement principles under Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Act which have been approved by the Board of Directors at their meeting held on 25 January 2022; and
- Audited special purpose Ind AS consolidated/ standalone financial statements of the Holding Company and its associate as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, which were prepared by the Holding Company after taking into the consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their meeting held on 25 January 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group and its associate will prepare its first set of statutory consolidated financial statements as per Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) for the year ending 31 March 2022 and consequently 1 April 2020 would be the transition date for preparation of such statutory consolidated financial statements. The consolidated financial statements for the year ending 31 March 2022 would be the first consolidated financial statements prepared in accordance with Ind AS. Upto the financial year ended 31 March 2021, the Holding Company and its associate prepared its consolidated financial statements in accordance with accounting standards prescribed under Section 133 of the Act ("Indian GAAP").

The audited special purpose Ind AS consolidated financial statements for the year ended 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2020 and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021. Similarly, the audited special purpose Ind AS consolidated financial statements for the year ended 31 March 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021. Further, the audited special purpose Ind AS standalone financial statements for the year ended 31 March 2019 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure V

Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation and measurement (continued)

B. Basis of preparation

The accounting policies set out below have been applied consistently to the periods presented in the Restated Consolidated Financial Information. These Restated Consolidated Financial Information have been prepared as a going concern on the basis of relevant Ind AS that are effective at the reporting date, 30 September 2021.

C. Basis of measurement

The Restated Consolidated Financial Information has been prepared on a historical cost convention, except for the following:

- (i) Employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation;
- (ii) Certain financial assets and liabilities that are qualified to be measured at fair value; and
- (iii) Share based payments at fair value of the options on the date of the grant.

D. Functional currency and presentation

The Restated Consolidated Financial Information has been presented in Indian Rupees (Rs. or INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

E. Use of estimates, assumptions and judgements

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Restated Consolidated Financial Information and the reported amount of income and expenses for the year / period reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Restated Consolidated Financial Statements is included in the following notes:

- Note 2.3 (e) - Impairment test of non-financial assets and financials assets
- Note 2.3 (j) - Measurement of defined benefit obligations: key actuarial assumptions
- Note 2.3 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.3 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2.3 (f) and 2.3 (o) - Provision for obsolete inventory and provision for warranties

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. The pandemic has impacted, and may further impact, all of the Group's stakeholders – employees, clients, investors and communities in which it operates.

In light of these circumstances, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of monetary assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as its current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there are no indicator of impairment of its assets and no significant impact on liabilities accrued. The impact of COVID-19 on the Group's restated consolidated financial statements may differ from that estimated as at the date of approval of these restated consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure V

Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation and measurement (continued)

E. Current and 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 realized 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 treated as 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.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

F. Fair value measurement

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.2 Principles of consolidation

A. Subsidiaries

The restated consolidated financial statements comprise the financial statements of the Group and its associate as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

The Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company i.e. for the six months period ended 30 September 2021 and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019. When the end of the reporting year 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 standalone financial statements of the Holding Company to enable the Holding Company 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 Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.
- 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 property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

B. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation (continued)

C. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the restated consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

D. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

E. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in an associate.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the restated consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Summary of significant accounting policies

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. The Group has a single stream of revenue i.e. Sale of products.

Sale of products

The Group recognises revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.

Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Right of return

The Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 30 days to 60 days.

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(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(b) Recognition of dividend income, interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in the restated consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.

(c) Property, Plant and Equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the restated consolidated statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation and useful lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the written down value method using the rates arrived at based on the useful lives estimated by the management which are in lines with those prescribed in Part C of schedule II of the Act.

| Tangible Asset | Useful Life |
|------------------------|---|
| Plant and Equipment | 2 years |
| Furniture and fixtures | 10 years |
| Office equipment | 5 years |
| Computers | 3 years |
| Leasehold Improvement | Lower of useful life of the leasehold improvement or the lease term |

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions available as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2020 while preparing Restated Consolidated Financial Information for the years ended 31 March 2020 and 31 March 2019. Also, refer note 3 (v) of Annexure VI.

(d) Intangible assets

Recognition and measurement

Intangible assets comprise primarily of brands. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the statement of profit and loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method, and is included in the Depreciation and Amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

| Intangible Asset | Useful Life |
|------------------|-------------|
| Brands | 10 years |

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(e) Impairment

(i) Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-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 considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the restated consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(ii) Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

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 effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Group considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off during the year.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

(g) Financial Instruments

Financial Assets

i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

On initial recognition, a financial instrument is classified and measured at

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; or
- Fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

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

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collect contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets, if any. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(g) Financial Instruments (continued)

Financial Assets (continued)

Subsequent measurement and gains and losses

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

iii) Derecognition of financial assets

A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from financial asset or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liability

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or 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/ losses are not subsequently transferred to restated consolidated 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 recognized in the restated consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 amortization is included as finance costs in the restated consolidated statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated consolidated statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

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2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of Company's cash management and are included as a component of cash and cash equivalents.

(i) Foreign Currency transactions and translations

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in restated consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in restated consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(j) Employee Benefits

(i) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified contributions towards Government administered provident fund scheme, labour welfare fund and employees' state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(ii) Defined Benefit Plan

The Group's gratuity plan is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the restated consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the restated consolidated statement of profit and loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans are recognised under "Finance costs" in the restated consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the restated consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the restated consolidated statement of profit and loss.

(iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

(iv) Other long-term employee benefits:

The Group's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the restated consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

(v) Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. 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.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. 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 the Restated Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure V

Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(k) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method;
- (ii) finance charges in respect of leases;
- (iii) interest expenses on bill discounting; and
- (iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the restated consolidated statement of profit and loss in the period in which they are incurred.

(l) Leases

Effective 1 April 2020 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), the Group has applied Ind AS 116. For the purpose of preparation of Restated Consolidated Financial Information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended 31 March 2021. Hence in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2020 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated Financial Information for the years ended 31 March 2020 and 31 March 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2020) following accounting policies consistent with that used at the date of transition to Ind AS. The Ind AS adjustments as described above are more fully described in Note 43 of Annexure VII to the Restated Consolidated Financial Information.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability

At the commencement date of the lease, the group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group has applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

(m) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure V

Significant accounting policies to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(m) Income Taxes (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(n) Provisions, Contingent liabilities and Contingent assets

(i) General provision

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. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the restated consolidated 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.

(ii) Onerous contract

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(iii) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(iv) Contingent assets

Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(o) Warranties

The Holding Company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year based on the past trend for actual warranty claims.

(p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during the reporting period (including instruments entirely equity in nature). The diluted earnings per share is computed by dividing the profit attributable to equity holders (after adjusting the cost recognised during the period for convertible instruments) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

(q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Group has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses which are not attributable or allocable to segments are disclosed separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

2.4 Recent accounting developments and pronouncements

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 1 October 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 Group in its financial statement. These amendments are applicable to the Group for the financial year starting 1 April 2021 and have been considered for preparation and presentation of these Restated Consolidated Financial Information.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure VI

Statement of Adjustments to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

PART A : STATEMENT OF RESTATEMENT ADJUSTMENTS

I. Reconciliation of total equity between previous GAAP and Ind AS:

| Particulars | Notes | As at | As at | As at |
|--|--------------------|---------------|---------------|---------------|
| | | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| A. Total equity reported earlier under previous GAAP | | 4,663.01 | 871.33 | 381.48 |
| B. Ind AS adjustments | 43 of Annexure VII | (21.33) | (156.04) | (150.51) |
| C. Total equity as per Ind AS | | 4,641.68 | 715.29 | 230.97 |
| D. Audit qualifications | | - | - | - |
| E. Restatement adjustments | | - | - | - |
| F. Total equity as per restated consolidated statement of assets and liabilities | | 4,641.68 | 715.29 | 230.97 |

II. Reconciliation of total comprehensive income between previous GAAP and Ind AS:

| Particulars | Notes | Year ended | Year ended | Year ended |
|---|--------------------|---------------|---------------|---------------|
| | | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| A. Profit for the year reported earlier under previous GAAP | | 785.95 | 488.55 | 87.30 |
| B. Ind AS adjustments | 43 of Annexure VII | 79.41 | (10.69) | (6.93) |
| C. Total comprehensive Income as reported under Ind AS | | 865.36 | 477.86 | 80.37 |
| D. Audit qualifications | | - | - | - |
| E. Restatement adjustments | | - | - | - |
| F. Total comprehensive Income as reported under Ind AS | | 865.36 | 477.86 | 80.37 |

Note:

Material regrouping : None

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of CashFlows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Group for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

PART B : NON-ADJUSTING EVENTS

I. Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to state whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls under clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 on the standalone and consolidated financial statements as at and for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 respectively. Qualification on the internal financial controls with reference to financial statements, which do not require any adjustments in the Restated Consolidated Financial Information is reproduced below in respect of the financial statements presented.

(i) Qualified Opinion paragraph in the auditors' report on the internal financial controls with reference to the financial statements

For the year ended 31 March 2019:

The auditors' report include qualification in respect of the Holding Company's internal financial controls over financial reporting process (mainly relating to review of period end accruals/provisions and classification of account balances) which were not operating effectively and which could potentially result in material misstatements in the payables, receivables, income and expense account balances of the financial statements of the Holding Company.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure VI

Statement of Adjustments to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

PART B : NON-ADJUSTING EVENTS (CONTINUED)

I. Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information (Continued)

(ii) Emphasis of Matter (EOM) in Auditors' Report

As at and for the six months period ended 30 September 2021:

Emphasis of matter - Basis of Accounting and Restriction of Use.

The auditors' report has drawn attention to the basis of preparation of these special purpose interim consolidated financial statements. The special purpose interim consolidated financial statements have been prepared by the Holding Company for the purpose of preparation of the Restated Consolidated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the Holding Company by way of a fresh issue and offer for sale of equity shares by the existing shareholders by way of initial public offer. Accordingly, the special purpose interim consolidated financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

As at and for the years ended 31 March 2021 and 31 March 2020:

Emphasis of matter - Basis of Accounting and Restriction of Use.

The auditors' reports have drawn attention to the basis of preparation of these special purpose Ind AS consolidated financial statements. As explained therein, these special purpose Ind AS consolidated financial statements have been prepared by the Holding Company in response to the requirements of the e-mail dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail") for submission to SEBI. Accordingly, the special purpose Ind AS consolidated financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

As at and for the year ended 31 March 2019:

Emphasis of matter - Basis of Accounting and Restriction of Use.

The auditors' report has drawn attention to the basis of preparation of these special purpose Ind AS standalone financial statements. As explained therein, these special purpose Ind AS standalone financial statements have been prepared by the Company in response to the requirements of the e-mail dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the "the SEBI e-mail") for submission to SEBI. Accordingly, the special purpose Ind AS standalone financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

II. Statements/comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 respectively. Certain statements/comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

(i) Clause (vii) (a) of paragraph 3 of the CARO

For the year ended 31 March 2021:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of profession tax and cess have been regularly deposited during the year by the Company with appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of provident fund, employees' state insurance, income tax, goods and services tax and duty of customs have generally been regularly deposited during the year by the Company with appropriate authorities though there have been slight delays in a few cases.

As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of profession tax, provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

For the year ended 31 March 2020:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of profession tax, provident fund, employees' state insurance, goods and service tax, duty of customs and cess have been regularly deposited during the year by the Company with appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of income tax have generally been regularly deposited during the year by the Company with appropriate authorities though there have been slight delays in a few cases.

As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of profession tax, provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure VI

Statement of Adjustments to Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

PART B : NON-ADJUSTING EVENTS (CONTINUED)

- II. Statements/comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information (Continued)
- (i) Clause (vii) (a) of paragraph 3 of the CARO (Continued)

For the year ended 31 March 2019:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of profession tax, provident fund, employee's state insurance, income tax, goods and service tax, duty of customs and cess have not generally been regularly deposited during the year by the Company with appropriate authorities though the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of profession tax, provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Private Limited
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure VII

Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

| | Plant and Equipment | Furniture and fixtures | Office equipment | Leasehold Improvement | Computers | Total |
|---------------------------------|---------------------|------------------------|------------------|-----------------------|--------------|--------------|
| Cost or Deemed Cost | | | | | | |
| Gross block | | | | | | |
| As at 1 April 2018 * | - | 0.37 | 0.49 | - | 0.70 | 1.56 |
| Additions | - | 0.24 | 0.27 | - | 1.95 | 2.46 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2019 | - | 0.61 | 0.76 | - | 2.65 | 4.02 |
| Additions | - | 1.17 | 6.30 | - | 2.42 | 9.89 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2020 | - | 1.78 | 7.06 | - | 5.07 | 13.91 |
| As at 31 March 2020 * | - | 1.32 | 5.34 | - | 2.37 | 9.03 |
| Additions | 2.97 | 6.59 | 0.42 | - | 6.42 | 16.40 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2021 | 2.97 | 7.91 | 5.76 | - | 8.79 | 25.43 |
| Additions | 0.04 | 0.48 | 3.17 | 1.09 | 7.52 | 12.30 |
| Deletions | - | - | - | - | - | - |
| As at 30 September 2021 | 3.01 | 8.39 | 8.93 | 1.09 | 16.31 | 37.73 |
| Accumulated depreciation | | | | | | |
| As at 1 April 2018 * | - | - | - | - | - | - |
| Depreciation for the year | - | 0.14 | 0.34 | - | 1.22 | 1.70 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2019 | - | 0.14 | 0.34 | - | 1.22 | 1.70 |
| Depreciation for the year | - | 0.32 | 1.38 | - | 1.48 | 3.18 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2020 | - | 0.46 | 1.72 | - | 2.70 | 4.88 |
| As at 31 March 2020 * | - | - | - | - | - | - |
| Depreciation for the year | 1.28 | 0.38 | 3.08 | - | 3.22 | 7.96 |
| Deletions | - | - | - | - | - | - |
| As at 31 March 2021 | 1.28 | 0.38 | 3.08 | - | 3.22 | 7.96 |
| Depreciation for the period | 0.67 | 0.20 | 2.33 | 0.04 | 2.93 | 6.17 |
| Deletions | - | - | - | - | - | - |
| As at 30 September 2021 | 1.95 | 0.58 | 5.41 | 0.04 | 6.15 | 14.13 |
| Net Block | | | | | | |
| As at 1 April 2018 | - | 0.37 | 0.49 | - | 0.70 | 1.56 |
| As at 31 March 2019 | - | 0.47 | 0.42 | - | 1.43 | 2.32 |
| As at 31 March 2020 | - | 1.32 | 5.34 | - | 2.37 | 9.03 |
| As at 31 March 2021 | 1.69 | 7.53 | 2.68 | - | 5.57 | 17.47 |
| As at 30 September 2021 | 1.06 | 7.81 | 3.52 | 1.05 | 10.16 | 23.60 |

* Deemed cost (refer footnote (v) below). Also refer note 43 for details regarding first time adoption of Ind AS.

Notes:

- The Holding Company has created a charge on its property, plant and equipment for its borrowings (refer to note 18)
- The Group does not own any immovable property.
- The Group has not revalued its property, plant and equipment.
- For details of contractual commitment with respect to property, plant and equipment refer note 34.
- Reconciliation of deemed cost to values under previous GAAP:

| Particulars | Plant and Equipment | Furniture and fixtures | Office equipment | Leasehold Improvement | Computers | Total |
|--|---------------------|------------------------|------------------|-----------------------|-------------|-------------|
| Gross block as at 1 April 2018 | - | 0.40 | 0.59 | - | 0.84 | 1.83 |
| Accumulated depreciation as at 1 April 2018 | - | (0.03) | (0.10) | - | (0.14) | (0.27) |
| Deemed cost as at 1 April 2018 | - | 0.37 | 0.49 | - | 0.70 | 1.56 |
| Gross block as at 31 March 2020 | - | 1.81 | 7.16 | - | 5.21 | 14.18 |
| Accumulated depreciation as at 31 March 2020 | - | (0.49) | (1.82) | - | (2.84) | (5.15) |
| Deemed cost as at 31 March 2020 | - | 1.32 | 5.34 | - | 2.37 | 9.03 |

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Annexure VII

Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

4 RIGHT-OF-USE ASSETS

| | Buildings | Total |
|---------------------------------|-----------|--------|
| Gross block | | |
| As at 1 April 2018 | 1.37 | 1.37 |
| Additions | 1.10 | 1.10 |
| Deletions | - | - |
| As at 31 March 2019 | 2.47 | 2.47 |
| Additions | 62.78 | 62.78 |
| Deletions | (1.68) | (1.68) |
| As at 31 March 2020 | 63.57 | 63.57 |
| Additions | 64.88 | 64.88 |
| Deletions | (0.87) | (0.87) |
| As at 31 March 2021 | 127.58 | 127.58 |
| Additions | 78.87 | 78.87 |
| Deletions | (9.14) | (9.14) |
| As at 30 September 2021 | 197.31 | 197.31 |
| Accumulated depreciation | | |
| As at 1 April 2018 | - | - |
| Depreciation for the year | 1.10 | 1.10 |
| Deletions | - | - |
| As at 31 March 2019 | 1.10 | 1.10 |
| Depreciation for the year | 10.31 | 10.31 |
| Deletions | (1.68) | (1.68) |
| As at 31 March 2020 | 9.73 | 9.73 |
| Depreciation for the year | 21.44 | 21.44 |
| Deletions | (0.87) | (0.87) |
| As at 31 March 2021 | 30.30 | 30.30 |
| Depreciation for the period | 21.06 | 21.06 |
| Deletions | (6.64) | (6.64) |
| As at 30 September 2021 | 44.72 | 44.72 |
| Net Block | | |
| As at 1 April 2018 | 1.37 | 1.37 |
| As at 31 March 2019 | 1.37 | 1.37 |
| As at 31 March 2020 | 53.84 | 53.84 |
| As at 31 March 2021 | 97.28 | 97.28 |
| As at 30 September 2021 | 152.59 | 152.59 |

Notes:

- (i) The Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.
- (ii) Refer note 19 for disclosures pertaining to lease liabilities.
- (iii) The following amount are recognised in the restated profit and loss:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Depreciation expenses of right of use assets (refer note 30) | 21.06 | 21.44 | 10.31 | 1.10 |
| Interest expenses on lease liabilities (refer note 19(i)) | 5.70 | 5.53 | 2.89 | 0.18 |
| Expenses relating to short term leases (refer note 31) | 4.75 | 7.33 | 1.87 | 0.52 |

- (iv) The lease agreements for immovable properties where the Group is the lessee are duly executed in favour of the Group.
- (v) The Group has not revalued its Right-of-use assets.

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(All amounts are in Rs. million, unless otherwise stated)

5 OTHER INTANGIBLE ASSETS

| | Brands | Total |
|---------------------------------|--------|-------|
| Cost | | |
| Gross block | | |
| As at 1 April 2018 | - | - |
| Additions | - | - |
| Deletions | - | - |
| As at 31 March 2019 | - | - |
| Additions | - | - |
| Deletions | - | - |
| As at 31 March 2020 | - | - |
| Additions | 51.50 | 51.50 |
| Deletions | - | - |
| As at 31 March 2021 | 51.50 | 51.50 |
| Additions | 32.96 | 32.96 |
| Deletions | - | - |
| As at 30 September 2021 | 84.46 | 84.46 |
| Accumulated amortisation | | |
| As at 1 April 2018 | - | - |
| Amortisation for the year | - | - |
| Deletions | - | - |
| As at 31 March 2019 | - | - |
| Amortisation for the year | - | - |
| Deletions | - | - |
| As at 31 March 2020 | - | - |
| Amortisation for the year | 2.58 | 2.58 |
| Deletions | - | - |
| As at 31 March 2021 | 2.58 | 2.58 |
| Amortisation for the period | 4.60 | 4.60 |
| Deletions | - | - |
| As at 30 September 2021 | 7.18 | 7.18 |
| Net Block | | |
| As at 1 April 2018 | - | - |
| As at 31 March 2019 | - | - |
| As at 31 March 2020 | - | - |
| As at 31 March 2021 | 48.92 | 48.92 |
| As at 30 September 2021 | 77.28 | 77.28 |

Note:

- (i) During the year ended 31 March 2021, the Holding Company has purchased "RedGear" brand from Redwood Interactive, a partnership firm in which a Key Management Personnel of the Company (Mr. Sameer Mehta - Director) is having significant influence, for a total consideration of Rs. 50 million (Refer note 37 for details of related party transactions). Stamp duty expense of Rs. 1.5 million has been capitalised in the cost of brand. The useful life of the said brand is estimated at 10 years from the date from when the brand is available for use i.e. the date of purchase.
- (ii) The Group has not revalued its intangible assets.

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(All amounts are in Rs. million, unless otherwise stated)

6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Non-Current | | | | |
| Unquoted | | | | |
| Investment in Equity Instruments | | | | |
| Investment in Associate Company | | | | |
| 3,703 (31 March 2021: 3,703; 31 March 2020 : 3,703; 31 March 2019 : Nil) | 50.00 | 50.00 | 50.00 | - |
| Equity shares of Sirena Labs Private Limited (Associate company) having face value Rs 10 each, fully paid up (includes Goodwill of Rs. 61.99 million) | | | | |
| Less: Share of net loss of equity accounted investees (net of income tax) from date of acquisition (Refer note 41) | (6.67) | (6.67) | (6.67) | - |
| Less: Loss allowance (provision for impairment) (Refer note 41) | (43.33) | (43.33) | - | - |
| Total | - | - | 43.33 | - |
| Aggregate amount of quoted investments | - | - | - | - |
| Aggregate market value of quoted investments | - | - | - | - |
| Aggregate amount of unquoted investments | 43.33 | 43.33 | 43.33 | - |
| Aggregate amount of impairment in value of investments | (43.33) | (43.33) | - | - |

Note:

- (i) The Holding Company assessed the recoverability of the investment made in the equity shares of Sirena Labs Private Limited. Since the probability of recovery of the value of investment was considered to be remote, the management recognised a full provision for impairment as at 31 March 2021.
- (ii) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iii) Refer note 35 - Financial instruments, fair values and risk measurement for fair valuation methodology.

7 INVESTMENTS

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Non-Current | | | | |
| Investments measured at fair value through profit or loss (Quoted) | | | | |
| Investments in Mutual Funds * | 26.53 | 24.48 | 23.31 | 25.89 |
| Total | 26.53 | 24.48 | 23.31 | 25.89 |
| Aggregate amount of quoted investments | 24.00 | 24.00 | 24.00 | 24.00 |
| Market value of quoted investments | 26.53 | 24.48 | 23.31 | 25.89 |
| Aggregate amount of unquoted investments | - | - | - | - |
| Aggregate amount of impairment in value of investments | - | - | - | - |

* Mutual funds are provided as lien against Citibank cash credit facility (refer note 18 (iv))

8 OTHER FINANCIAL ASSETS

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Non-Current | | | | |
| Security deposits | 13.63 | 17.41 | 14.30 | 1.29 |
| Bank deposits with original maturity of more than 12 months and remaining maturity of more than 12 months | 40.00 | - | - | - |
| Total | 53.63 | 17.41 | 14.30 | 1.29 |
| Current | | | | |
| Security deposits | 12.31 | 2.48 | 0.45 | 0.63 |
| Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months | 1,091.30 | - | - | - |
| Others | 43.23 | 5.34 | 1.80 | - |
| Allowance for interest receivable on trade advance considered doubtful | (1.77) | (1.77) | - | - |
| Total | 1,145.07 | 6.05 | 2.25 | 0.63 |
| (i) Details of lien against bank deposits: | | | | |
| Security lien towards RBL cash credit facility | 16.30 | - | - | - |
| Security lien towards ICICI cash credit facility | 40.00 | - | - | - |
| Security lien towards HSBC working capital demand loan | 1,075.00 | - | - | - |
| | 1,131.30 | - | - | - |

- (ii) **The movement in allowance for interest receivable on trade advance is as follows:**

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Balance as at beginning of the period/year | 1.77 | - | - | - |
| Change in allowance during the period/year | - | 1.77 | - | - |
| Written off during the period/year | - | - | - | - |
| Balance as at the end of the period/year | 1.77 | 1.77 | - | - |

Refer note 35 - Financial instruments, fair values and risk measurement

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Notes to the Restated Consolidated Financial Information

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9 INCOME TAXES

A. Components of income tax expense

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| I. Tax expense recognised in Profit and Loss | | | | |
| Current Tax Expense | | | | |
| Current tax on profits for the year | 411.97 | 325.16 | 187.28 | 36.76 |
| Adjustments for the current tax of prior periods | 0.11 | 2.17 | - | 0.21 |
| Total Current Tax Expense | 412.08 | 327.33 | 187.28 | 36.97 |
| Deferred Tax Expense | | | | |
| Origination and reversal of temporary differences | (11.10) | (10.51) | (19.75) | (3.21) |
| Total Deferred Tax Expense | (11.10) | (10.51) | (19.75) | (3.21) |
| Income tax expenses recognised in profit and loss | 400.98 | 316.82 | 167.53 | 33.76 |
| II. Tax expense recognised in Other Comprehensive Income | | | | |
| Deferred Tax Expense | | | | |
| Net (loss)/gain on remeasurements of defined benefit plans | (0.32) | (0.00) | (0.04) | - |
| Income tax expenses recognised in other comprehensive income | (0.32) | (0.00) | (0.04) | - |
| III. Tax expense recognised in Equity | | | | |
| Deferred Tax Expense | | | | |
| Liability component of CCPS | - | (16.44) | (3.46) | 27.07 |
| Income tax expenses recognised in equity | - | (16.44) | (3.46) | 27.07 |

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Statutory income tax rate applicable for the year | 25.17% | 25.17% | 25.17% | 29.12% |
| <i>Differences due to:</i> | | | | |
| Expenses not deductible for tax purposes | 0.12% | 1.51% | 0.49% | 0.00% |
| Impact of adjustments for the current tax of prior periods | 0.01% | 0.18% | - | 0.18% |
| Impact of tax rate change (in FY 2019-20) | - | - | -0.54% | - |
| Others | 0.01% | -0.06% | 0.83% | 0.28% |
| Effective tax rate | 25.31% | 26.80% | 25.95% | 29.58% |

Impact of tax rate change:

During the year ended 31 March 2020, the Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The full impact of this change was recognised in the consolidated statement of profit and loss for that year except for the portion of deferred tax liability reversed on the compound financial instrument which was recognised directly in equity.

C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Deferred Tax Assets | | | | |
| Property, plant and equipment | - | - | 0.40 | 0.15 |
| Lease liabilities | 40.19 | 25.58 | 13.82 | 0.42 |
| Provisions for employee benefits | 4.94 | 1.93 | 0.73 | 0.14 |
| Allowance for expected credit loss | 30.94 | 16.23 | 16.02 | 1.60 |
| Investments in equity instruments measured at FVTPL | - | - | 0.20 | - |
| Security deposits | 0.89 | 0.64 | 0.45 | 0.02 |
| Others | 1.66 | 7.80 | - | - |
| Total Deferred Tax Assets (A) | 78.62 | 52.18 | 31.62 | 2.33 |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment | (2.06) | (1.46) | - | - |
| Right-of-use assets | (38.40) | (24.48) | (13.55) | (0.40) |
| Investments in equity instruments measured at FVTPL | (0.64) | (0.14) | - | (0.55) |
| Liability component of CCPS | - | - | (18.92) | (25.48) |
| Total Deferred Tax Liabilities (B) | (41.10) | (26.08) | (32.47) | (26.43) |
| Net Deferred Tax Assets / (Liabilities) (A-B) | 37.52 | 26.10 | (0.85) | (24.10) |

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9 INCOME TAXES (CONTINUED)

C. Deferred tax assets and liabilities (Continued)

(i) Movements in Deferred Tax Assets / (Liabilities)

| Movements during the six months period ended 30 September 2021 | Opening balance | Recognised in profit and loss | Recognised in other comprehensive income | Recognised directly in equity | Closing balance |
|---|--------------------|----------------------------------|---|----------------------------------|--------------------|
| Property, plant and equipment | (1.46) | (0.60) | - | - | (2.06) |
| Right-of-use assets | (24.48) | (13.92) | - | - | (38.40) |
| Lease liabilities | 25.58 | 14.61 | - | - | 40.19 |
| Provisions for employee benefits | 1.93 | 2.69 | 0.32 | - | 4.94 |
| Allowance for expected credit loss | 16.23 | 14.71 | - | - | 30.94 |
| Investments in equity instruments measured at FVTPL | (0.14) | (0.50) | - | - | (0.64) |
| Security Deposits | 0.64 | 0.25 | - | - | 0.89 |
| Others | 7.80 | (6.14) | - | - | 1.66 |
| Total | 26.10 | 11.10 | 0.32 | - | 37.52 |

| Movements during the year ended 31 March 2021 | Opening balance | Recognised in profit and loss | Recognised in other comprehensive income | Recognised directly in equity | Closing balance |
|---|--------------------|----------------------------------|---|----------------------------------|--------------------|
| Property, plant and equipment | 0.40 | (1.86) | - | - | (1.46) |
| Right-of-use assets | (13.55) | (10.93) | - | - | (24.48) |
| Lease liabilities | 13.82 | 11.76 | - | - | 25.58 |
| Compound financial instrument | (18.92) | 2.48 | - | 16.44 | - |
| Provisions for employee benefits | 0.73 | 1.20 | 0.00 | - | 1.93 |
| Allowance for expected credit loss | 16.02 | 0.21 | - | - | 16.23 |
| Investments in equity instruments measured at FVTPL | 0.20 | (0.34) | - | - | (0.14) |
| Security Deposits | 0.45 | 0.19 | - | - | 0.64 |
| Others | - | 7.80 | - | - | 7.80 |
| Total | (0.85) | 10.51 | 0.00 | 16.44 | 26.10 |

| Movements during the year ended 31 March 2020 | Opening balance | Recognised in profit and loss | Recognised in other comprehensive income | Recognised directly in equity | Closing balance |
|--|--------------------|----------------------------------|---|----------------------------------|--------------------|
| Property, plant and equipment | 0.15 | 0.25 | - | - | 0.40 |
| Right-of-use assets | (0.40) | (13.15) | - | - | (13.55) |
| Lease liabilities | 0.42 | 13.40 | - | - | 13.82 |
| Compound financial instrument | (25.48) | 3.10 | - | 3.46 | (18.92) |
| Provisions for employee benefits | 0.14 | 0.55 | 0.04 | - | 0.73 |
| Allowance for expected credit loss | 1.60 | 14.42 | - | - | 16.02 |
| Investments measured at FVTPL | (0.55) | 0.75 | - | - | 0.20 |
| Security Deposits | 0.02 | 0.43 | - | - | 0.45 |
| Total | (24.10) | 19.75 | 0.04 | 3.46 | (0.85) |

(i) Movements in Deferred Tax Assets / (Liabilities) (Continued)

| Movements during the year ended 31 March 2019 | Opening balance | Recognised in profit and loss | Recognised in other comprehensive income | Recognised directly in equity | Closing balance |
|--|--------------------|----------------------------------|---|----------------------------------|--------------------|
| Property, plant and equipment | (0.04) | 0.19 | - | - | 0.15 |
| Right-of-use assets | (0.40) | - | - | - | (0.40) |
| Lease liabilities | 0.40 | 0.02 | - | - | 0.42 |
| Compound financial instrument | - | 1.59 | - | (27.07) | (25.48) |
| Provisions for employee benefits | - | 0.14 | - | - | 0.14 |
| Allowance for expected credit loss | - | 1.60 | - | - | 1.60 |
| Investments measured at FVTPL | (0.20) | (0.35) | - | - | (0.55) |
| Security Deposits | - | 0.02 | - | - | 0.02 |
| Total | (0.24) | 3.21 | - | (27.07) | (24.10) |

D. Tax assets and liabilities

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Non-Current tax assets (net) | | | | |
| Advance tax and tax deducted at source, net of provision for tax | 9.56 | 0.04 | 8.29 | 6.90 |
| Current tax liabilities (net) | | | | |
| Provision for tax, net of advance tax and tax deducted at source | 281.76 | 95.45 | 94.84 | 11.22 |

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10 OTHER NON-FINANCIAL ASSETS

| Particulars | As at | As at | As at | As at |
|---|-------------------|-----------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Non-Current | | | | |
| <i>Unsecured, considered good unless otherwise stated</i> | | | | |
| Capital advance | 1.80 | - | - | - |
| | 1.80 | - | - | - |
| Current | | | | |
| <i>Unsecured, considered good unless otherwise stated</i> | | | | |
| Advances other than capital advances | | | | |
| Advances to vendors | 3,117.39 | 532.82 | 206.44 | 82.87 |
| Less: Provision for doubtful advances | (22.79) | (28.63) | - | - |
| Return asset | 497.90 | 233.06 | 58.34 | - |
| Prepaid Expenses | 13.53 | 4.91 | 3.89 | 1.04 |
| Balances with Government Authorities | | | | |
| - Goods and Services Tax credit receivable | 34.32 | 437.09 | 78.29 | 2.26 |
| - Custom Duty | 505.02 | 34.63 | 14.72 | - |
| - Sales Tax/ Value Added Tax | 0.06 | 0.06 | 0.06 | 0.06 |
| Share issue expenses * | 61.50 | - | - | - |
| Total | 4,206.93 | 1,213.94 | 361.74 | 86.23 |

* During the six months period ended 30 September 2021, the Holding Company is in the process of filing Draft Red Herring Prospectus with SEBI in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company by way of fresh issue and an offer for sale by the existing shareholders. Accordingly, expenses incurred by the Group aggregating to Rs. 61.50 million in connection with filing of Draft Red Herring Prospectus have been shown under "other current assets" as it is shall be partly recovered from the existing shareholders (as per the offer agreement) and partly to be adjusted towards the securities premium.

Note: There are no advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

11 INVENTORIES

| Particulars | As at | As at | As at | As at |
|----------------|-------------------|-----------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Stock-in-trade | 7,323.01 | 3,088.23 | 749.58 | 331.26 |
| Total | 7,323.01 | 3,088.23 | 749.58 | 331.26 |

(i) For mode of valuation, refer note 2 (f) of significant accounting policies

(ii) The above includes goods in transit of Rs. 3,813.38 million (31 March 2021: Rs. 279.67 million; 31 March 2020 : Rs. 167.43 million; 31 March 2019 : Rs. 86.10 million)

(iii) Value of inventories above is stated after provisions for slow-moving and obsolete items of Rs. 100.00 million (31 March 2021: Rs. 168.30 million, 31 March 2020 : Rs. 45.95 million, 31 March 2019 : Nil).

(iv) During the year an amount of Rs. 164.82 million (31 March 2021: Rs. 52.79 million; 31 March 2020 : Rs. 95.20 million; 31 March 2019 : Rs. Nil) has been charged off to statement of profit and loss on account of damaged goods.

(v) The Holding Company has created a charge on its inventories for its borrowings (refer to note 18)

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12 TRADE RECEIVABLES

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Current | | | | |
| Trade Receivables considered good – Secured | - | - | - | - |
| Trade Receivables considered good – Unsecured | 6,448.09 | 777.43 | 561.56 | 388.15 |
| Trade Receivables which have significant increase in credit risk - Unsecured | - | - | - | - |
| Trade Receivables – credit impaired - Unsecured | 2.64 | 11.49 | 54.85 | - |
| Less: Allowance for expected credit loss | (98.39) | (34.09) | (63.66) | (5.48) |
| Total | 6,352.34 | 754.83 | 552.75 | 382.67 |
| Category wise details of allowance for expected credit loss | | | | |
| Allowance for expected credit loss for Trade Receivables considered good – Unsecured | 2.64 | 11.49 | 54.85 | - |
| Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured | 95.75 | 22.60 | 8.81 | 5.48 |
| | 98.39 | 34.09 | 63.66 | 5.48 |

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Refer note 35 - Financial instruments, fair values and risk measurement

(i) Trade receivables does not include any debts which are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Trade receivables from related parties:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Trade receivables from related parties | 2.64 | 6.46 | 4.56 | 0.23 |
| Less: Allowance for expected credit loss | (2.64) | (2.64) | - | - |
| | - | 3.82 | 4.56 | 0.23 |

Refer note 37 - Related party disclosures

(iii) The movement in allowance for expected credit loss is as follows:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Balance as at beginning of the period/year | 34.09 | 63.66 | 5.48 | - |
| Change in allowance during the period/year | 64.30 | (14.33) | 58.18 | 5.48 |
| Written off during the period/year | - | (15.24) | - | - |
| Balance as at the end of the period/year | 98.39 | 34.09 | 63.66 | 5.48 |

(iv) Ageing for trade receivables from the due date of payment for each of the category is as follows:

| Trade receivables ageing schedule as at 30 September 2021 | Current (not past due) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------------------|--|-----------------------|--------------|-------------|----------------------|-----------------|
| | | Less than 6 months | 6 Months to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| (i) Undisputed Trade Receivables - considered good | 3,862.34 | 2,553.18 | 16.16 | 16.41 | - | - | 6,448.09 |
| (ii) Undisputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | 0.12 | 2.52 | - | - | 2.64 |
| | 3,862.34 | 2,553.18 | 16.28 | 18.93 | - | - | 6,450.73 |
| Allowance for expected credit loss | - | (63.18) | (16.28) | (18.93) | - | - | (98.39) |
| | 3,862.34 | 2,490.00 | - | - | - | - | 6,352.34 |

Note: There are no unbilled dues as at 30 September 2021

| Trade receivables ageing schedule as at 31 March 2021 | Current (not past due) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------------------|--|-----------------------|--------------|-------------|----------------------|---------------|
| | | Less than 6 months | 6 Months to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| (i) Undisputed Trade Receivables - considered good | 425.03 | 342.29 | 8.16 | 1.95 | - | - | 777.43 |
| (ii) Undisputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | 8.85 | - | - | 8.85 |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | 0.12 | 2.52 | - | - | 2.64 |
| | 425.03 | 342.29 | 8.28 | 13.32 | - | - | 788.92 |
| Allowance for expected credit loss | - | (12.49) | (8.28) | (13.32) | - | - | (34.09) |
| | 425.03 | 329.80 | - | - | - | - | 754.83 |

Note: There are no unbilled dues as at 31 March 2021

| Trade receivables ageing schedule as at 31 March 2020 | Current (not past due) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------------------|--|-----------------------|--------------|-------------|----------------------|---------------|
| | | Less than 6 months | 6 Months to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| (i) Undisputed Trade Receivables - considered good | 246.04 | 315.30 | - | 0.22 | - | - | 561.56 |
| (ii) Undisputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | 40.61 | 0.58 | 13.66 | - | - | 54.85 |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | 246.04 | 355.91 | 0.58 | 13.88 | - | - | 616.41 |
| (vii) Allowance for expected credit loss | - | (49.20) | (0.58) | (13.88) | - | - | (63.66) |
| | 246.04 | 306.71 | - | - | - | - | 552.75 |

Note: There are no unbilled dues as at 31 March 2020

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(All amounts are in Rs. million, unless otherwise stated)

12 TRADE RECEIVABLES (CONTINUED)

(iv) Ageing for trade receivables from the due date of payment for each of the category is as follows: (continued)

| Trade receivables ageing schedule as at 31 March 2019 | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-----------------------|-----------------------|-------------|------------|---------------|
| | Current (not past due) | Less than 6 months | 6 Months to 1 Year | 1 - 2 Years | 2 -3 Years | |
| (i) Undisputed Trade Receivables - considered good | 276.88 | 107.95 | 1.05 | 2.27 | - | 388.15 |
| (ii) Undisputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | 276.88 | 107.95 | 1.05 | 2.27 | - | 388.15 |
| (vii) Allowance for expected credit loss | - | (2.16) | (1.05) | (2.27) | - | (5.48) |
| | 276.88 | 105.79 | - | - | - | 382.67 |

Note: There are no unbilled dues as at 31 March 2019

13 CASH AND CASH EQUIVALENTS

| Particulars | As at | As at | As at | As at |
|--|-------------------|-----------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Cash on hand | 0.01 | 0.07 | 0.01 | 0.10 |
| Balances with banks | | | | |
| In current accounts | 238.04 | 42.00 | 73.14 | 0.12 |
| In deposits with original maturity of less than 3 months | 113.09 | 1,401.86 | - | - |
| Total | 351.14 | 1,443.93 | 73.15 | 0.22 |

Refer note 35 - Financial instruments, fair values and risk measurement

Note:

Details of lien against fixed deposits:

| | | | | |
|--|---------------|---|---|---|
| Security lien towards RBL cash credit facility | 13.09 | - | - | - |
| Security lien towards HSBC working capital demand loan | 100.00 | - | - | - |
| | 113.09 | - | - | - |

14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at | As at | As at | As at |
|---|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Balances with banks to the extent held as security against the borrowings | | | | |
| Fixed deposits with original maturity of more than 3 months but less than 12 months | 1,166.41 | 45.00 | 12.50 | - |
| Total | 1,166.41 | 45.00 | 12.50 | - |

Refer note 35 - Financial instruments, fair values and risk measurement

Note:

Details of lien against fixed deposits:

| | | | | |
|---|-----------------|--------------|--------------|----------|
| Security lien towards RBL cash credit facility | 46.41 | 25.00 | 12.50 | - |
| Security lien towards ICICI cash credit facility | 1,010.00 | 10.00 | - | - |
| Security lien towards HDFC working capital demand loan | 60.00 | 10.00 | - | - |
| Security lien towards Citi Bank working capital demand loan | 50.00 | - | - | - |
| | 1,166.41 | 45.00 | 12.50 | - |

15 LOANS

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Current | | | | |
| Loan to employees | | | | |
| Loans Receivables considered good – Secured | - | - | - | - |
| Loans Receivables considered good – Unsecured | 9.91 | 0.59 | 0.93 | 0.56 |
| Loans Receivables which have significant increase in credit risk | - | - | - | - |
| Loans Receivables – credit impaired | - | - | - | - |
| Total | 9.91 | 0.59 | 0.93 | 0.56 |

Refer note 35 - Financial instruments, fair values and risk measurement

Notes:

- There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- Loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- Loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment

| Particulars | As at 30 September 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------|----------------------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|
| | Amount outstanding | % of total | Amount outstanding | % of total | Amount outstanding | % of total | Amount outstanding | % of total |
| Type of Borrower | | | | | | | | |
| Promoters | - | - | - | - | - | - | - | - |
| Directors | - | - | - | - | - | - | - | - |
| Key management personnel (KMP) | - | - | - | - | - | - | - | - |
| Related parties * | 27.00 | N.A. | - | - | - | - | - | - |

* Loan given to related parties stand eliminated at the time of consolidation.

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16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

| Particulars | As at 30 September 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|----------------------------|---------------|------------------------|--------------|------------------------|-------------|------------------------|-------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| AUTHORISED SHARE CAPITAL | | | | | | | | |
| Equity shares of Rs 10 each * | 14,646,800 | 146.47 | 14,509,400 | 145.09 | 60,000 | 0.60 | 60,000 | 0.60 |
| Preference shares of Rs 10 each | 535,200 | 5.35 | 30,000 | 0.30 | 10,000 | 0.10 | 10,000 | 0.10 |
| Preference shares of Rs 6,000 each | 18,929 | 113.57 | 20,000 | 120.00 | - | - | - | - |
| ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL | | | | | | | | |
| Equity share capital | | | | | | | | |
| Equity shares of Rs 10 each * | 9,525,000 | 95.25 | 45,066 | 0.45 | 50,000 | 0.50 | 50,000 | 0.50 |
| | | <u>95.25</u> | | <u>0.45</u> | | <u>0.50</u> | | <u>0.50</u> |
| Instruments entirely Equity in nature | | | | | | | | |
| Preference shares of Rs 10 each | 510,000 | 5.10 | 5,109 | 0.05 | - | - | - | - |
| Preference shares of Rs 6,000 each | 17,269 | 103.61 | 15,507 | 93.04 | - | - | - | - |
| | | <u>108.71</u> | | <u>93.09</u> | | <u>-</u> | | <u>-</u> |
| Total | | <u>203.96</u> | | <u>93.54</u> | | <u>0.50</u> | | <u>0.50</u> |

* Refer note 47 (i) for details regarding sub-division of shares subsequent to 30 September 2021.

(a) Reconciliation of the number of shares

| Particulars | Equity shares | | Series A CCPS | | Series B CCPS | |
|--|------------------|--------------|------------------|-------------|------------------|---------------|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
| As at 1 April 2018 | 50,000 | 0.50 | - | - | - | - |
| Shares issued during the year | - | - | - | - | - | - |
| As at 31 March 2019 | 50,000 | 0.50 | - | - | - | - |
| Shares issued during the year | - | - | - | - | - | - |
| As at 31 March 2020 | 50,000 | 0.50 | - | - | - | - |
| Shares reclassified from equity component of compound financial instrument @ | - | - | 5,109 | 0.05 | - | - |
| Shares issued during the year | - | - | - | - | 15,507 | 93.04 |
| Shares bought back during the year (Refer note 16 (f)) | (4,934) | (0.05) | - | - | - | - |
| As at 31 March 2021 | 45,066 | 0.45 | 5,109 | 0.05 | 15,507 | 93.04 |
| Shares issued during the period | - | - | - | - | 1,762 | 10.57 |
| Conversion of preference shares to equity shares | 2,559 | 0.03 | (2,559) | (0.03) | - | - |
| Bonus shares issued during the period | 9,477,375 | 94.77 | 507,450 | 5.07 | - | - |
| Conversion to equity shares | - | - | - | - | - | - |
| As at 30 September 2021 | <u>9,525,000</u> | <u>95.25</u> | <u>510,000</u> | <u>5.10</u> | <u>17,269</u> | <u>103.61</u> |

Equity shares represents equity shares of Rs 10 each, fully paid up

Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

@ 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. Subsequently, with effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

(b) Rights, preferences and restrictions attached to equity shares:

The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

(c) Rights, preferences and restrictions attached to preference shares:

The Holding Company has two classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each ('Series A CCPS') and 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each ('Series B CCPS').

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non-cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Holding Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date or (ii) in connection with an IPO, prior to the filing of a red hearing prospectus (or equivalent document, by whatever name called) by the Holding Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:200* (that is 200 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Holding Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 200 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red hearing prospectus (or equivalent document, by whatever name called) by the Holding Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the six months period ended 30 September 2021, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and restated shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 1418,745. Accordingly, the revised conversion ratio is 1:200.

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(d) Details of shareholders holding more than 5% shares of a class of shares in the Holding Company:

| Particulars | As at 30 September 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---------------------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Number of shares | % Holding in shares | Number of shares | % Holding in shares | Number of shares | % Holding in shares | Number of shares | % Holding in shares |
| Equity shares | | | | | | | | |
| Mr. Sameer Mehta | 3,837,000 | 40.28% | 19,185 | 42.57% | 25,000 | 50.00% | 25,000 | 50.00% |
| Mr. Aman Gupta | 3,837,000 | 40.28% | 19,185 | 42.57% | 25,000 | 50.00% | 25,000 | 50.00% |
| South Lake Investment Ltd | 1,851,000 | 19.43% | 6,696 | 14.86% | - | - | - | - |
| Series A CCPS | | | | | | | | |
| Fireside Ventures Investment Fund - I | 510,000 | 100.00% | 2,550 | 49.91% | 5,109 | 100.00% | 5,109 | 100.00% |
| South Lake Investment Ltd | - | 0.00% | 2,559 | 50.09% | - | - | - | - |
| Series B CCPS | | | | | | | | |
| South Lake Investment Ltd | 15,507 | 89.80% | 15,507 | 100.00% | - | - | - | - |
| Qualcomm Ventures LLC | 1,762 | 10.20% | - | - | - | - | - | - |

During the year ended 31 March 2021, South Lake Investment Ltd bought the following shares directly from other existing shareholders:

- 3,348 equity shares of Rs 10 each from Mr. Sameer Mehta
- 3,348 equity shares of Rs 10 each from Mr. Aman Gupta
- 2,559 Series A CCPS from Fireside Ventures Investment Fund - I

(e) Shares reserved for issue under options and contracts:

| Particulars | As at 30 September 2021 | | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|----------------------------|--------|------------------------|--------|------------------------|--------|------------------------|--------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Under Employee Stock Option Plan 2019: | | | | | | | | |
| Equity shares of Rs 10 each, at exercise price of Rs 302.665 per share (Previous years: Rs 60,533 per share) * | 118,000 | 1.18 | 744 | 0.01 | 256 | 0.00 | - | - |
| Under Employee Stock Option Plan 2021: | | | | | | | | |
| Equity shares of Rs 10 each, at exercise price of Rs 1,418.745 per share (Previous years: Rs 283,749 per share) * | 549,800 | 5.50 | 2,749 | 0.03 | - | - | - | - |
| Right to subscribe to Innoven Capital India Private Limited | | | | | | | | |
| Equity shares of Rs 10 each, at exercise price of Rs 431.53 per share (Previous years: Rs 86,306 per share) * | 46,350 | 0.46 | 232 | 0.00 | 232 | 0.00 | - | - |
| For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each | | | | | | | | |
| Equity shares of Rs 10 each * | 510,000 | 5.10 | 5,109 | 0.05 | 5,109 | 0.05 | 5,109 | 0.05 |
| For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each | | | | | | | | |
| Equity shares of Rs 10 each * | 3,453,800 | 34.54 | 15,507 | 0.16 | - | - | - | - |

* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 200 and the exercise price per share has been divided by 200.

Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).

Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

Also refer note 47 for subsequent events.

(f) During the period of five years immediately preceding the reporting date:

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash | | | | |
| Equity shares of Rs 10 each | - | - | - | - |
| 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each (Series A CCPS) | - | - | - | - |
| 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS) | - | - | - | - |
| Aggregate number and class of shares allotted as fully paid up by way of bonus shares | | | | |
| Equity shares of Rs 10 each @ | 9,477,375 | - | - | - |
| 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each # | 507,450 | - | - | - |
| 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each | - | - | - | - |
| Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: | | | | |
| Equity shares of Rs 10 each * | 4,934 | 4,934 | - | - |
| 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each | - | - | - | - |
| 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each | - | - | - | - |

@ During the six months period ended 30 September 2021, the Holding Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders holding Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13th May, 2021 ("Record Date").

During the six months period ended 30 September 2021, the Holding Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders holding 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13th May, 2021 ("Record Date").

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and restated shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 1418,745.

* During the year ended 31 March 2021, the Holding Company bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

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16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(g) Details of shareholdings by the Promoter's of the Company:

| | As at 30 September 2021 | | As at 31 March 2021 | | % change during the period |
|--|----------------------------|---------------------------|------------------------|---------------------------|-------------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class | |
| Equity shares of Rs each fully paid up held by: | | | | | |
| Mr. Sameer Mehta | 3,837,000 | 40.28% | 19,185 | 42.57% | 19900.00% * |
| Mr. Aman Gupta | 3,837,000 | 40.28% | 19,185 | 42.57% | 19900.00% * |

* Change during the year is on account of bonus shares issued

| | As at 31 March 2021 | | As at 31 March 2020 | | % change during the period |
|--|------------------------|---------------------------|------------------------|---------------------------|-------------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class | |
| Equity shares of Rs each fully paid up held by: | | | | | |
| Mr. Sameer Mehta | 19,185 | 42.57% | 25,000 | 50.00% | -23.26% @ |
| Mr. Aman Gupta | 19,185 | 42.57% | 25,000 | 50.00% | -23.26% @ |

@ Change during the year is on account of 2,467 equity shares bought back by the Company from each promoter and sale of 3,348 equity shares by each promoter to South Lake Investments Ltd

| | As at 31 March 2020 | | As at 31 March 2019 | | % change during the period |
|--|------------------------|---------------------------|------------------------|---------------------------|-------------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class | |
| Equity shares of Rs each fully paid up held by: | | | | | |
| Mr. Sameer Mehta | 25,000 | 50.00% | 25,000 | 50.00% | - |
| Mr. Aman Gupta | 25,000 | 50.00% | 25,000 | 50.00% | - |

| | As at 31 March 2019 | | As at 31 March 2018 | | % change during the period |
|--|------------------------|---------------------------|------------------------|---------------------------|-------------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class | |
| Equity shares of Rs each fully paid up held by: | | | | | |
| Mr. Sameer Mehta | 25,000 | 50.00% | 25,000 | 50.00% | - |
| Mr. Aman Gupta | 25,000 | 50.00% | 25,000 | 50.00% | - |

(h) Agreements with Shareholders:

During the six months period ended 30 September 2021:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Holding Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 499.96 million the details of which are included in the table below:

| Type of share | Face value per share | Issue price per share | Premium on issue per share | No. of shares | Total amount in Rs. million |
|--|-------------------------|--------------------------|-------------------------------|---------------|--------------------------------|
| 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS) | 6,000.00 | 283,749.00 | 277,749.00 | 1,762.00 | 499.96 |

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

During the year ended 31 March 2021:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd and the Share Subscription Agreement (SSA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, the Promoters Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd, the Holding Company issued 15,507 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to South Lake Investments Ltd on 5 January 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 4,400.10 million the details of which are included in the table below:

| Type of share | Face value per share | Issue price per share | Premium on issue per share | No. of shares | Total amount in Rs. million |
|---|-------------------------|--------------------------|-------------------------------|---------------|--------------------------------|
| 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS) | 6,000.00 | 283,749.00 | 277,749.00 | 15,507.00 | 4,400.10 |

Pursuant to the SHA dated 14 December 2020 as mentioned above, the conversion ratio of the Series B CCPS was determined to be 1:1. Accordingly, Series B CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

- (ii) During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

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16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(h) Agreements with Shareholders: (continued)

During the year ended 31 March 2019:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 4 April 2018 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2) and Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and the Share Subscription Agreement (SSA) dated 4 April 2018 entered into by and between Imagine Marketing Private Limited, the Promoters and Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), the Holding Company issued 3,371 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each to Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) on 6 April 2018 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 60.00 million the details of which are included in the table below:

| Type of share | Face value per share | Issue price per share | Premium on issue per share | No. of shares | Total amount in Rs. million |
|---|----------------------|-----------------------|----------------------------|---------------|-----------------------------|
| 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each (Series A CCPS) | 10.00 | 17,799.00 | 17,789.00 | 3,371.00 | 60.00 |

Pursuant to the SHA dated 4 April 2018 as mentioned above, the conversion ratio of the Series A CCPS was determined to be 1:1. However, the SHA included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any person within 6+2 years from the closing date. The Exit price was determined to be no less than 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the transaction date.

- (ii) Pursuant to a Shareholders Agreement (SHA) dated 31 December 2018 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2) and Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and the Share Subscription Agreement (SSA) dated 31 December 2018 entered into by and between Imagine Marketing Private Limited, the Promoters and Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), the Holding Company issued 1,738 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each to Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) on 7 January 2019 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 60.00 million the details of which are included in the table below:

| Type of share | Face value per share | Issue price per share | Premium on issue per share | No. of shares | Total amount in Rs. million |
|--|----------------------|-----------------------|----------------------------|---------------|-----------------------------|
| 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each (Series A1 CCPS) | 10.00 | 86,306.00 | 86,296.00 | 1,738.00 | 150.00 |

Pursuant to the SHA dated 31 December 2018 as mentioned above, the conversion ratio of the Series A CCPS was determined to be 1:1. However, the SHA included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any person within 6+2 years from the closing date. The Exit price was determined to be no less than 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the transaction date.

| Type of share | Amount in Rs. million | | |
|---|-----------------------|----------------|---------|
| | Series A CCPS | Series A1 CCPS | Total |
| Total subscription amount received | 60.00 | 150.00 | 210.00 |
| Liability component of compound financial instrument as at the transaction date | 34.23 | 82.82 | 117.05 |
| Equity component of compound financial instrument as at the transaction date | 25.77 | 67.18 | 92.95 |
| Deferred tax on above (refer note 9) | (7.50) | (19.57) | (27.07) |
| Net impact in Other equity (refer note 17) | 18.27 | 47.61 | 65.88 |

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

17 OTHER EQUITY

A. Summary of Other Equity balance:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Equity component of compound financial instruments | - | - | 69.34 | 65.88 |
| Securities Premium | 3,667.50 | 3,289.98 | - | - |
| Debenture Redemption Reserve | - | - | 11.25 | - |
| Capital Redemption Reserve | - | 0.05 | - | - |
| General Reserve | 11.25 | 11.25 | - | - |
| Share Options Outstanding Account | 32.74 | 14.82 | 3.00 | - |
| Retained Earnings | 2,414.22 | 1,232.04 | 631.20 | 164.59 |
| Total Other Equity | 6,125.71 | 4,548.14 | 714.79 | 230.47 |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Equity component of compound financial instruments | | | | |
| Balance at the beginning of the period/year | - | 69.34 | 65.88 | - |
| Add: Issuance of 0.01% Non-Cumulative Compulsory Convertible preference shares (Series A CCPS) | - | - | - | 92.95 |
| Less: Deferred tax impact on original recognition of equity component of compound financial instrument (Series A CCPS) | - | - | - | (27.07) |
| Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument due to tax rate change | - | - | 3.46 | - |
| Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification | - | 16.44 | - | - |
| Less: Reclassification of equity component of CCPS from Other equity to Instruments entirely Equity in nature | - | (85.78) | - | - |
| Balance at the end of the period/year | - | - | 69.34 | 65.88 |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Securities Premium | | | | |
| Balance at the beginning of the period/year | 3,289.98 | - | - | - |
| Add: Addition during the year on account of new issue of CCPS | 489.39 | 4,307.05 | - | - |
| Add: Addition during the year on account of change in classification of compound financial instrument | - | 209.95 | - | - |
| Less: Expenses incurred directly in connection with issue of CCPS | (12.08) | (91.52) | - | - |
| Less: Securities premium utilised for buy back of equity shares | - | (1,135.45) | - | - |
| Less: Securities premium transferred to capital redemption account on buy back of equity shares (refer note i below) | - | (0.05) | - | - |
| Less: Utilised for issue of bonus shares | (99.79) | - | - | - |
| Balance at the end of the period/year | 3,667.50 | 3,289.98 | - | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Debenture Redemption Reserve | | | | |
| Balance at the beginning of the period/year | - | 11.25 | - | - |
| Add: Transferred from retained earnings | - | - | 11.25 | - |
| Less: Transferred to retained earnings (refer note ii below) | - | (11.25) | - | - |
| Balance at the end of the period/year | - | - | 11.25 | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Capital Redemption Reserve | | | | |
| Balance at the beginning of the period/year | 0.05 | - | - | - |
| Add: Transferred from securities premium account on buy back of equity shares | - | 0.05 | - | - |
| Less: Utilised for issue of bonus shares | (0.05) | - | - | - |
| Balance at the end of the period/year | - | 0.05 | - | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| General Reserve | | | | |
| Balance at the beginning of the period/year | 11.25 | - | - | - |
| Add: Transferred from debenture redemption reserve | - | 11.25 | - | - |
| Balance at the end of the period/year | 11.25 | 11.25 | - | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Share Options Outstanding Account | | | | |
| Balance at the beginning of the period/year | 14.82 | 3.00 | - | - |
| Add: Charge for the period/year (Refer note 28) | 17.92 | 11.82 | 3.00 | - |
| Balance at the end of the period/year | 32.74 | 14.82 | 3.00 | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Retained Earnings | | | | |
| Balance at the beginning of the period/year | 1,232.04 | 631.20 | 164.59 | 84.22 |
| Add: Profit for the period/year | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Less: Transferred to debenture redemption reserve | - | - | (11.25) | - |
| Less: Buy back distribution tax | - | (264.52) | - | - |
| Less: Remeasurement of post employment benefit obligation, net of tax | (0.97) | (0.01) | (0.12) | - |
| Balance at the end of the period/year | 2,414.22 | 1,232.04 | 631.20 | 164.59 |

Note:

- (i) During the year ended 31 March 2021, an amount of Rs 49,340, being the face value of the shares bought back during the year, was transferred from Securities Premium Account to Capital Redemption Reserve upon buyback in accordance with Section 69 of the Companies Act, 2013.
- (ii) During the year ended 31 March 2021, the Holding Company has paid off all the outstanding debenture and accordingly, the debenture redemption reserves has been transferred to General Reserve.

B. Nature and purpose of reserves:

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Debenture Redemption Reserve - In order to comply with the requirements of Section 71(4) of the Companies Act, 2013, the Company had created a debenture redemption reserve out of the profits of the Company available for payment of dividend, and the amount credited to such account was utilized by the Company for the redemption of debentures.

Capital Redemption Reserve - The Holding Company has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

General Reserve - On redemption of the debentures for which the debenture redemption reserve was created, the Company has transferred the balance in the debenture redemption reserve to the General Reserve.

Share Options Outstanding Account - The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

Retained Earnings - Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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18 BORROWINGS

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Non-Current | | | | |
| Secured, at amortised cost | | | | |
| 14.50% Non-convertible debentures of Rs 100,000 each (refer note i below) | - | - | 112.50 | - |
| Term loan: | | | | |
| - from other parties (refer note ii below) | 23.53 | 58.82 | 18.82 | - |
| Less: Current maturities of long-term borrowings | (23.53) | (58.82) | (131.32) | - |
| Unsecured, at amortised cost | | | | |
| Liability component of compound financial instruments (refer note iii below) | - | - | 134.80 | 122.49 |
| Total | - | - | 134.80 | 122.49 |
| Current | | | | |
| Secured, at amortised cost | | | | |
| Current maturities of long-term borrowings | 23.53 | 58.82 | 131.32 | - |
| Cash credit from banks (refer note iv, v, vi, vii & viii below) | 2,467.61 | 161.78 | 11.20 | 68.15 |
| Loan repayable on demand: | | | | |
| - from banks (refer note iv, v, vi, vii & viii below) | 3,830.07 | 119.73 | 100.00 | - |
| - from other parties (refer note ix, x & xi below) | - | 75.00 | 86.05 | 25.11 |
| Unsecured, at amortised cost | | | | |
| Loan repayable on demand: | | | | |
| - from related parties (refer note xii below) | - | - | 7.24 | 7.24 |
| - from banks (refer note xiii below) | 989.36 | - | - | - |
| - from other parties (refer note xiv below) | - | - | 17.50 | 44.36 |
| Total | 7,310.57 | 415.33 | 353.31 | 144.86 |

Refer note 35 - Financial instruments, fair values and risk measurement

Notes:

- (i) Debentures were obtained by the Holding Company from BAC Acquisition Pvt Ltd on 21 June 2019 and carried an interest rate 14.50% p.a. in 31 March 2021 (31 March 2020: 14.50% p.a.) & redemption premium of Rs. 5.25 million which was paid off in December 2020, against the pledge of 14,480 Equity share (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Debentures were repayable in 12 monthly installment amounting of principal repayment of Rs 12.50 million per month from January 2020 to December 2020 plus the interest for number of days of the month and a redemption premium of Rs 5.25 million at the end of the tenure. During the year ended 31 March 2021, all the outstanding debenture were fully repaid and pledge has been released.
- (ii) Secured loan has been obtained by the Holding Company from Innoven Capital India Pvt Ltd towards Term Loan on 18 July 2019 and carries an interest rate 14.75% p.a. (31 March 2021: 14.75% p.a., 31 March 2020: 14.80% p.a., 31 March 2019: N.A), against the pledge of 7,500 Equity share (31 March 2021: 7,500 Equity share, 31 March 2020: 7,500 Equity share, 31 March 2019: N.A) (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Loan of Rs 40 million is repayable in 17 monthly installment amounting of principal repayment of Rs 2.35 million per month from August 2019 and Loan of Rs. 100 million is repayable in 17 monthly installment amounting of principal repayment of Rs 5.88 million per month from September 2020 plus the interest for number of days of the month. The Holding Company has also given first pari passu charge on "boAt" brand and on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd. During the year ended 31 March 2021, the loan amounting to Rs 40 million was fully repaid, further subsequent to period ended 30 September 2021, the loan amounting to Rs 100 million was fully repaid and pledge has been released
- (iii) Refer to note 16 (c) for rights, preferences and restrictions attached to preference shares including the terms of conversion of the liability component of compound financial instruments (Series A CCPS)
- (iv) Cash Credit (CC) facility from Citi bank has been availed for meeting the working capital requirements of the Holding Company and carries an interest rate at 8.00% p.a. (31 March 2021: 9.50% p.a., 31 March 2020: 9.75% p.a., 31 March 2019: 9.75% p.a.), computed on monthly basis on the actual amount utilised to be paid on last date of each month against the pledge of 2,500 Equity share (31 March 2021: 2,500 Equity share, 31 March 2020: 2,500 Equity share, 31 March 2019: N.A) (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The bank is entitled to change the rate of interest at any time or time to time subject to market condition and notify the condition to borrower. The bank shall charge extra 4% (31 March 2021: 4% p.a., 31 March 2020: 4% p.a., 31 March 2019: 4% p.a.) of interest above to the rate agreed in case of default in repayment and 2% p.a (31 March 2021: 2% p.a., 31 March 2020: 2% p.a., 31 March 2019: 2% p.a.) prepayment charges subject to discretion of Bank. Bank CC is subject to annually renewable and repayable on demand.
- The Borrowing from Citi Bank is secured against hypothecation on current and future stocks and book debts of company. The bank has pledge on the debt mutual fund amounting to Rs 24 million (31 March 2021: Rs 24 million, 31 March 2020: Rs 24 million, 31 March 2019: Rs 24 million) in name of Company. There is personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL and corporate guarantee of M/s Redwood Interactive (by providing exclusive charge on the Vasai Warehouse owned by Readwood Interactive. During the year ended 31 March 2020, corporate guarantee of M/s Redwood Interactive was released as per sanction letter dated 24 September 2019. During the period ended 30 September 2021, the Holding Company has placed fixed deposit charge of Rs 50 million (31 March 2021: N.A, 31 March 2020: N.A, 31 March 2019: N.A) lien marked to Citi Bank, further pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (v) Cash Credit (CC) facility from ICICI bank has been availed on 20 August 2020 for meeting the working capital requirements of the Holding Company and carries an interest rate at 7.65% p.a. (31 March 2021: 9.25% p.a., 31 March 2020: N.A, 31 March 2019: N.A), computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of 1,250 Equity share (31 March 2021: 1,250 Equity share, 31 March 2020: N.A, 31 March 2019: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The Borrowing from ICICI Bank is secured against hypothecation on current and future stocks and book debts of the Company. There is personal guarantee of Directors - Mr. Sameer Ashok Mehta and Mr. Aman Gupta. The borrowing from ICICI Bank are secured against exclusive charge on fixed deposit of Rs 1,050 million (31 March 2021: Rs 10 million, 31 March 2020: N.A, 31 March 2019: N.A). Additionally, the Holding Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL. During the period ended 30 September 2021, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (vi) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Holding Company from RBL bank on 27 April 2020, against fixed deposit of Rs 75.80 million (31 March 2021: Rs 25 million, 31 March 2020: N.A, 31 March 2019: N.A) as security and pledge of 3,750 Equity share (31 March 2021: 3,750 Equity share, 31 March 2020: N.A, 31 March 2019: N.A) (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The interest rate are applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a (31 March 2021: 2%, 31 March 2020: N.A, 31 March 2019: N.A) on occurrence of such events as specified in the agreement. The Company has given RBL First Passu Charge on the entire current and moveable fixed assets of the Company, both present and future (shared with Citi Bank and Innoven capital). Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL. There is a personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta of 4 undated cheques (UDCs) of Rs 5 crores each drawn on Citi Bank. During the period ended 30 September 2021, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (vii) Secured loan has been obtained by the Holding Company from HDFC bank towards working capital on 1 March 2021 which carries an interest rate 8.00% p.a (31 March 2021: 8.50% p.a., 31 March 2020: N.A, 31 March 2019: N.A), against the pledge 1,250 of Equity share (31 March 2021: 1,250, 31 March 2020: N.A, 31 March 2019: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The Company has given First pari passu charge on entire receivables and on entire inventory of the Company, present and future, to HDFC bank, RBL, Citi Bank and Innoven capital. Also, fixed deposit charge of Rs 60 million (31 March 2021: Rs 10 million, 31 March 2020: N.A, 31 March 2019: N.A) lien marked to HDFC Bank. Additionally, the Holding Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL. During the period ended 30 September 2021, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (viii) Secured loan has been obtained by the Holding Company from HSBC bank towards working capital on 22 June 2021. The interest rate are applicable as per disbursement date. The Company has given First pari passu charge on entire receivables and on entire inventory of the Company, present and future. Also, fixed deposit charge of Rs 1,175 million lien marked to HSBC Bank.
- (ix) Secured loan has been obtained by the Holding Company from Innoven Capital India Pvt Ltd towards working capital on 18 July 2019 which carries an interest rate 14.75% (31 March 2021: 14.75% p.a., 31 March 2020: 14.80% p.a., 31 March 2019: N.A), against a pledge of 7,500 Equity share (31 March 2021: 7,500, 31 March 2020: N.A., 31 March 2019: N.A.) (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The working capital taken is repayable on demand in full and interest on monthly basis for the number of days in the month. The Holding Company has repaid the entire loan on 25 August 2021. The Holding Company has also given first pari passu charge on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL. During the period ended 30 September 2021, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- The Holding Company has given right to Innoven Capital India Pvt Ltd to purchase preference shares equal to Rs 20 million at Rs 86,306 price per share. The right can be exercised at any time over a period of eight years from the date of issuance. Anti-dilution and liquidation preference rights provided to the same class of shareholders will apply. The right granted shall survive the termination of the loan agreement.
- (x) Secured loan has been obtained by the Holding Company from TATA Capital Pvt Ltd towards working capital through sales invoice discounting facility of invoices of Flipkart India Pvt Ltd on 2 July 2019 which carries an interest rate 10.90% per annum, against the personal guarantee of Mr. Sameer Ashok Mehta and Mr. Aman Gupta. Loan is repayable as per due dates of invoices of Flipkart and interest on transaction basis for the amount utilised for number of days. The loan was entirely repaid on 8 April 2020 and personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta were released.

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18 BORROWINGS (CONTINUED)

Notes: (Continued)

- (xi) Secured loan has been obtained by the company from Lending Kart Finance Limited on 30 June 2018 which carries an interest rate 18% per annum, against the pledge of 17,700 Equity share (8,850 owned by Mr. Sameer Ashok Mehta and 8,850 Owned by Mr. Aman Gupta) having face value of Rs 10 per share. Loan is repayable in 12 monthly installment amounting of Rs 6.42 million per month plus the interest for number of days of the month. The loan has been entirely repaid 30 June 2019 and pledge were released
- (xii) Unsecured loan also included Loan from Directors of Rs 2.50 million (Rs 1.25 million each for Mr. Sameer Mehta and Mr. Aman Gupta) bearing 0% interest rate and Rs 4.74 million from Sameer Mehta bearing 10% interest rate. All the unsecured loan were repaid during the year ended 31 March 2021.
- (xiii) Unsecured loan has been obtained by the Holding Company from HSBC Bank towards working capital through sales invoice discounting facility of invoices of Appario Retail Private Limited which carries an interest rate 8.50% per annum, Loan is repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.
- (xiv) The Holding Company had other unsecured Loan amounting to Rs 17.50 million in year ended 31 March 2020 and Rs 44.36 million in year ended 31 March 2019 obtained from other corporates in the form of Inter Corporate Deposits (ICD's) and loan bearing a interest rate ranging 10-12%. The loan interest and principal amount was repayable on demand on 2 months prior notice. During the year ended 31 March 2021, the Holding Company repaid the entire loan and there are no dues outstanding as at year end.
- (xv) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.
- (xvi) The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the period ended 30 June 2018, 30 September 2018, 31 December 2018, 31 March 2019, 30 June 2019, 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021. Following are the discrepancies between books of accounts & quarterly statements submitted to banks, where borrowings have been availed based on security of current assets:

| Bank | Quarter | Particulars | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference | Reason for material discrepancies |
|-----------------------------------|----------------|-------------------|--------------------------------|---|----------------------|---|
| Citi Bank | March 2019 | Inventory | 331.26 | 278.61 | 52.65 | Adjustment for goods-in-transit recognised |
| Citi Bank | March 2019 | Trade receivables | 382.67 | 464.38 | (81.71) | Adjustment for reversal of revenue for period end cut off |
| Citi Bank, RBL | March 2020 | Inventory | 749.58 | 533.86 | 215.72 | Adjustment for goods-in-transit recognised |
| Citi Bank, RBL | March 2020 | Trade receivables | 552.75 | 717.52 | (164.77) | Adjustment for reversal of revenue for period end cut off |
| Citi Bank, RBL, HDFC, ICICI | March 2021 | Inventory | 3,088.23 | 2,654.27 | 433.96 | Adjustment for goods-in-transit recognised |
| Citi Bank, RBL, HDFC, ICICI | March 2021 | Trade receivables | 754.83 | 1,263.98 | (509.15) | Adjustment for reversal of revenue for period end cut off |
| Citi Bank, RBL, HDFC, ICICI, HSBC | September 2021 | Inventory | 7,323.01 | 1,715.93 | 5,607.08 | Adjustment for goods-in-transit recognised |
| Citi Bank, RBL, HDFC, ICICI, HSBC | September 2021 | Trade receivables | 6,352.34 | 8,623.95 | (2,271.61) | Adjustment for reversal of revenue for period end cut off |

- (xvii) The Group has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.

19 LEASE LIABILITIES

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|-------------------------|---------------------|---------------------|---------------------|
| Non-current | | | | |
| Lease liabilities payable beyond 12 months | 118.58 | 77.05 | 41.41 | 0.34 |
| | 118.58 | 77.05 | 41.41 | 0.34 |
| Current | | | | |
| Lease liabilities payable within 12 months | 41.09 | 24.57 | 13.49 | 1.09 |
| | 41.09 | 24.57 | 13.49 | 1.09 |

- (i) Set out below is the movement in lease liabilities during the period:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------|-------------------------|---------------------|---------------------|---------------------|
| As at 1 April | 101.62 | 54.90 | 1.43 | 1.38 |
| Add: Addition | 76.76 | 63.80 | 61.02 | 1.03 |
| Add: Accretion of interest | 5.70 | 5.53 | 2.89 | 0.18 |
| Less: Deletion due to closure | (2.87) | - | - | - |
| Less: Rent waiver | - | (3.35) | - | - |
| Less: Payments | (21.54) | (19.26) | (10.44) | (1.16) |
| Closing balance | 159.67 | 101.62 | 54.90 | 1.43 |
| Non-Current | 118.58 | 77.05 | 41.41 | 0.34 |
| Current | 41.09 | 24.57 | 13.49 | 1.09 |
| Total | 159.67 | 101.62 | 54.90 | 1.43 |

- (ii) Maturity analysis of lease liabilities (undiscounted basis):

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|-------------------------|---------------------|---------------------|---------------------|
| Not later than one year | 41.09 | 24.57 | 13.49 | 1.09 |
| Later than one year and not later than five years | 131.56 | 86.39 | 47.48 | 0.34 |
| Later than five years | - | - | - | - |
| Total | 172.65 | 110.96 | 60.97 | 1.43 |

- (iii) The effective interest rate for lease liabilities is 7.19% as on 30 September 2021 (7.40%, 8.71% , 9.88% as on 31 March 2021, 31 March 2020 and 31 March 2019 respectively)

- (iv) The Company had total cash outflow for leases (including the short-term leases) for 30 September 2021: Rs. 26.29 million (31 March 2021: Rs. 26.59 million, 31 March 2020 : Rs. 12.31 million, 31 March 2019 : Rs. 1.68 million).

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20 PROVISIONS

| Particulars | As at | As at | As at | As at |
|---|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Non-Current | | | | |
| Provision for employee benefits | | | | |
| - Provision for gratuity (refer note 39) | 4.56 | 2.02 | 0.79 | 0.25 |
| Total | 4.56 | 2.02 | 0.79 | 0.25 |
| Current | | | | |
| Provision for employee benefits | | | | |
| - Provision for gratuity (refer note 39) | 0.07 | 0.03 | 0.01 | 0.01 |
| - Provision for compensated absence (refer note 39) | 12.01 | 5.62 | 1.09 | 0.22 |
| Other provisions | | | | |
| - Provision for warranties | 425.44 | 181.94 | 86.00 | - |
| - Provision for expected return liability | 36.15 | 20.95 | 89.75 | - |
| Total | 473.67 | 208.54 | 176.85 | 0.23 |

The provision for warranties represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

The provision for expected return liability represents management's best estimate of the Group's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

(i) Movements in Other Provisions

| Provision for warranties | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| At the beginning of the period/year | 181.94 | 86.00 | - | - |
| Addition during the period/year | 425.44 | 181.94 | 86.00 | - |
| Utilised during the period/year | (181.94) | (86.00) | - | - |
| At the end of the period/year | 425.44 | 181.94 | 86.00 | - |
| Provision for expected return liability | | | | |
| At the beginning of the period/year | 20.95 | 89.75 | - | - |
| Addition during the period/year | 36.15 | 20.95 | 819.21 | - |
| Utilised during the period/year | (20.95) | (89.75) | (729.46) | - |
| At the end of the period/year | 36.15 | 20.95 | 89.75 | - |

For movements in provisions for employee benefits, refer Note 39.

The Group does not expect any reimbursements in respect of the above provisions.

21 TRADE PAYABLES

| Particulars | As at | As at | As at | As at |
|--|-------------------|-----------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Current | | | | |
| Total outstanding dues of micro enterprise and small enterprises | 48.43 | 30.57 | 3.88 | 4.21 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,009.83 | 1,175.27 | 339.62 | 137.68 |
| Total Current Trade Payables | 6,058.26 | 1,205.84 | 343.50 | 141.89 |

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:

Information has been determined to the extent such parties have been identified on the basis of information available with the Group:

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| The amounts remaining unpaid to micro and small enterprise suppliers as at the end of the period/year | | | | |
| - Principal | 48.43 | 30.57 | 3.88 | 4.21 |
| - Interest | - | - | - | - |
| The amount of interest paid by the buyer as per MSMED Act, 2006 | - | - | - | - |
| The amounts of the payments made to micro and small enterprise suppliers beyond the appointed day during each accounting year | - | - | - | - |
| 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 MSMED Act, 2006 | - | - | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting period/year | - | - | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | - | - | - | - |

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21 TRADE PAYABLES (CONTINUED)

(ii) Ageing for trade payable from the due date of payment for each of the category is as follows:

| Trade payables ageing schedule as at 30 September 2021 | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|-----------------|-----------------|------------------|-------------|-----------|-------------------|-----------------|
| Undisputed dues of micro enterprises and small enterprises | 15.78 | - | 32.65 | - | - | - | 48.43 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 1,521.16 | 2,759.44 | 1,725.19 | 4.04 | - | - | 6,009.83 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| | 1,536.94 | 2,759.44 | 1,757.84 | 4.04 | - | - | 6,058.26 |
| Trade payables ageing schedule as at 31 March 2021 | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues of micro enterprises and small enterprises | 5.22 | - | 25.32 | 0.03 | - | - | 30.57 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 213.71 | 278.91 | 679.05 | 3.60 | - | - | 1,175.27 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| | 218.93 | 278.91 | 704.37 | 3.63 | - | - | 1,205.84 |
| Trade payables ageing schedule as at 31 March 2020 | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues of micro enterprises and small enterprises | 0.49 | - | 3.38 | 0.01 | - | - | 3.88 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 55.09 | 167.43 | 116.35 | 0.75 | - | - | 339.62 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| | 55.58 | 167.43 | 119.73 | 0.76 | - | - | 343.50 |
| Trade payables ageing schedule as at 31 March 2019 | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues of micro enterprises and small enterprises | - | - | 4.21 | - | - | - | 4.21 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 1.88 | 85.19 | 49.02 | 1.59 | - | - | 137.68 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| | 1.88 | 85.19 | 53.23 | 1.59 | - | - | 141.89 |

22 OTHER FINANCIAL LIABILITIES

| Particulars | As at | | As at | |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Current | | | | |
| Interest accrued but not due on borrowings | - | - | 2.20 | 4.24 |
| Redemption premium accrued but not due on debenture | - | - | 2.36 | - |
| Payable to employees | 24.43 | 14.74 | 5.59 | 115.91 |
| Capital creditors | 4.00 | 16.00 | - | - |
| Liability towards unspent corporate social responsibility obligation | - | 7.16 | - | - |
| Total | 28.43 | 37.90 | 10.15 | 120.15 |

Refer note 35 - Financial instruments, fair values and risk measurement

23 OTHER CURRENT LIABILITIES

| Particulars | As at | | As at | |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Current | | | | |
| Contract liability (Advance received from customers) | 13.35 | 60.28 | 1.32 | 2.51 |
| Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.) | 277.38 | 15.61 | 18.40 | 39.24 |
| Total | 290.73 | 75.89 | 19.72 | 41.75 |

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(All amounts are in Rs. million, unless otherwise stated)

24 REVENUE FROM OPERATIONS

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--------------------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Sale of products | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Total Revenue from Operations | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |

(i) Reconciliation of Revenue from sale of products with the contracted price:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Contracted Price | 19,485.83 | 16,472.26 | 7,774.69 | 2,560.81 |
| Less: Returns | (1,605.59) | (1,238.86) | (717.04) | (154.88) |
| Less: Discounts | (2,401.58) | (2,096.24) | (966.58) | (147.44) |
| Sale of products | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |

(ii) Contract balances:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--------------------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Contract Assets | - | - | - | - |
| Contract Liabilities (refer note 23) | 13.35 | 60.28 | 1.32 | 2.51 |

Note: Contract assets represent right to receive consideration for sale of products delivered but not billed. Contract liabilities represent advance received from customers for sale of products at the reporting date.

(iii) Movement in contract liabilities during the year:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Balance as at beginning of the period/year | 60.28 | 1.32 | 2.51 | - |
| Revenue recognised that was included in the contract liability balance at the beginning of the period/year | (60.28) | (1.32) | (2.51) | - |
| Advance received during the period/year | 13.35 | 60.28 | 1.32 | 2.51 |
| Balance as at end of the period/year | 13.35 | 60.28 | 1.32 | 2.51 |

(iv) Disaggregation of revenue from contracts with customers:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Based on geographies | | | | |
| Within India | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Outside India | - | - | - | - |
| Total | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Based on business segments | | | | |
| Audio | 12,867.96 | 12,285.73 | 5,947.07 | 2,168.29 |
| Wearables | 2,175.16 | 548.05 | - | - |
| Others | 435.54 | 303.38 | 144.00 | 90.20 |
| Total | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |

25 OTHER INCOME

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Interest Income | | | | |
| - From Banks (calculated using the effective interest method for financial assets) | 38.72 | 21.38 | 0.90 | - |
| - From Others | 0.41 | 1.08 | 2.04 | 0.02 |
| Other non-operating income | | | | |
| - Fair valuation gain from investments designated at FVTPL (net)* | 2.05 | 1.17 | - | 1.18 |
| - Liabilities no longer required, written back | 0.05 | 0.03 | 2.46 | - |
| - Provisions no longer required, written back | 5.84 | 14.33 | - | - |
| - Gain on derecognition of liability component of CCPS | - | 20.43 | - | - |
| - Other non-operating income (includes miscellaneous income, etc.) | 5.78 | 8.17 | 3.12 | 1.43 |
| Total | 52.85 | 66.59 | 8.52 | 2.63 |

* Fair valuation gain from investments designated at FVTPL includes Rs. Nil (31 March 2021: Rs. Nil, 31 March 2020 : Rs. Nil, 31 March 2019 : Rs. Nil) as 'Net gain or loss on sale of investments'.

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26 PURCHASES OF STOCK-IN-TRADE

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 16,320.43 | 12,547.02 | 4,915.06 | 2,008.68 |
| Total | 16,320.43 | 12,547.02 | 4,915.06 | 2,008.68 |

27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Inventory at the beginning of the year | 3,088.23 | 749.58 | 331.26 | 61.70 |
| Inventory at the end of the year | 7,323.01 | 3,088.23 | 749.58 | 331.26 |
| Total changes in inventories of stock-in-trade | (4,234.78) | (2,338.65) | (418.32) | (269.56) |

28 EMPLOYEE BENEFITS EXPENSE

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Salaries, stipend, bonus and other allowances | 144.50 | 127.88 | 58.79 | 133.58 |
| Contribution to provident fund and other funds | 4.13 | 3.62 | 1.67 | 0.55 |
| Defined benefit plan expenses (refer note 39) | 1.22 | 1.19 | 0.36 | 0.26 |
| Compensated absence | 7.35 | 4.69 | 1.10 | 0.22 |
| Share based payment expense (refer note 40) | 17.92 | 11.82 | 3.00 | - |
| Total | 175.12 | 149.20 | 64.92 | 134.61 |

29 FINANCE COSTS

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Interest cost on financial liabilities measured at amortized cost | | | | |
| - Debentures | - | 6.82 | 16.53 | - |
| - Other borrowings | 86.49 | 74.98 | 44.69 | 16.85 |
| - Liability component of compound financial instruments | - | 9.85 | 12.31 | 5.44 |
| - Lease liabilities | 5.70 | 5.53 | 2.89 | 0.18 |
| Interest cost on others | | | | |
| - Net defined benefit liability (refer note 39) | 0.07 | 0.05 | 0.02 | - |
| - Others (includes interest on income taxes) | 2.06 | 15.00 | 12.69 | - |
| Other borrowing costs (includes processing charges) | 5.45 | 6.55 | 11.26 | 2.00 |
| Total | 99.77 | 118.78 | 100.39 | 24.47 |

30 DEPRECIATION AND AMORTISATION EXPENSES

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Depreciation for property, plant and equipment | 6.17 | 7.96 | 3.18 | 1.70 |
| Depreciation of right-of-use assets | 21.06 | 21.44 | 10.31 | 1.10 |
| Amortisation of intangible assets | 4.60 | 2.58 | - | - |
| Total | 31.83 | 31.98 | 13.49 | 2.80 |

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31 OTHER EXPENSES

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Advertisement and promotion expenses | 461.66 | 478.63 | 202.88 | 123.48 |
| Freight and transportation charges | 200.10 | 217.48 | 125.29 | 28.38 |
| Warranty expenses | 657.70 | 527.17 | 273.47 | 48.87 |
| Legal and professional expenses | 45.88 | 61.59 | 22.34 | 10.92 |
| Contract labour charges | 40.22 | 40.96 | 24.30 | 4.58 |
| Payment to auditor | 1.25 | 3.66 | 2.26 | 1.50 |
| Rent expense | 4.75 | 7.33 | 1.87 | 0.52 |
| Rates, fees and taxes | 13.57 | 12.68 | 3.33 | 3.27 |
| Repair and maintenance expense | 5.91 | 5.05 | 3.10 | 1.66 |
| Expenses towards corporate social responsibility | 5.18 | 7.36 | 0.76 | - |
| Fair valuation loss from investments designated at FVTPL (net) | - | - | 2.58 | - |
| Provision for impairment of non-current investment | - | 43.33 | - | - |
| Provision for loss allowance for trade receivables | 64.30 | - | 58.18 | 5.48 |
| Provision for doubtful advances | - | 28.63 | - | - |
| Provision for doubtful interest receivable on trade advance | - | 1.77 | - | - |
| Miscellaneous expenses | 54.49 | 77.59 | 51.51 | 17.33 |
| Total | 1,555.01 | 1,513.23 | 771.87 | 245.99 |

(i) Payment to Auditor (excluding applicable taxes)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|------------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| As auditors: | | | | |
| - Statutory audit | 1.25 | 2.50 | 2.22 | 1.50 |
| - Limited review | - | 1.00 | - | - |
| - Certification | - | 0.05 | - | - |
| For reimbursement of expense | - | 0.11 | 0.05 | - |
| Total | 1.25 | 3.66 | 2.27 | 1.50 |

Note: The above excludes Rs. 11.5 million fees towards IPO deliverables (refer note 10).

(ii) Expenses towards corporate social responsibility

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| (a) Gross amount required to be spent by the Company during the period/year | 12.96 | 5.82 | 2.48 | 0.76 |
| (b) Actual amount spent by the Company during the period/year * | | | | |
| Amount spent during the year on (paid in cash) : | | | | |
| Construction /acquisition of any asset | - | - | - | - |
| On purpose other than above | 5.18 | 0.20 | 0.76 | - |
| Amount spent during the year on (yet to be paid in cash) : | | | | |
| Construction /acquisition of any asset | - | - | - | - |
| On purpose other than above | - | - | - | - |
| | 5.18 | 0.20 | 0.76 | - |

* For the FY 2021-22, the unspent CSR obligation as of 30 September 2021 will be spent by the Group over the next 6 months up to 31 March 2022.

(c) There were no CSR spends which were incurred by the Company through its related party.

(d) During the year ended 31 March 2021, the Holding Company recorded a provision of Rs 7.16 million (including deficit of FY 2019-20) for unspent corporate social responsibility expenses as at year end and was subsequently deposited in Prime Minister Care Fund on 16 September 2021.

(e) The Group has not spent any excess amount during the year.

(f) The Group does not have any ongoing projects as at 31st March 2021.

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32 EARNING PER SHARE ('EPS')

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Profit attributable to equity holders: | | | | |
| Basic earnings | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Add: Interest cost on liability component of compound financial instrument (net of tax) | - | 7.37 | 9.21 | 4.07 |
| Adjusted for the effect of dilution | 1,183.15 | 872.74 | 487.19 | 84.44 |
| Weighted average number of Equity Shares for: | | | | |
| Basis EPS | | | | |
| Number of equity shares at the beginning of the period/year | 45,066 | 50,000 | 50,000 | 50,000 |
| Add: Shares issued on conversion of CCPS during the period/year | 2,559 | - | - | - |
| Add: Bonus shares issued during the period/year * | 9,477,375 | 9,950,000 | 9,950,000 | 9,950,000 |
| Less: Shares bought back during the period/year | - | (986,800) | - | - |
| Number of equity shares outstanding at the end of the period/year | 9,525,000 | 9,013,200 | 10,000,000 | 10,000,000 |
| Number of equity shares outstanding at the end of the period/year (post share split) @ | 95,250,000 | 90,132,000 | 100,000,000 | 100,000,000 |
| Diluted EPS | | | | |
| Number of instruments completely in the nature of equity at the beginning of the period/year | 20,616 | - | - | - |
| Add: Shares issued during the period/year | 1,762 | 15,507 | - | - |
| Add: Instrument classified as completely in the nature of equity during the period/year | - | 5,109 | - | - |
| Less: Shares converted into equity shares during the period/year | (2,559) | - | - | - |
| Add: Bonus shares issued during the period/year * | 507,450 | 1,016,691 | - | - |
| Number of equity shares outstanding at the end of the period/year | 527,269 | 1,037,307 | - | - |
| Number of equity shares outstanding at the end of the period/year (post share split) @ | 5,272,690 | 10,373,070 | - | - |
| Total of equity shares and instruments completely in the nature of equity | 10,052,269 | 10,050,507 | 10,000,000 | 10,000,000 |
| Total of equity shares and instruments completely in the nature of equity ((post share split) @) | 100,522,690 | 100,505,070 | 100,000,000 | 100,000,000 |
| Weighted average number of shares outstanding during the peirod/year for Basic EPS | 100,520,860 | 101,470,780 | 100,000,000 | 100,000,000 |
| Weighted average number of shares outstanding during the peirod/year for Diluted EPS | 100,520,860 | 101,470,780 | 100,000,000 | 100,000,000 |
| Add: Weighted average number of preference shares outstanding during the period/year, to be converted into equity shares (other than those classified as instruments completely in the nature of equity) | - | 7,810,470 | 10,218,000 | 7,440,080 |
| Add: Employee stock options outstanding | 510,000 | 268,000 | 58,000 | - |
| Weighted average number of shares outstanding during the period/year for Diluted EPS | 101,030,860 | 109,549,250 | 110,276,000 | 107,440,080 |
| Earnings Per Share (Rs.): | | | | |
| Basic | 11.77 | 8.53 | 4.78 | 0.80 |
| Diluted | 11.71 | 7.97 | 4.42 | 0.79 |

For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.

* The Holding Company has issued bonus share in the ratio of 1:199 during the six months period ended 30 September 2021 (refer note 16(f)). In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

@ Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the Shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Holding Company being 9,525,000 equity shares of Rs. 10 each was sub-divided into 95,250,000 equity shares. The number of shares to be used in the Basic EPS and Diluted EPS calculation in respect of the period presented above have been accordingly adjusted to give retrospective effect to the share split. (Also refer note 47(i))

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33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent Liabilities

| Particulars | As at | As at | As at | As at |
|---|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Claims against the Company not acknowledged as debts | | | | |
| Indirect Tax matters | 341.98 | - | - | - |
| Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each | 0.01 | 0.00 | - | - |

(a) The Holding Company has received a show cause notice from the Commissioner of Customers (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Holding Company is in the process of providing response to the said show cause notice. The Holding Company believes that the demand will not materialise and hence the same has been disclosed as contingent liability.

(b) The Holding Company has issued 17,269 (31 March 2021: 15507, 31 March 2020 : Nil, 31 March 2019 : Nil) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 30 September 2021, the arrears of preferred cumulative dividend not yet declared by the Holding Company amounts to Rs 7,373 (31 March 2021: Rs. 2,192, 31 March 2020 : Rs. Nil, 31 March 2019 : Rs. Nil)

(c) There are no other contingent liabilities as on 30 September 2021 (31 March 2021: Nil, 31 March 2020 : Nil, 31 March 2019 : Nil)

(ii) Contingent assets

There are no contingent assets as on 30 September 2021 (31 March 2021: Nil, 31 March 2020 : Nil, 31 March 2019 : Nil)

34 COMMITMENTS

| Particulars | As at | As at | As at | As at |
|---|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| A. Lease commitments | | | | |
| Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases. | | | | |
| Not later than one year | 4.11 | 0.25 | 0.14 | - |
| Later than one year and not later than five years | - | - | - | - |
| Later than five years | - | - | - | - |
| | 4.11 | 0.25 | 0.14 | - |
| B. Capital commitments | | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | | | | |
| | 53.31 | - | - | - |
| C. Other commitments | | | | |
| | - | - | - | - |

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

| Particulars | Note | Carrying amount | | | |
|---|------|----------------------------|------------------------|------------------------|------------------------|
| | | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
| FINANCIAL ASSETS | | | | | |
| Financial assets measured at fair value | | | | | |
| Investments measured at | | | | | |
| - Fair value through profit or loss | 7 | 26.53 | 24.48 | 23.31 | 25.89 |
| Financial assets measured at amortised cost | | | | | |
| Trade receivables | 12 | 6,352.34 | 754.83 | 552.75 | 382.67 |
| Cash and cash equivalents | 13 | 351.14 | 1,443.93 | 73.15 | 0.22 |
| Bank balance other than cash and cash equivalents | 14 | 1,166.41 | 45.00 | 12.50 | - |
| Loans | 15 | 9.91 | 0.59 | 0.93 | 0.56 |
| Other financial assets | 8 | 1,198.70 | 23.46 | 16.55 | 1.92 |
| Total financial assets | | 9,105.03 | 2,292.29 | 679.19 | 411.26 |
| FINANCIAL LIABILITIES | | | | | |
| Financial liabilities measured at amortised cost | | | | | |
| Borrowings | 18 | 7,310.57 | 415.33 | 488.11 | 267.35 |
| Lease liabilities | 19 | 159.67 | 101.62 | 54.90 | 1.43 |
| Trade payables | 21 | 6,058.26 | 1,205.84 | 343.50 | 141.89 |
| Other financial liabilities | 22 | 28.43 | 37.90 | 10.15 | 120.15 |
| Total financial liabilities | | 13,556.93 | 1,760.69 | 896.66 | 530.82 |

B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|---------|---------|-------|
| As at 30 September 2021 | | | | |
| Assets at fair value | | | | |
| Investments in mutual funds | 26.53 | - | - | 26.53 |
| As at 31 March 2021 | | | | |
| Assets at fair value | | | | |
| Investments in mutual funds | 24.48 | - | - | 24.48 |
| As at 31 March 2020 | | | | |
| Assets at fair value | | | | |
| Investments in mutual funds | 23.31 | - | - | 23.31 |
| As at 31 March 2019 | | | | |
| Assets at fair value | | | | |
| Investments in mutual funds | 25.89 | - | - | 25.89 |

There have been no transfers between Level 1 and Level 2 during the reporting periods.

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(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

B. Fair Value Hierarchy (Continued)

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2021, 31 March 2020 and 31 March 2019.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

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.

Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

C. Financial risk management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Holding Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Holding Company.

(i) Management of Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period/year:

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Cash credit facilities (includes bank overdraft and working capital facilities) | 1,084.03 | 773.61 | 288.80 | 88.80 |
| Other financing arrangements (includes bill discounting, letter of credit, etc.) | 10.50 | 44.89 | 20.00 | - |
| | 1,094.53 | 818.50 | 308.80 | 88.80 |

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(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management (continued)

(i) Management of Liquidity Risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts / payments and exclude the impact of netting agreements.

| Particulars | Note | Carrying amount | Undiscounted Amount | | Total |
|---|------|-----------------|---------------------|------------------|----------|
| | | | Within 1 year | More than 1 year | |
| As at 30 September 2021 | | | | | |
| Financial assets (non derivative assets) | | | | | |
| Investments | 7 | 26.53 | - | 26.53 | 26.53 |
| Trade receivables | 12 | 6,352.34 | 6,352.34 | - | 6,352.34 |
| Cash and cash equivalents | 13 | 351.14 | 351.14 | - | 351.14 |
| Bank balance other than cash and cash equivalents | 14 | 1,166.41 | 1,166.41 | - | 1,166.41 |
| Loans | 15 | 9.91 | 9.91 | - | 9.91 |
| Other financial assets | 8 | 1,198.70 | 1,145.07 | 57.16 | 1,202.23 |
| Financial liabilities (non derivative liabilities) | | | | | |
| Borrowings | 18 | 7,310.57 | 7,640.57 | - | 7,640.57 |
| Lease liabilities | 19 | 159.67 | 41.09 | 131.56 | 172.65 |
| Trade payables | 21 | 6,058.26 | 6,058.26 | - | 6,058.26 |
| Other financial liabilities | 22 | 28.43 | 28.43 | - | 28.43 |
| As at 31 March 2021 | | | | | |
| Financial assets (non derivative assets) | | | | | |
| Investments | 7 | 24.48 | - | 24.48 | 24.48 |
| Trade receivables | 12 | 754.83 | 754.83 | - | 754.83 |
| Cash and cash equivalents | 13 | 1,443.93 | 1,443.93 | - | 1,443.93 |
| Bank balance other than cash and cash equivalents | 14 | 45.00 | 45.00 | - | 45.00 |
| Loans | 15 | 0.59 | 0.59 | - | 0.59 |
| Other financial assets | 8 | 23.46 | 7.82 | 19.60 | 27.42 |
| Financial liabilities (non derivative liabilities) | | | | | |
| Borrowings | 18 | 415.33 | 655.33 | - | 655.33 |
| Lease liabilities | 19 | 101.62 | 24.57 | 86.39 | 110.96 |
| Trade payables | 21 | 1,205.84 | 1,205.84 | - | 1,205.84 |
| Other financial liabilities | 22 | 37.90 | 37.90 | - | 37.90 |
| As at 31 March 2020 | | | | | |
| Financial assets (non derivative assets) | | | | | |
| Investments | 7 | 23.31 | - | 23.31 | 23.31 |
| Trade receivables | 12 | 552.75 | 552.75 | - | 552.75 |
| Cash and cash equivalents | 13 | 73.15 | 73.15 | - | 73.15 |
| Bank balance other than cash and cash equivalents | 14 | 12.50 | 12.50 | - | 12.50 |
| Loans | 15 | 0.93 | 0.93 | - | 0.93 |
| Other financial assets | 8 | 16.55 | 2.25 | 15.85 | 18.10 |
| Financial liabilities (non derivative liabilities) | | | | | |
| Borrowings | 18 | 488.11 | 435.11 | 252.00 | 687.11 |
| Lease liabilities | 19 | 54.90 | 13.49 | 47.48 | 60.97 |
| Trade payables | 21 | 343.50 | 343.50 | - | 343.50 |
| Other financial liabilities | 22 | 10.15 | 10.15 | - | 10.15 |
| As at 31 March 2019 | | | | | |
| Financial assets (non derivative assets) | | | | | |
| Investments | 7 | 25.89 | - | 25.89 | 25.89 |
| Trade receivables | 12 | 382.67 | 382.67 | - | 382.67 |
| Cash and cash equivalents | 13 | 0.22 | 0.22 | - | 0.22 |
| Bank balance other than cash and cash equivalents | 14 | - | - | - | - |
| Loans | 15 | 0.56 | 0.56 | - | 0.56 |
| Other financial assets | 8 | 1.92 | 0.63 | 1.35 | 1.98 |
| Financial liabilities (non derivative liabilities) | | | | | |
| Borrowings | 18 | 267.35 | 206.08 | 252.00 | 458.08 |
| Lease liabilities | 19 | 1.43 | 1.09 | 0.34 | 1.43 |
| Trade payables | 21 | 141.89 | 141.89 | - | 141.89 |
| Other financial liabilities | 22 | 120.15 | 120.15 | - | 120.15 |

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(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management (continued)

(ii) Management of Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk
- price risk
- interest rate risk

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Group is Indian Rupees and its revenue is generated from operations in India. The Group does not enter into any derivative instruments for trading or speculative purposes. The Group's borrowings are all in Indian rupees.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------|----------------------------|------------------------|------------------------|------------------------|
| Payable | | | | |
| USD | | | | |
| Amount in foreign currency | 13.52 | 5.10 | 0.14 | 0.04 |
| Amount in INR | 1,003.69 | 372.57 | 10.73 | 2.62 |

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | |
|---|----------------------------|------------------------|------------------------|------------------------|--------|
| 5% strengthening of INR compared to USD | Profit or (Loss) | 50.18 | 18.63 | 0.54 | 0.13 |
| 5% strengthening of USD compared to INR | Profit or (Loss) | (50.18) | (18.63) | (0.54) | (0.13) |
| 5% strengthening of INR compared to USD | Equity (net of tax) | 32.54 | 13.94 | 0.40 | 0.09 |
| 5% strengthening of USD compared to INR | Equity (net of tax) | (32.54) | (13.94) | (0.40) | (0.09) |

Price risk

The Group is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Group's investment in mutual funds are as follows:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------|----------------------------|------------------------|------------------------|------------------------|
| Investments in mutual funds | 26.53 | 24.48 | 23.31 | 25.89 |

Sensitivity analysis:

| | | | | | |
|-----------------------|---------------------|--------|--------|--------|--------|
| 1% increase in prices | Profit or (Loss) | 0.27 | 0.24 | 0.23 | 0.26 |
| 1% decrease in prices | Profit or (Loss) | (0.27) | (0.24) | (0.23) | (0.26) |
| 1% increase in prices | Equity (net of tax) | 0.20 | 0.18 | 0.17 | 0.18 |
| 1% decrease in prices | Equity (net of tax) | (0.20) | (0.18) | (0.17) | (0.18) |

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Group's portfolio of borrowings comprise of fixed rate loans which are monitored continuously in the light of market conditions.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management (continued)

(iii) Management of Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The Group's exposure to credit risk is the exposure that Group has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. The Group's majority customer base are ecommerce marketplace players.

The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The Group has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 12 (iv) for ageing for trade receivables from the due date of payment.

The provision for impairment of trade receivables, movement of which has been provided in note 12 (iii), is not significant / material.

Other financial assets

The Group maintains exposure in cash and cash equivalents and term deposits with banks. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Group's maximum exposure to credit risk as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 is the carrying value of each class of financial assets.

36 CAPITAL MANAGEMENT

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

| Particulars | As at | As at | As at | As at |
|--|-------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Borrowings (refer note 18) | 7,310.57 | 415.33 | 488.11 | 267.35 |
| Lease liabilities (refer note 19) | 159.67 | 101.62 | 54.90 | 1.43 |
| Total debt liabilities | 7,470.24 | 516.95 | 543.01 | 268.78 |
| Less : Cash and bank balances (refer note 13) | (351.14) | (1,443.93) | (73.15) | (0.22) |
| Less : Bank balance other than cash and cash equivalents (refer note 14) | (1,166.41) | (45.00) | (12.50) | - |
| Less : Bank deposits with remaining maturity more than 1 year (refer note 8) | (40.00) | - | - | - |
| Less : Bank deposits with remaining maturity less than 1 year (refer note 8) | (1,091.30) | - | - | - |
| Adjusted net debt | 4,821.39 | (971.98) | 457.36 | 268.56 |
| Total equity | 6,329.67 | 4,641.68 | 715.29 | 230.97 |
| Adjusted net debt to adjusted equity ratio | 0.76 | (0.21) | 0.64 | 1.16 |
| Debt equity considering only borrowings as debt | 1.15 | 0.09 | 0.68 | 1.16 |

No changes were made in the objectives, policies or processes for managing capital during the six months period ended 30 September 2021.

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37 RELATED PARTY DISCLOSURES

A. Names of the related parties of the Group

| | |
|--|---|
| Entity having significant influence | South Lake Investment Ltd (with effect from 5 January 2021) |
| Subsidiary company | Dive Marketing Private Limited (with effect from 3 June 2021) |
| Associate company | Sirena Labs Private Limited (with effect from 5 November 2019) |
| Key management personnel (KMP) | Mr. Aman Gupta - Director Mr. Sameer Mehta - Director Mr. Kanwaljit Singh - Director (with effect from 17 April 2018) Mr. Anish Saraf - Director (with effect from 5 January 2021) Mr. Vikram Chogle - Director (with effect from 5 January 2021, resigned with effect from 19 January 2022) Mr. Aashish Kamat - Independent Director (with effect from 12 November 2021) Mr. Anand Ramamoorthy - Independent Director (with effect from 12 November 2021) Ms. Purvi Sheth - Independent Director (with effect from 12 November 2021) Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021) Mr. Ankur Sharma - Chief Financial Officer (with effect from 4 June 2021) Ms. Dhara Joshi - Company Secretary (with effect from 13 May 2021) |
| Entities in which KMP have significant influence | Redwood Interactive Kores (India) Limited (up to 30 September 2020) |

B. Disclosure of transactions between the Group and related parties

| Particulars | Six months period ended | Year ended | Year ended | Year ended |
|--|-------------------------|---------------|---------------|---------------|
| | 30 September 2021 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Sales of goods | | | | |
| Sirena Labs Private Limited | - | 0.10 | 3.86 | - |
| Mr. Kanwaljit Singh | - | - | 0.03 | - |
| Kores (India) Limited | - | 0.09 | 0.89 | 0.23 |
| Purchase of goods | | | | |
| Sirena Labs Private Limited | 32.40 | 5.44 | 3.36 | - |
| Redwood Interactive | 0.01 | 15.79 | - | - |
| Kores (India) Limited | - | - | 0.01 | - |
| Purchase of Services | | | | |
| Sirena Labs Private Limited | - | - | 3.00 | - |
| Kores (India) Limited | 0.08 | - | - | - |
| Royalty expense | | | | |
| Dive Marketing Private Limited * | 0.32 | - | - | - |
| Rent income | | | | |
| Dive Marketing Private Limited * | 0.05 | - | - | - |
| Rent expenses | | | | |
| Redwood Interactive | - | 0.28 | 0.30 | 0.30 |
| Reimbursement of expenses received | | | | |
| Sirena Labs Private Limited | - | 0.18 | - | - |
| Mr. Sameer Mehta | - | 0.01 | - | - |
| Redwood Interactive | - | 0.02 | - | - |
| Reimbursement of expenses paid | | | | |
| Mr. Aman Gupta | 4.17 | 78.15 | 55.40 | - |
| Redwood Interactive | 0.01 | 0.01 | - | - |
| Mr. Vivek Gambhir | 0.02 | - | - | - |
| Ms. Dhara Joshi | 0.01 | - | - | - |
| Contribution paid towards equity share capital | | | | |
| Dive Marketing Private Limited * | 0.10 | - | - | - |
| Sirena Labs Private Limited | - | - | 50.00 | - |
| Advance given | | | | |
| Sirena Labs Private Limited | - | - | 40.00 | - |
| Advance received back | | | | |
| Sirena Labs Private Limited | - | 6.50 | 20.00 | - |
| Loan given | | | | |
| Dive Marketing Private Limited * | 27.00 | - | - | - |
| Interest income on loan given | | | | |
| Dive Marketing Private Limited * | 0.40 | - | - | - |
| Repayment of short-term borrowings (including interest) | | | | |
| Mr. Aman Gupta | - | 1.25 | - | - |
| Mr. Sameer Mehta | - | 7.45 | - | - |
| Interest expense on short-term borrowings | | | | |
| Mr. Sameer Mehta | - | 0.38 | 0.45 | 0.50 |
| Kores (India) Limited | - | - | - | 0.69 |
| Purchase of brand (excluding stamp duty) | | | | |
| Redwood Interactive | - | 50.00 | - | - |

* Transaction with Dive Marketing Private Limited (a wholly owned subsidiary of the Holding Company) are eliminated on consolidation.

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37 RELATED PARTY DISCLOSURES (CONTINUED)

B. Disclosure of transactions between the Group and related parties (continued)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Issue of preference share capital | | | | |
| South Lake Investment Ltd | - | 4,400.10 | - | - |
| Payment made for buy back of equity shares | | | | |
| Mr. Aman Gupta | - | 567.75 | - | - |
| Mr. Sameer Mehta | - | 567.75 | - | - |
| Remuneration to Key management personnel | | | | |
| Mr. Aman Gupta | 5.00 | 10.00 | 10.00 | 60.00 |
| Mr. Sameer Mehta | 5.00 | 10.00 | 10.00 | 60.00 |
| Mr. Vivek Gambhir | 12.29 | 3.44 | - | - |
| Mr. Ankur Sharma | 2.86 | - | - | - |
| Ms. Dhara Joshi | 0.63 | - | - | - |

Share based payments

Mr. Vivek Gambhir #

2,749 options at exercise price of Rs 283,749 per share were issued to Mr. Vivek Gambhir in FY 2020-21. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the exercise price for ESOPs in accordance with their terms of issuance as set out in the ESOP Scheme from Rs. 283,749 to Rs. 1,418,745 per share. (refer note 16 (f))

C. Status of outstanding balances

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Trade receivables | | | | |
| Sirena Labs Private Limited | 2.64 | 6.46 | 4.56 | - |
| Allowance for expected credit loss | (2.64) | (2.64) | - | - |
| Kores (India) Limited | - | - | - | 0.23 |
| Trade payables | | | | |
| Dive Marketing Private Limited * | 0.35 | - | - | - |
| Sirena Labs Private Limited | 1.74 | 1.74 | - | - |
| Redwood Interactive | - | 0.03 | - | - |
| Capital creditor | | | | |
| Redwood Interactive | 4.00 | 16.00 | - | - |
| Advance from customers | | | | |
| Redwood Interactive | - | - | 0.07 | 0.84 |
| Trade advance receivable | | | | |
| Sirena Labs Private Limited | 13.50 | 13.50 | 20.00 | - |
| Allowance for doubtful trade advance | (13.50) | (13.50) | - | - |
| Interest receivable on trade advance | | | | |
| Sirena Labs Private Limited | 1.77 | 1.77 | 1.77 | - |
| Allowance for doubtful interest receivable on trade advance | (1.77) | (1.77) | - | - |
| Short-term borrowings (including interest) payable | | | | |
| Mr. Aman Gupta | - | - | 1.25 | 1.25 |
| Mr. Sameer Mehta | - | - | 7.07 | 5.99 |
| Loan receivable | | | | |
| Dive Marketing Private Limited * | 27.00 | - | - | - |
| Interest receivable on loan | | | | |
| Dive Marketing Private Limited * | 0.36 | - | - | - |
| Other receivable | | | | |
| Dive Marketing Private Limited * | 0.06 | - | - | - |
| Reimbursement of expenses payable | | | | |
| Mr. Aman Gupta | - | - | 0.29 | - |
| Mr. Sameer Mehta | - | - | - | 0.08 |
| Reimbursement of expenses payable | | | | |
| Mr. Aman Gupta | - | - | - | 0.63 |
| Remuneration payable to Key management personnel @ | | | | |
| Mr. Aman Gupta | 0.21 | 0.16 | 0.58 | 39.70 |
| Mr. Sameer Mehta | 0.66 | 0.57 | 0.43 | 74.71 |
| Mr. Vivek Gambhir | 1.42 | 1.64 | - | - |
| Mr. Ankur Sharma | 0.52 | - | - | - |
| Ms. Dhara Joshi | 0.10 | - | - | - |

* Balances outstanding from / to Dive Marketing Private Limited (a wholly owned subsidiary of the Holding Company) are eliminated on consolidation.

@ As the liabilities for employee benefit provisions are provided on actuarial basis for the Holding Company as a whole, the amounts pertaining to key management personnel are not included.

During the year ended 31 March 2021, the Holding Company has recognised a provision for impairment against the investment in associate company - Refer note 6

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37 RELATED PARTY DISCLOSURES (CONTINUED)

D. Details of guarantees of key management personnel and shares pledged:

- i Personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta for the cash credit facility with Citi, ICICI and RBL banks.
- ii Pledge of 14,480 Equity shares (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) for debenture issued to BAC Acquisition Pvt Ltd. During the year, all the outstanding debenture were fully repaid and pledge has been removed.
- iii Pledge of 7,500 Equity shares (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) for secured loan obtained from Innovent Capital India Pvt Ltd towards Working Capital & Term Loan.
- iv Pledge of 2,500 Equity shares (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from Citi bank.
- v Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from ICICI bank.
- vi Pledge of 3,750 Equity shares (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) for secured working capital demand loan (sublimit of cash credit facility) from RBL Bank .
- vii Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for secured loan from HDFC bank.

During the six months period ended 30 September 2021, all the above pledges have been removed and there are no active pledge as at 30 September 2021 except for Innovent Capital India Pvt Ltd in which case the borrowing has been fully repaid post 30 September 2021 and thereafter the pledge on shares has been removed.

E. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than those mentioned in note 37D. For the six months period ended 30 September 2021, the Group has recorded impairment of receivables relating to amounts owed by related parties (see note 37C). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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38 SEGMENT INFORMATION

A. Business Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM'):

- (i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
- (ii) Wearables include smart watches.
- (iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

- (i) the nature of products
- (ii) the differing risks and returns
- (iii) the internal organisation and management structure, and
- (iv) the internal financial reporting systems

The Chief Executive Officer of the Holding Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Revenue | | | | |
| External revenue | | | | |
| Audio | 12,867.96 | 12,285.73 | 5,947.07 | 2,168.29 |
| Wearables | 2,175.16 | 548.05 | - | - |
| Others | 435.54 | 303.38 | 144.00 | 90.20 |
| | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Inter segment | | | | |
| Audio | - | - | - | - |
| Wearables | - | - | - | - |
| Others | - | - | - | - |
| | - | - | - | - |
| Total | | | | |
| Audio | 12,867.96 | 12,285.73 | 5,947.07 | 2,168.29 |
| Wearables | 2,175.16 | 548.05 | - | - |
| Others | 435.54 | 303.38 | 144.00 | 90.20 |
| | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Result | | | | |
| Audio | 1,594.57 | 1,406.81 | 836.42 | 147.22 |
| Wearables | 156.12 | 56.96 | - | - |
| Others | 39.33 | 9.21 | 7.81 | 7.12 |
| Segment Results | 1,790.02 | 1,472.98 | 844.22 | 154.34 |
| Un-allocated corporate expenses net of un-allocated income | (158.97) | (238.60) | (100.17) | (18.37) |
| Other income | 52.85 | 66.59 | 8.52 | 2.63 |
| Finance costs | (99.77) | (118.78) | (100.39) | (24.47) |
| Profit before tax | 1,584.13 | 1,182.19 | 652.18 | 114.13 |
| Share of loss of an associate (net of tax) | - | - | (6.67) | - |
| Profit before tax | 1,584.13 | 1,182.19 | 645.51 | 114.13 |
| Tax expense | | | | |
| Current tax | 412.08 | 327.33 | 187.28 | 36.97 |
| Deferred tax | (11.10) | (10.51) | (19.75) | (3.21) |
| Total tax expense | 400.98 | 316.82 | 167.53 | 33.76 |
| Profit for the year | 1,183.15 | 865.37 | 477.98 | 80.37 |

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

38 SEGMENT INFORMATION (CONTINUED)

B. Other Information

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------|----------------------------|------------------------|------------------------|------------------------|
| Segment Assets | | | | |
| Audio | 13,517.27 | 4,077.03 | 1,457.37 | 750.38 |
| Wearables | 2,553.69 | 110.52 | - | - |
| Others | 721.79 | 188.15 | 51.40 | 46.41 |
| Total segment assets | 16,792.75 | 4,375.70 | 1,508.77 | 796.79 |
| Unallocated corporate assets | 4,144.57 | 2,408.57 | 396.23 | 42.55 |
| Total assets | 20,937.32 | 6,784.27 | 1,905.00 | 839.34 |
| Segment Liabilities | | | | |
| Audio | 4,757.95 | 1,175.70 | 335.18 | 137.71 |
| Wearables | 1,074.56 | 49.63 | - | - |
| Others | 239.10 | 40.79 | 9.63 | 6.69 |
| Total segment liabilities | 6,071.61 | 1,266.12 | 344.81 | 144.40 |
| Unallocated corporate liabilities | 8,536.04 | 876.47 | 844.90 | 463.97 |
| Total liabilities | 14,607.65 | 2,142.59 | 1,189.71 | 608.37 |

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Capital expenditure | | | | |
| Audio | - | - | - | - |
| Wearables | - | - | - | - |
| Others | - | - | - | - |
| Unallocated | 45.26 | 67.90 | 9.89 | 2.46 |
| Depreciation/Amortisation | | | | |
| Audio | - | - | - | - |
| Wearables | - | - | - | - |
| Others | - | - | - | - |
| Unallocated | 31.83 | 31.98 | 13.49 | 2.80 |
| Non-cash expenses other than depreciation | | | | |
| Audio | - | - | - | - |
| Wearables | - | - | - | - |
| Others | - | - | - | - |
| Unallocated | - | - | - | - |

C. Additional information by geographies

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| Revenue by Geographical Market | | | | |
| India | 15,478.66 | 13,137.16 | 6,091.07 | 2,258.49 |
| Outside India | - | - | - | - |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Carrying Amount of Segment Assets | | | | |
| India | 16,792.75 | 4,375.70 | 1,508.77 | 796.79 |
| Outside India | - | - | - | - |
| Non-current assets * | | | | |
| India | 264.83 | 163.71 | 71.16 | 10.59 |
| Outside India | - | - | - | - |

* Non-current assets excludes financial instruments, non-current tax assets (net) and deferred tax assets.

D. Revenue from major customers

The Group earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Group's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Company.

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-------------|--|-----------------------------|-----------------------------|-----------------------------|
| Customer 1 | 4,861.61 | 5,428.97 | 2,769.65 | 1,353.59 |
| Customer 2 | 6,749.87 | 5,569.32 | 2,185.47 | 421.26 |

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39 EMPLOYEE BENEFIT PLANS

A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Contribution to provident fund and other funds | 4.13 | 3.62 | 1.67 | 0.55 |

B. Defined Benefit Plan

(i) Description of Plan

Retirement Benefit Plan of the Group include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Group policies. Gratuity plan is unfunded.

(ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|--|----------------------------|------------------------|------------------------|------------------------|
| Fair value of plan assets | - | - | - | - |
| Present value of obligations | (4.63) | (2.05) | (0.80) | (0.26) |
| (Liability) recognised in balance sheet | (4.63) | (2.05) | (0.80) | (0.26) |

Movements in Present Value of Obligation:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------------------|------------------------|------------------------|------------------------|
| Defined benefit obligation at the commencement of the period/year | 2.05 | 0.80 | 0.26 | - |
| Current service cost | 1.22 | 1.19 | 0.36 | 0.26 |
| Past service cost | - | - | - | - |
| Interest cost | 0.07 | 0.05 | 0.02 | - |
| Actuarial losses / (gains) | 1.29 | 0.01 | 0.16 | - |
| Benefits paid | - | - | - | - |
| Defined benefit obligation at the end of the period/year | 4.63 | 2.05 | 0.80 | 0.26 |
| Provision for gratuity (under Non-Current provisions) (Refer note 20) | 4.56 | 2.02 | 0.79 | 0.25 |
| Provision for gratuity (under Current provisions) (Refer note 20) | 0.07 | 0.03 | 0.01 | 0.01 |
| | 4.63 | 2.05 | 0.80 | 0.26 |

(iii) Consolidated statement of profit and loss

The charge to the consolidated statement of profit and loss comprises:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Employee Benefit Expenses: | | | | |
| Current service cost | 1.22 | 1.19 | 0.36 | 0.26 |
| Past service cost | - | - | - | - |
| | 1.22 | 1.19 | 0.36 | 0.26 |
| Finance costs: | | | | |
| Interest cost | 0.07 | 0.05 | 0.02 | - |
| Interest income | - | - | - | - |
| | 0.07 | 0.05 | 0.02 | - |
| Net impact on profit (before tax) | 1.29 | 1.24 | 0.38 | 0.26 |
| Remeasurement of the net defined benefit plans: | | | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | 0.03 | 0.01 | 0.08 | - |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - | (0.00) | - |
| Actuarial (gains)/losses arising from experience adjustments | 1.26 | 0.00 | 0.08 | - |
| Net impact on other comprehensive income (before tax) | 1.29 | 0.01 | 0.16 | - |

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39 EMPLOYEE BENEFIT PLANS (CONTINUED)

(iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------|----------------------------|------------------------|------------------------|------------------------|
| Financial Assumptions | | | | |
| Discount rate (per annum) | 6.75% | 6.80% | 6.85% | 7.70% |
| Salary Escalation Rate (per annum) | 7.00% | 7.00% | 7.00% | 7.00% |

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

| Demographic Assumptions | Age | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------|--------------|--|--|--|--|
| Withdrawal Rate | 25 and below | 10.00% | 10.00% | 10.00% | 10.00% |
| | 25 to 35 | 8.00% | 8.00% | 8.00% | 8.00% |
| | 35 to 45 | 6.00% | 6.00% | 6.00% | 6.00% |
| | 45 to 55 | 4.00% | 4.00% | 4.00% | 4.00% |
| | 55 and above | 2.00% | 2.00% | 2.00% | 2.00% |
| Mortality Rate | | Indian Assured Lives Mortality (2012-14) Ult | Indian Assured Lives Mortality (2012-14) Ult | Indian Assured Lives Mortality (2012-14) Ult | Indian Assured Lives Mortality (2006-08) Ult |

(v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

| Particulars | | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------|----------------------|----------------------------|------------------------|------------------------|------------------------|
| Discount rate (per annum) | Increase 0.50% | (4.36) | (1.92) | (0.75) | (0.25) |
| | Decrease 0.50% | 4.93 | 2.19 | 0.85 | 0.28 |
| Salary escalation rate (per annum) | Increase 0.50% | 4.82 | 2.15 | 0.84 | 0.28 |
| | Decrease 0.50% | (4.45) | (0.20) | (0.76) | (0.25) |
| Withdrawal Rate | Increase W.R. x 110% | (4.60) | (2.03) | (0.79) | (0.26) |
| | Decrease W.R. x 90% | 4.65 | 2.08 | 0.81 | 0.27 |

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period/year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

(vi) Weighted average duration of the defined benefit plan:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---------------|----------------------------|------------------------|------------------------|------------------------|
| Gratuity plan | 12.55 | 12.55 | 12.13 | 11.86 |

(vii) Expected future cash flows in respect of gratuity:

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|-------------------|----------------------------|------------------------|------------------------|------------------------|
| Less than a year | 0.07 | 0.03 | 0.01 | 0.01 |
| Between 2-5 years | 0.95 | 0.40 | 0.15 | 0.06 |
| More than 5 years | 2.24 | 0.96 | 0.38 | 0.14 |

C. Compensated absences

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Expense towards compensated absences included in Employee Benefit expenses | 7.35 | 4.69 | 1.10 | 0.22 |

| Particulars | As at 30 September 2021 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------|----------------------------|------------------------|------------------------|------------------------|
| Provision for compensated absences | 12.01 | 5.62 | 1.09 | 0.22 |

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40 SHARE BASED PAYMENTS

Equity Settled Share Based Payments

Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 had been formulated by the Board of Directors of the Holding Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The ESOP 2019 entitles eligible employees to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 has been formulated by the Board of Directors of the Holding Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The ESOP 2021 entitles eligible employees to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

| Plan | Employee Entitled | Vesting Conditions | Contractual life of options |
|-----------|--------------------|-----------------------------------|-----------------------------|
| ESOP 2019 | Eligible Employees | Continued employment with Company | 4 years |
| ESOP 2021 | Eligible Employees | Continued employment with Company | 4 years |

| Scheme | Year | Date of Grant | Numbers of options granted | Vesting Conditions | Exercise Period | Exercise Price (Rs.) per share (refer note below) | Weighted Average Exercise Price (Rs.) per share |
|-----------|----------|------------------|----------------------------|---|------------------------------|---|---|
| ESOP 2019 | 2019 | 16 November 2019 | 256 | Graded vesting over 4 years from grant date | 7 years from date of vesting | 302.660 | 302.660 |
| | 2020 | 15 November 2020 | 453 | Graded vesting over 4 years from grant date | 7 years from date of vesting | 302.660 | 302.660 |
| | 2021 | 25 March 2021 | 50 | Graded vesting over 4 years from grant date | 7 years from date of vesting | 302.660 | 302.660 |
| ESOP 2021 | 2021 - 1 | 9 February 2021 | 2,062 | Grade vesting over 4 years from grant date | 7 years from date of vesting | 1,418.745 | 1,418.745 |
| | 2021 - 2 | 9 February 2021 | 687 | 4 years from grant date | 7 years from date of vesting | 1,418.745 | 1,418.745 |

Note:

- (i) The original exercise price for the shares granted under the ESOP 2019 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 60,532 to Rs. 302.66.
- (ii) The original exercise price for the shares granted under the ESOP 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1418.745.

| Scheme | Year | For the period/year ended | Number of Share Options | | | | |
|-----------|----------|---------------------------|--|--------------------------|-----------------------------------|---------------------------|------------------------------------|
| | | | Outstanding at the beginning of the year | Granted during the year* | Forfeited/Expired during the year | Exercised during the year | Outstanding at the end of the year |
| ESOP 2019 | 2019 | 31 March 2019 | - | - | - | - | - |
| | | 31 March 2020 | - | 256 | - | - | 256 |
| | | 31 March 2021 | 256 | - | (15) | - | 241 |
| | | 30 September 2021 | 241 | - | (4) | - | 237 |
| | 2020 | 31 March 2019 | - | - | - | - | - |
| | | 31 March 2020 | - | - | - | - | - |
| | | 31 March 2021 | - | 453 | - | - | 453 |
| | | 30 September 2021 | 453 | - | (150) | - | 303 |
| | 2021 | 31 March 2019 | - | - | - | - | - |
| | | 31 March 2020 | - | - | - | - | - |
| | | 31 March 2021 | - | 50 | - | - | 50 |
| | | 30 September 2021 | 50 | - | - | - | 50 |
| ESOP 2021 | 2021 - 1 | 31 March 2019 | - | - | - | - | - |
| | | 31 March 2020 | - | - | - | - | - |
| | | 31 March 2021 | - | 2,062 | - | - | 2,062 |
| | | 30 September 2021 | 2,062 | - | - | - | 2,062 |
| | 2021 - 2 | 31 March 2019 | - | - | - | - | - |
| | | 31 March 2020 | - | - | - | - | - |
| | | 31 March 2021 | - | 687 | - | - | 687 |
| | | 30 September 2021 | 687 | - | - | - | 687 |

* Granted during the year includes additional options granted upon issuance of bonus shares to existing shareholders (refer note 16(f))

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40 SHARE BASED PAYMENTS (CONTINUED)

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|-----------------------------|-----------------------------|-----------------------------|
| Weighted average equity share price at the date of exercise of options during the period/year | Not Applicable since no options have been exercised till date | | | |
| Weighted average remaining contractual life of options (years) as at the end of the period/year | | 9.10 | 9.13 | - |

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| Risk-free interest rate (%) | | 5.96% | 5.96% | - |
| Expected life of options (years) [(year to vesting) + (contractual option term)/2] | | 4.5 to 6 years | 4.5 to 6 years | - |
| Expected volatility (%) | | 76.24% | 76.24% | - |
| Dividend yield | | 0.00% | 0.00% | - |

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Effect of share based payment transactions on the restated consolidated statement of profit and loss:

| Particulars | Six months period ended 30 September 2021 | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|
| Equity settled share based payments | 17.92 | 11.82 | 3.00 | - |
| Total expense recognized under "Employee benefits expense" | 17.92 | 11.82 | 3.00 | - |

41 INVESTMENT IN SIRENA LABS PRIVATE LIMITED

The Holding Company had invested Rs. 50,000,017 in Sirena Labs Private Limited ("SLPL") on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Holding Company which accounted for 27% share by the Company in SLPL. In accordance with AS 23, Accounting for associate in consolidated financial statements, the Holding Company had accounted for its share of net loss of Rs. 6,672,977 in the consolidated financial statements for the year ended 31 March 2020.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Holding Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Holding Company's investment in SLPL was impaired. Due to the said legal dispute, the management of SLPL did not provide access to the financial information of SLPL to the Holding Company during the year ended 31 March 2021 and subsequent to the year end as well. The Holding Company confirms that there are no future contractual obligations for compensating or making good any losses (actual and potential) incurred by SLPL.

Considering the above and the full impairment of the Holding Company's investment in SLPL, management has considered its share of profits/losses of SLPL to be Rs. Nil in its consolidated financial statements for the year ended 31 March 2021 and the six months period ended 30 September 2021.

Since the carrying value of the investment is Rs. Nil as at 31 March 2021 and 30 September 2021 respectively in the consolidated financial statements, in compliance with paragraph 38-39 of Ind AS 28, *Investments in Associate and Joint Ventures*, the Holding Company is not required to account for any further share of its losses in SLPL and accordingly, there is no impact on these consolidated financial statements.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

42 SHARE OF ENTITIES IN GROUP

| Name of the Entity | As at 30 September 2021 | | For the six months period ended 30 September 2021 | | | | | | | |
|--|---|-----------------|---|------------------|--------------------------------------|-----------------|---|---------------|---|-----------------|
| | Net Assets (Total Assets - Total Liabilities) | | Share in Sales of products | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated net assets | Amount | As % of consolidated sale of products | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | | | |
| Imagine Marketing Limited | 100.15% | 6,338.91 | 100.00% | 15,478.66 | 100.22% | 1,185.72 | 100.00% | (0.97) | 100.22% | 1,184.75 |
| Subsidiary | | | | | | | | | | |
| Indian | | | | | | | | | | |
| Dive Marketing Private Limited * | -0.04% | (2.47) | - | - | -0.22% | (2.57) | 0.00% | - | -0.22% | (2.57) |
| Associate (Investment as per Equity Method) | | | | | | | | | | |
| Indian | | | | | | | | | | |
| Sirena Labs Private Limited | -0.11% | (6.67) | - | - | - | - | - | - | - | - |
| Inter-company eliminations | 0.00% | (0.10) | - | - | - | - | - | - | - | - |
| Total | 100.00% | 6,329.67 | 100.00% | 15,478.66 | 100.00% | 1,183.15 | 100.00% | (0.97) | 100.00% | 1,182.18 |

* New subsidiary incorporated with effect from 3 June 2021.

| Name of the Entity | As at 31 March 2021 | | For the year ended 31 March 2021 | | | | | | | |
|--|---|-----------------|---------------------------------------|------------------|--------------------------------------|---------------|---|---------------|---|---------------|
| | Net Assets (Total Assets - Total Liabilities) | | Share in Sales of products | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated net assets | Amount | As % of consolidated sale of products | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | | | |
| Imagine Marketing Limited | 100.14% | 4,648.35 | 100.00% | 13,137.16 | 100.00% | 865.37 | 100.00% | (0.01) | 100.00% | 865.36 |
| Associate (Investment as per Equity Method) | | | | | | | | | | |
| Indian | | | | | | | | | | |
| Sirena Labs Private Limited | -0.14% | (6.67) | - | - | - | - | - | - | - | - |
| Total | 100.00% | 4,641.68 | 100.00% | 13,137.16 | 100.00% | 865.37 | 100.00% | (0.01) | 100.00% | 865.36 |

| Name of the Entity | As at 31 March 2020 | | For the year ended 31 March 2020 | | | | | | | |
|--|---|---------------|---------------------------------------|-----------------|--------------------------------------|---------------|---|---------------|---|---------------|
| | Net Assets (Total Assets - Total Liabilities) | | Share in Sales of products | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated net assets | Amount | As % of consolidated sale of products | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | | | |
| Imagine Marketing Limited | 100.93% | 721.96 | 100.00% | 6,091.07 | 101.40% | 484.65 | 100.00% | (0.12) | 100.00% | 477.86 |
| Associate (Investment as per Equity Method) | | | | | | | | | | |
| Indian | | | | | | | | | | |
| Sirena Labs Private Limited * | -0.93% | (6.67) | - | - | -1.40% | (6.67) | - | - | - | - |
| Total | 100.00% | 715.29 | 100.00% | 6,091.07 | 100.00% | 477.98 | 100.00% | (0.12) | 100.00% | 477.86 |

* Associate with effect from 5 November 2019.

| Name of the Entity | As at 31 March 2019 | | For the year ended 31 March 2019 | | | | | | | |
|---------------------------|---|---------------|---------------------------------------|-----------------|--------------------------------------|--------------|---|----------|---|--------------|
| | Net Assets (Total Assets - Total Liabilities) | | Share in Sales of products | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated net assets | Amount | As % of consolidated sale of products | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | | | |
| Imagine Marketing Limited | 100.00% | 230.97 | 100.00% | 2,258.49 | 100.00% | 80.37 | - | - | 100.00% | 80.37 |
| Total | 100.00% | 230.97 | 100.00% | 2,258.49 | 100.00% | 80.37 | - | - | 100.00% | 80.37 |

Note: The Holding Company did not have any subsidiary, associate or joint venture for the year ended 31 March 2019.

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

43 FIRST TIME ADOPTION OF IND AS

The restated consolidated statement of assets and liabilities of the Group as at 30 September 2021 and the restated consolidated statement of profit and loss, the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the period ended 30 September 2021 and restated other financial information has been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is 1 April 2020. In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated Financial Information for the year ended 31 March 2020 and 31 March 2019 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2020 and as per the presentation, accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021.

A. Exemptions applied:

(i) Mandatory exceptions:

(a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried as amortised cost.
- Impairment of financial assets based on the expected credit loss model.

(b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(ii) Optional exemptions:

(a) Deemed cost for property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2020. Refer note 2.1 B (c) for approach followed for the year ended 31 March 2020 and 31 March 2019.

(b) Leases:

The Group has adopted Ind AS 116 following the full retrospective approach. The Group has applied the following available practical expedients wherein it:

- a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

B. Reconciliation of total equity between previous GAAP and Ind AS:

| Particulars | Notes | As at | As at | As at | As at |
|--|--------|-----------------|---------------|---------------|--------------|
| | | 31 March 2021 | 31 March 2020 | 31 March 2019 | 1 April 2018 |
| Total equity reported earlier under previous GAAP | | 4,663.01 | 871.33 | 381.48 | 83.69 |
| Ind AS adjustments | | | | | |
| Leases | (i) | (34.85) | (20.64) | (5.57) | (0.01) |
| Financial assets measured at amortised cost | (ii) | 0.73 | 0.29 | 0.02 | - |
| Financial assets measured at FVTPL | (iii) | 0.47 | (0.69) | 1.88 | 0.70 |
| Classification of Series A CCPS as compound financial instruments and recognising liability component | (v) | (117.04) | (117.04) | (117.04) | - |
| Deferred tax liability recognised on the equity component | (v) | (27.07) | (27.07) | (27.07) | - |
| Reversal of Deferred tax liability recognised on the equity component on account of tax rate change | (v) | 3.46 | 3.46 | - | - |
| Reclassification of Series A CCPS from liability to Instrument completely in nature of equity | (v) | 144.64 | - | - | - |
| Reversal of Deferred tax liability recognised on the equity component on account of reclassification of CCPS | (v) | 16.44 | - | - | - |
| Allowance for expected credit loss | (vii) | (22.60) | - | (5.48) | - |
| Tax adjustments | (viii) | 14.49 | 5.65 | 2.75 | (0.16) |
| Total equity as per Ind AS | | 4,641.68 | 715.29 | 230.97 | 84.22 |

C. Reconciliation of total comprehensive income between previous GAAP and Ind AS:

| Particulars | Notes | Year ended | Year ended | Year ended |
|---|--------|---------------|---------------|---------------|
| | | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Profit for the year reported earlier under previous GAAP | | 785.95 | 488.55 | 87.30 |
| Ind AS adjustments | | | | |
| Leases | (i) | (14.21) | (15.07) | (5.56) |
| Financial assets measured at amortised cost | (ii) | 0.44 | 0.27 | 0.02 |
| Financial assets measured at FVTPL | (iii) | 1.16 | (2.57) | 1.18 |
| Expenses incurred directly in connection with issue of CCPS | (iv) | 91.52 | - | - |
| Gain on derecognition of liability component of CCPS | (v) | 20.43 | - | - |
| Share based payment expense | (vi) | (6.17) | (1.70) | - |
| Allowance for expected credit loss | (vii) | (22.60) | 5.48 | (5.48) |
| Remeasurements of the defined benefit plans reclassified to OCI | (viii) | 0.01 | 0.16 | - |
| Tax adjustments | (ix) | 8.84 | 2.86 | 2.91 |
| Profit for the year reported earlier under Ind AS | | 865.37 | 477.98 | 80.37 |
| Other comprehensive income (net of tax) | | (0.01) | (0.12) | - |
| Total comprehensive Income as reported under Ind AS | | 865.36 | 477.86 | 80.37 |

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

43 FIRST TIME ADOPTION OF IND AS (CONTINUED)

D. Impact of Ind AS adoption on the Restated Summary Statement of Cash Flows

There were no material differences between the restated summary statement of cash flows and cash flow statement under previous GAAP.

E. Notes to first time adoption

(i) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change [increase / (decrease)] is as follows:

| Restated Statement of Profit and Loss | Year ended | Year ended | Year ended |
|---|----------------|----------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Rent expense | 19.26 | 10.44 | 1.16 |
| Interest expense on financial liabilities measured at amortised cost - on lease liabilities | (15.38) | (15.20) | (5.62) |
| Depreciation of right-of-use assets | (21.44) | (10.31) | (1.10) |
| Gain due to reduction in lease rental during COVID-19 | 3.35 | - | - |
| Adjustment before income tax - Profit / (loss) | (14.21) | (15.07) | (5.56) |

| Restated Statement of Assets and Liabilities | As at | As at | As at |
|--|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Right-of-use assets | 97.28 | 53.84 | 1.37 |
| Lease liabilities | 101.62 | 54.90 | 1.43 |
| | 198.90 | 108.74 | 2.80 |

(ii) Financial assets measured at amortised cost

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period/year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

The impact arising from the change [increase / (decrease)] is as follows:

| Restated Statement of Profit and Loss | Year ended | Year ended | Year ended |
|---|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Interest income from financial assets at amortized cost | 0.44 | 0.27 | 0.02 |
| Adjustment before income tax - Profit / (loss) | 0.44 | 0.27 | 0.02 |

| Restated Statement of Assets and Liabilities | As at | As at | As at |
|--|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Right-of-use assets | 0.64 | 1.49 | 0.06 |
| Other financial assets (Security deposits) | (0.64) | (1.49) | (0.06) |
| | - | - | - |

(iii) Financial assets measured at FVTPL

Under previous GAAP, the investments in mutual funds were subsequently recognised at cost less provision for diminution in value. Whereas under Ind AS, the same are subsequently recognised at fair value at the end of every financial reporting period/year. Accordingly, the difference between the cost and the fair value of the mutual funds is recognized as a gain / (loss) in the restated statement of profit and loss.

The impact arising from the change [increase / (decrease)] is as follows:

| Restated Statement of Profit and Loss | Year ended | Year ended | Year ended |
|---|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Fair valuation gain/(loss) from investments designated at FVTPL | 1.16 | (2.57) | 1.18 |
| Adjustment before income tax - Profit / (loss) | 1.16 | (2.57) | 1.18 |

| Restated Statement of Assets and Liabilities | As at | As at | As at |
|--|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Investments | 0.48 | (0.69) | 1.89 |
| | 0.48 | (0.69) | 1.89 |

(iv) Expenses incurred directly in connection with issue of CCPS

Under previous GAAP, expenses incurred on issue of share capital were recognised as an expense in the statement of profit and loss. Whereas under Ind AS, the same are recognised directly in other equity. Accordingly, the expenses incurred on issue of CCPS have been reclassified to other equity in the restated financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

| Restated Statement of Profit and Loss | Year ended | Year ended | Year ended |
|--|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Reclass of share issue expense from other expenses to other equity | 91.52 | - | - |
| Adjustment before income tax - Profit / (loss) | 91.52 | - | - |

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

43 FIRST TIME ADOPTION OF IND AS (CONTINUED)

E. Notes to first time adoption (continued)

(v) Accounting for Series A CCPS

Classification of Series A CCPS as compound financial instruments and recognising liability component

Under previous GAAP, preference shares issued were classified as part of share capital. Whereas under Ind AS, the same are classified as either equity, liability or compound financial instruments based on the terms of the instrument issued. In the case of the Company, the Series A CCPS and Series A1 CCPS (both together referred to as 'Series A CCPS') were issued with a conversion ratio of 1:1 as per the Shareholders Agreements (SHA). However, the SHA also included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any person within 6+2 years from the closing date. The Exit price was determined to be no less than 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the transaction date. (refer note 16 (b)). In lines with the requirement of the Indian accounting standard, the liability component was reclassified from equity and recognised as a financial liability under the heading "Borrowings".

Deferred tax liability recognised on the equity component

A deferred tax liability was recognised on the equity portion of the Series A CCPS in lines with the requirement of Ind AS 12, Income Taxes on the date of initial recognition.

Reversal of Deferred tax liability recognised on the equity component on account of tax rate change

During the year ended 31 March 2020, the Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this change on the deferred tax liability recognised on the equity component of the compound financial instruments was recognised directly in equity.

Reclassification of Series A CCPS from liability to Instrument completely in nature of equity and Gain on derecognition of liability component of CCPS

During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature". This results in the reversal of interest accrued from the transaction date to the date of reclassification which was recognised as a gain in the restated statement of profit and loss.

Reversal of Deferred tax liability recognised on the equity component

The balance deferred tax liability recognised on the equity portion of the Series A CCPS was reversed in the equity.

(vi) Share based payment expense

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the impact of increase in the Share based payment expense has been recognised in 'Employee benefits expense' in the restated statement of profit and loss.

| Restated Statement of Profit and Loss | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Share based payment expense | (6.17) | (1.70) | - |
| Adjustment before income tax - Profit / (loss) | (6.17) | (1.70) | - |

(vii) Allowance for expected credit loss

Under Previous GAAP, provision for doubtful trade receivables was recognised under an incurred loss model. Under Ind AS, an allowance for trade receivable are recognized using the expected credit loss model. Accordingly, an allowance for expected credit loss model has been recognised in the restated financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

| Restated Statement of Profit and Loss | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Provision for loss allowance for trade receivables | (22.60) | 5.48 | (5.48) |
| Adjustment before income tax - Profit / (loss) | (22.60) | 5.48 | (5.48) |

| Restated Statement of Assets and Liabilities | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|--------------------------------|--------------------------------|--------------------------------|
| Trade receivables | (22.60) | 5.48 | (5.48) |
| | (22.60) | 5.48 | (5.48) |

(viii) Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in statement of profit and loss under employee benefits expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income (net of tax).

(ix) Tax adjustments

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

| Restated Statement of Profit and Loss | Year ended 31 March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Tax adjustments on Ind AS adjustments | | | |
| Deferred tax impact on right-of-use asset | (10.93) | (13.15) | - |
| Deferred tax impact on lease liabilities | 11.76 | 13.40 | 0.02 |
| Deferred tax impact on compound financial instrument | 2.48 | 3.10 | 1.59 |
| Deferred tax impact on investments measured at FVTPL | (0.34) | 0.75 | (0.35) |
| Deferred tax impact on security deposits | 0.19 | 0.43 | 0.02 |
| Deferred tax impact on other | 5.68 | (1.67) | 1.63 |
| Adjustment - Profit / (loss) | 8.84 | 2.86 | 2.91 |

F. Regrouping / reclassification

Appropriate adjustments have been made in the Restated Consolidated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements.

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Notes to the Restated Consolidated Financial Information

(All amounts are in Rs. million, unless otherwise stated)

44 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

- (i) Refer to note 6 for details of investment in subsidiary and associate companies.
- (ii) The Group has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Group.

45 DISCLOSURE OF STRUCK OFF COMPANIES

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

- 46 The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

47 SUBSEQUENT EVENTS

- (i) Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Company being 9,525,000 Equity shares of Rs. 10 each was sub-divided into 95,250,000 Equity Shares of Re. 1 each. There is no impact on the value of equity share capital. Corresponding impacts have been made to the conversion price / exercise price of the compulsory convertible preference shares and the options granted respectively.

- (ii) Subsequent to the six months period ended 30 September 2021, the Holding Company has incorporated 2 new subsidiaries as below:

| Name of the entity | Date of incorporation | Principle business |
|---------------------------------------|-----------------------|---|
| Imagine Marketing Singapore Pte. Ltd. | 29 November 2021 | Wholesale trade of a variety of goods without a dominant product |
| HOB Ventures Private Limited | 31 December 2021 | Managing and licensing of brands, providing infrastructural facilities in India and abroad by acquiring brands (directly or indirectly) |

- (iii) Subsequent to 30 September 2021, Innoven Capital India Private Limited has exercised the right to subscribe shares of the Holding Company provided as part of the loan agreement. Pursuant to this, the Holding Company has issued 463,500 equity shares of Re 1 each, fully paid to Innoven Capital India Private Limited at an exercise price of Rs 43.15 per equity share totalling to Rs. 20.00 million.

- (iv) Imagine Marketing Singapore Pte. Ltd., a subsidiary of the Holding Company, entered into an agreement to purchase all of the outstanding equity shares of KaHa Pte. Ltd. and its subsidiary (KaHa Singapore) on 6 January 2022. KaHa Singapore has capabilities in developing products in the Internet of Things ("IoT") space and has a technology-focused platform for wearables through patented Artificial Intelligence and Machine Learning capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases. Further, the Holding Company, KaHa Pte. Ltd., KaHa Technologies Private Limited and the KaHa Promoters entered into the KaHa India Share Purchase Agreement (KaHa India SPA), pursuant to which the Holding Company agreed to purchase 100% equity shares of KaHa Technologies Private Limited held by KaHa Pte. Ltd., subject to the fulfilment of each of the conditions precedent set out in the KaHa India SPA dated 6 January 2022 for a total purchase consideration of USD 1,030,000 (USD 103 per Equity Share), subsequent to which KaHa Technologies Private Limited will become a wholly owned subsidiary of the Holding Company.

- (v) HOB Ventures Private Limited (a subsidiary of the Holding Company), Kimirica Promoters, Hunter Amenities International Limited, Kimirica Hunter International LLP (Kimirica Hunter) and Kimirica Lifestyle Private Limited (Kimirica Lifestyle) entered into a Share Subscription, Shareholders' and Share Purchase Agreement (Kimirica SSSSPA) dated 17 January 2022, pursuant to which the HOB Ventures Private Limited agreed to (a) subscribe 4,286 preference shares of Kimirica Lifestyle at 0.01% coupon rate for a consideration of INR 270.02 million; and (b) purchase 476 Equity shares of Kimirica Lifestyle from Kimirica Promoters for a consideration of INR 63,000 per equity share, subject to completion of the conditions precedents set out in the Kimirica SSSSPA. Upon the issuance of preference shares and transfer of equity shares as aforementioned, HOB Ventures Private Limited shall hold 33.30% shareholding interest in Kimirica Lifestyle.

- (vi) HOB Ventures Private Limited (a subsidiary of the Holding Company), Kimirica Hunter and Kimirica Lifestyle entered into the Business Transfer Agreement (Kimirica BTA) dated 17 January 2022, pursuant to which Kimirica Hunter has agreed to transfer, as a going concern on a slump sale, the business of ideating, developing, and selling personal care products on online marketplaces, mobile app, website owned/operated and through retail outlets and supplying private label products of Kimirica Hunter to Kimirica Lifestyle, subject to completion of the conditions precedents set out in the Kimirica BTA for a consideration of INR 20 million. In terms of the Kimirica BTA, the transfer excludes the existing business of Kimirica Hunter of manufacturing, sale and supply of luxury toiletries, cosmetics, ayurvedic medicines, preparations, room amenities, amenity kits, sets, hotel and guest supplies, personal care products, room décor products, food & beverage operating supplies to (a) hotel industry, (b) airline industry, (c) existing global brands owned by Kimirica Hunter, and (d) any leads brought by Kimirica Hunter which culminate in an offshore contract.

- (vii) The Holding Company has entered into a Joint Venture Agreement dated 17 January 2022 with Dixon Technologies (India) Limited (Dixon JV Agreement) for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties. In terms of the Dixon JV Agreement, the JV Partners will jointly incorporate a private limited company under the Companies Act, 2013 with equal shareholding and directors and make contribution towards the share capital of the proposed Joint Venture. As on date, the proposed Joint Venture is yet to be incorporated by the JV Partners.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PTC249758

Amar Sunder
Partner
Membership No: 078305

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Chief Executive Officer
DIN: 06527810

Ankur Sharma
Chief Financial Officer

Dhara Joshi
Company Secretary

Mumbai, 25 January 2022

Mumbai, 25 January 2022

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 and its reports dated October 25, 2021, October 30, 2020 and September 27, 2019 respectively (the “**Audited Financial Statements**”) are available at <https://www.boat-lifestyle.com/pages/investor-relations>.

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 entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of the BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any reliance being made for any investment decision, on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Set forth below are the details of accounting ratios as at and for the period / years ended September 30, 2021, March, 31, 2021, March 31, 2020 and March 31, 2019 calculated on the basis Restated Consolidated Financial Information:

(in ₹ million, except otherwise stated)

| Particulars | September 30, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|--------------------|----------------|----------------|----------------|
| Restated earnings per Equity Share[#] | | | | |
| - Basic | 11.77 | 8.53 | 4.78 | 0.80 |
| - Diluted | 11.71 | 7.97 | 4.42 | 0.79 |
| Return on Net Worth (%) ⁽¹⁾ | 18.69% | 18.64% | 66.82% | 34.80% |
| Net Asset Value (NAV) Per Equity Share ⁽²⁾ | 62.97 | 46.18 | 7.15 | 2.31 |
| - Weighted average number of equity shares for Basic | 100,520,860 | 101,470,780 | 100,000,000 | 100,000,000 |
| - Weighted average number of equity shares for Dilutive | 101,030,860 | 109,549,250 | 110,276,000 | 107,440,080 |
| Adjusted EBITDA ⁽³⁾ | 1,733.65 | 1,344.77 | 762.39 | 141.40 |
| Adjusted EBITDA Margin (%) ⁽⁴⁾ | 11.20% | 10.24% | 12.52% | 6.26% |
| Operating ROCE (%) ⁽⁵⁾ | 21.69% | 56.03% | 92.69% | NA |
| Restated total profit for the period/year [#] | 1,183.15 | 865.37 | 477.98 | 80.37 |
| Equity share capital [#] | 95.25 | 0.45 | 0.50 | 0.50 |
| Instruments entirely equity in nature [#] | 108.71 | 93.09 | - | - |
| Other equity [#] | 6,125.71 | 4,548.14 | 714.79 | 230.47 |
| Net Worth ⁽⁶⁾ | 6,329.67 | 4,641.68 | 715.29 | 230.97 |

(1) Return on Net Worth (%) = Restated profit for the period/ year attributable to equity shareholders of the Company divided by Net Worth.

(2) Net Asset Value (NAV) Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with other equity as per Restated Consolidated Financial Information) as at the end of the fiscal period/year divided by the number of Equity Shares outstanding at the end of the period/year

(3) Adjusted EBITDA is calculated as EBITDA plus share based payment expense. EBITDA is calculated as restated profit for the period / year plus total tax expenses, depreciation and amortisation expense and finance costs.

(4) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided revenue from operations.

(5) Operating ROCE is calculated as Adjusted EBIT divided by Operating Average Capital Employed. Adjusted EBIT is calculated as Adjusted EBITDA minus depreciation and amortisation expense. Operating Capital Employed is calculated as Total Equity plus borrowing minus cash and cash equivalents and bank balance other than cash and cash equivalents. Operating Average Capital Employed is calculated as Operating Capital Employed at the beginning of the period/year plus Operating Capital Employed at the end of the period/year divided by 2

(6) Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

#Based on Restated Consolidated Financial Information

Note: Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each. All per share data has been calculated after giving effect to such sub-division.

In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of the split stated above.

FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. Pursuant to our Articles of Association, subject to applicable laws, our Board may, from time to time, at their discretion, raise or borrow or secure the payment of any sum or sum of money and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of our Company (present and future), including its uncalled and unpaid capital.

As of the date of this Draft Red Herring Prospectus, our Subsidiaries have not availed of any loans from any lender. The details of aggregate indebtedness of our Company as on December 31, 2021 is set forth below:

| <i>(in ₹ million)</i> | | |
|--|-------------------|--------------------|
| Category of borrowing | Sanctioned amount | Outstanding amount |
| Secured | | |
| Term loans | - | - |
| Working capital facilities | | |
| - Fund based | 8,250.00 | 7,219.79 |
| - Non-fund based (sub-limit of fund based) | 4,000.00 | 45.94 |
| Unsecured | | |
| Term Loans | - | - |
| Working capital facilities | 1,000.00 | 376.04 |
| Total | 9,250.00 | 7,641.77 |

Notes: Non fund based is sub-limit of fund based sanction amount. As certified by Parikh & Parikh, Chartered Accountants, by way of their certificate dated January 25, 2022.

Principal terms of the borrowings availed of by our Company

Set out below are the principal terms of the borrowing availed of by our Company:

Interest: In terms of the working capital facilities availed by our Company, the interest rate is typically floating rates of interest linked to a base rate, as specified by respective lenders, which currently range from 4.20% to 10.00%.

Tenor: The tenor of the working capital facilities availed by our Company is typically 12 months.

Security: In terms of the borrowings where security needs to be created, such security typically includes:

- a) Charge on the current assets of the Company (present and future); and
- b) Charge on fixed deposits, as specified by the respective lenders.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

Re-payment: For working capital facilities, while the facilities are typically repayable on demand with an option for annual review for each of the sub-limits, there may exist certain exclusive provisions of repayment for each of the sub-limits, subject to the facility documentation for each lender.

Prepayment: The working capital facilities availed by our Company typically have prepayment provisions which allow for pre-payment of the outstanding loan amount subject to such prepayment penalties as may be decided by the lender at the time of such prepayment, or as laid down in the facility document, as the case may be. For certain working capital facilities, prepayment penalties may not be payable, subject to the conditions as specified in the facility documentation.

Covenants: Borrowing arrangements entered into by our Company for the working capital facilities typically contain various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender or intimate the lender before carrying out such activities, including, among others, for:

- a) effect any change in the constitutional documents or management or capital structure of our Company;
- b) effect any change in the business of our Company;

- c) effect any reorganization, merger, amalgamation or scheme of arrangement or compromise;
- d) declare any dividend if any instalments towards principal amount or interest is unpaid after the due date
- e) changes in the shareholding pattern of our Company;
- f) dilution of Promoters' stake in our Company; and
- g) investment in, advance or loans to, and guarantees on behalf of any group company, associate, subsidiary or third party.

This is an indicative list and there may be additional restrictive conditions and covenants under the various borrowing arrangements entered into by our Company.

Events of Default: Borrowing arrangements entered into by our Company for the working capital loans contain standard events of default, including:

- a) non-payment or default of principal and/or interest due on the loan obligation by our Company;
- b) breach of any covenant, condition, agreement or any other conditions by our Company;
- c) proceedings relating to winding up, insolvency being initiated against our Company;
- d) security furnished by our Company becomes illegal, invalid, unenforceable or otherwise ceases to be in effect; and
- e) if our Company undergoes any material adverse change.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

For the purposes of the Offer, our Company has informed and obtained the necessary consents required under the relevant documentation for its borrowings, including for undertaking activities such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company. For further information, see "*Risk Factors - We have entered into, and in the future may enter into, financing agreements containing terms or covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants as well as the payment of interest under our debt financing arrangements could adversely affect our business, results of operations and financial condition.*" on page 48.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as on September 30, 2021, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 28, 205 and 276, respectively.

| <i>(in ₹ million)</i> | | |
|---|---------------------------------------|--|
| Particulars | Pre-Offer as on September 30, 2021 | As adjusted for the proposed Offer* |
| Debt | | |
| Current borrowings | 7,310.57 | [●] |
| Non-current borrowings | - | [●] |
| Total Debt (A) | 7,310.57 | [●] |
| Total Equity | | |
| Equity share capital | 95.25 | [●] |
| Instruments entirely equity in nature | 108.71 | [●] |
| Other equity | 6,125.71 | [●] |
| Total Equity (B) | 6,329.67 | [●] |
| Ratio: Non-current borrowings / Total Equity | - | [●] |
| Ratio: Total Debt (A)/ Total Equity (B) | 1.16 | [●] |

* The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.

Subsequent to September 30, 2021, Pursuant to the resolutions passed by our Board of Directors on December 15, 2021 and our Shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each. Further, appropriate adjustments to the conversion ratio of outstanding Preference Shares have been made and the conversion ratio accordingly stands adjusted, pursuant to such sub-division.

Subsequent to September 30, 2021, on December 28, 2021, the Company has allotted 102,000 Equity Shares to Sushant Dalmia pursuant to exercise of 102,000 stock options under the ESOP 2019 and on January 13, 2022, the Company has allotted 463,500 Equity Shares to allotted to Innoven Capital India Private Limited pursuant to the exercise of right to subscribe shares in our Company in term of the right to subscribe agreement dated July 16, 2019 and share subscription agreement dated January 7, 2022 between our Company and Innoven Capital India Private Limited.

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

You should read the following discussion in conjunction with our Restated Ind AS Consolidated Financial Statement as of and for the six months period ended September 30, 2021 and the Financial Years ended March 31, 2021, 2020, and 2019, including the related notes, schedules and annexures. Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2021 and 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 relevant provisions of the SEBI ICDR Regulations, Section 26 of Part I of Chapter III of the Companies Act 2013, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

Unless otherwise indicated, the industry-related information contained in this section is derived from the RedSeer Report. We commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the RedSeer Report. For further details and risks in relation to commissioned reports, see "Risk Factors – Internal Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the RedSeer Report, which has been commissioned and paid for by us, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 51.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" on pages 26 and 28, respectively.

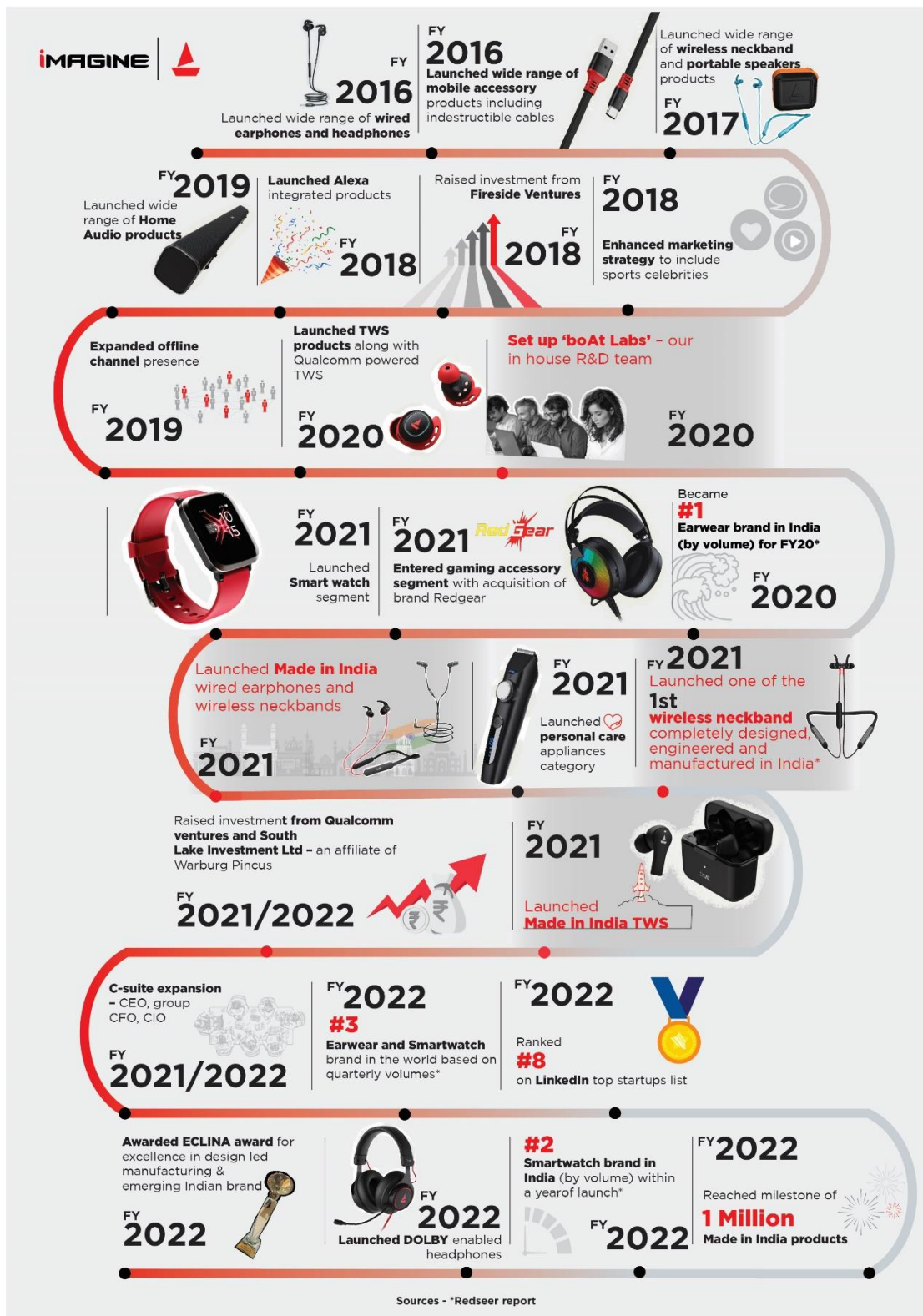
Overview

We are a digital-first consumer products company and one of the largest Indian digital-first brands in terms of revenue from operations for the financial year 2021. (Source: *RedSeer Report*). We have an attractive offering of wide-ranging, high-quality and aspirational lifestyle-focused consumer products at accessible price points, under our brands. Founded in 2013 and led by our flagship brand "boAt" launched in 2014, we have established leading market positions in volume and value terms in India across multiple, high-growth consumer categories such as audio and smartwatch as of September 30, 2021. (Source: *RedSeer Report*).

We seek to identify fast-growing, lifestyle-oriented product categories with high consumer engagement and large market opportunities and disrupt the incumbent industry landscape. We endeavour to achieve this by launching distinctive and aspirational products having a clear value proposition at accessible prices, specifically tailored for the Indian audience and marketed towards the rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers in India. While we initially started our journey with hearables products within the audio category, we offer products across a variety of price points and customer segments across multiple product categories, which comprise (i) audio (wired headphones and earphones, wireless headphones and earphones (neckbands), true wireless stereo ("TWS"), Bluetooth speakers and home theatre systems and sound bars), (ii) wearables (smartwatches), (iii) gaming accessories (wired and wireless headsets, mouse and keyboards), (iv) personal care appliances (trimmers and grooming kits) and (v) mobile accessories (chargers, cables, power banks and other accessories).

Our product mix has evolved significantly over the past several years as we have successfully entered into new product categories and diversified our business. For the year ended March 31, 2019, 96.01% of our revenue from operations was derived from the audio category, nil% from the wearables category and 3.99% from the other category. For the six months period ended September 30, 2021, 83.13% of our revenue from operations was derived from the audio category, 14.05% from the wearables category and 2.82% from the other category.

A timeline setting out significant milestones achieved by us since the launch of our "boAt" brand in 2014 till September 30, 2021 is set out below:



As of September 30, 2021, for the second quarter of Financial Year 2022, we were ranked #1 in India among the wireless hearables brands by value and volume and #2 among smartwatch brands in India in terms of volume (Source: RedSeer Report). Moreover, our market share in both wireless hearables and smartwatch segments has consistently increased over time, and for the quarter ended September 30, 2021, we had a market share of 48% and 23% in terms of volume, and 30% and 13% by value, in the branded wireless hearables and smartwatch markets, respectively (Source: RedSeer Report).

We believe that our digital-first approach has conferred upon us a set of competitive advantages over traditional offline-first business models, and serves as a strong enabler towards achieving our vision of disrupting the incumbent industry landscape within product categories we identify, rapidly building reach and scale, and establishing and maintaining a strong brand in the minds of consumers that can help us garner leading market positions.

- **Reach and accessibility:** We believe that our digital-first approach has enabled us to rapidly penetrate our target markets. India's large and fast-growing e-commerce ecosystem and its enabling infrastructure allows digital-first brands to instantly cater to over 90% pin codes across India (Source: *RedSeer Report*). Additionally, our digital-first approach enables us to reach a wider audience and gain better access to potential consumers through access to data, which is more readily available in an online distribution environment, helping us identify trends and product white spaces.
- **Agility and rapid pace of innovation to deliver a compelling value proposition:** As per the RedSeer Report, digital-first brands are better positioned to track customer journey and transactional behavior than offline-first legacy brands. We believe that this allows us to better understand consumer behavior and derive sharp insights which help us better predict and understand shifts in preferences for our products. Our digital-first approach provides us with near real time consumer feedback through ratings and reviews, as well as the ability to track our customers' purchase journey and to engage with them on a continual basis. These elements of a digital-first approach help us gain insights into consumer behaviour and understand and predict shifts in preferences for our products, in turn helping us in better demand forecasting and new product development.
- **Width of offering:** Our digital-first approach provides us with the ability to launch new products and SKUs at a lower cost and at greater speed as compared to traditional offline channels (Source: *RedSeer Report*). As a result, our approach allows us to offer a wide assortment of products as well as build depth across several sub-categories, thereby addressing various nuanced consumer needs. We launched 40, 70, 77, 45 new SKUs in the financial years ended March 2019, 2020, 2021 and six months period ended September 2021 respectively.

We aim to grow our consumer base and attract new consumers through effective branding, targeted advertising and consumer engagement. According to the RedSeer Report, our flagship brand "boAt" has (i) a higher top-of-mind awareness among its users, compared to top-of-mind awareness of other comparable brands (in hearables and wearables markets) among their respective users, and (ii) a higher unaided recall than other comparable brands (in hearables and wearables markets) among the respective non-users, which we believe has contributed to the growth in our consumer base. For the third quarter of Financial Year 2022, as per Flipkart's brand awareness index, our flagship "boAt" brand enjoyed the highest brand awareness score in the personal audio and wearables segments. Further, several of our products such as Rokerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces.

Further, our marketing and branding capabilities have enabled us to achieve high sales volumes. Accordingly, our flagship brand "boAt" has attained the #1 ranking among wireless hearables brands in terms of volume over multiple quarters from 2019 to the second quarter of the financial year 2022 (Source: *RedSeer Report*). In less than a year after launch in 2020, our flagship brand "boAt" has also been recognised as the #2 smartwatch brand in India in terms of volume for the second quarter of financial year 2022 (Source: *RedSeer Report*). For the six month period ended September 30, 2021, RedGear was one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*).

We have also made significant investments in developing our platform, including investing in our brands, building strong capabilities across design, research and development, technology relationships and supply chain, honing our digital marketing capabilities, recruiting key senior team members, and making acquisitions of brands/businesses which we are able to leverage as we seek to scale our business and further expand our product offerings and our channels of distribution, both within and outside India.

Our product design and development initiatives are housed under 'boAt Labs', our in-house research and development team that is focused on innovation, developing new products and other functions, including bill of material optimization and quality control. As of September 30, 2021, our 'boAt Labs' team comprised of 26 engineers, and included specialized hardware, firmware and software engineers with expertise in hardware design and development, software design and development and mobile application development. Through 'boAt Labs'

we have developed our own proprietary technology stack in-house, which consists of IoT solution design, software and hardware design, cloud development, semi-conductor validation and embedded software design.

Furthermore, our Company along with our subsidiary, Imagine Marketing Singapore entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries, in January 2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the Internet of Things (“IoT”) space and has a technology-focused platform for wearables through patented AI and ML capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases.

Our collaboration with established technology industry participants has helped us offer innovative products and provides us with insight into next-generation technology, which we can incorporate in our product offerings. For instance, we benefit from our relationships with industry participants such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp and integrate components and technology developed by them in our products, thereby enabling us to offer wide-ranging, high quality and aspirational lifestyle-focused consumer products at accessible price points.

Over the years, we have developed relationships with a diverse set of manufacturers and product developers across China, Vietnam and India and have entered into exclusive agreements with a number of them to manufacture products using design specifications and standards established by us. We maintain oversight, control and input on the manufacturing process and in some cases further support this by facilitating the delivery of raw materials and components from our suppliers to our contract manufacturers given the relationships we have with our suppliers. Additionally, we perform value engineering to optimize the cost and performance of our products. We have also implemented quality control and assurance parameters, and continue to improve these processes with our suppliers and manufacturers. Outsourcing the manufacturing of our products enables us to leverage the capabilities of a broad range of manufacturers and provides flexibility to meet our production needs.






We are also committed to developing and supporting the manufacturing ecosystem in India. We have begun working with over 10 suppliers in India for products across categories. We facilitate development and procurement for these manufacturers while making investments in moulds, establishing quality parameters and testing protocols. In addition, we entered into an agreement to establish a joint venture with Dixon Technologies in January 2022 for manufacturing and developing our Bluetooth-enabled hearables products.

We aim to continue to leverage our digital-first capabilities as well as our platform of strong consumer lifestyle brands to further build a portfolio of products across a wide range of consumer categories in India as well as expand in other markets beyond India. We believe that we are well-positioned to achieve this vision by leveraging the investments we have made in our “boAt” brand and our platform including strong supply channel relationships and research and development capabilities, coupled with our ability to understand and target India’s large, digitally savvy consumer base.

We have grown our revenue from operations at a CAGR of 141.18% between financial years 2019 and 2021. Our revenue from operations was ₹2,258.49 million, ₹6,091.07 million, ₹13,137.16 million and ₹15,478.66 million for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, respectively. Our profit for the period/year for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021 was ₹80.37 million, ₹477.98 million, ₹865.37 million and ₹1,183.15 million, respectively, representing a profit after tax margin of 3.56%, 7.85%, 6.59% and 7.64%, respectively. For the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, we generated EBITDA of ₹141.40 million, ₹759.39 million, ₹1,332.95 million and ₹1,715.73 million, respectively, representing EBITDA Margin of 6.26%, 12.47%, 10.15% and 11.08% respectively. For the financial years, 2020 and 2021 and the six months period ended September 30, 2021, we generated an Operating ROCE of 92.69%, 56.03% and 21.69% (not annualized), respectively. Thus, we believe we have demonstrated the ability to grow rapidly while remaining profitable and delivering robust Operating ROCEs despite significant investments being made in building the brand and the business.

Our Portfolio

Our portfolio includes products under our flagship “boAt” brand, as well as under other brands such as “RedGear”, our value-oriented gaming accessories brand, “TAGG”, our premium audio and wearables brand, “Misfit”, our personal care and grooming sub-brand, and “DEFY”, our value-oriented audio brand.

| Brands | Product Category and Positioning | Year of Launch / Acquisition |
|---|---|------------------------------|
|  | Audio, wearables and mobile accessories | 2014 |
|  | Gaming accessories | Acquired in 2020 |
|  | Audio and wearables | 2021 |
|  | Personal care | 2021 |
|  | Audio and wearables | Acquired in 2021 |

Through this portfolio of brands, we are able to target specific segments and channels within the consumer devices market and offer a range of aspirational products at affordable price points, thereby catering to a large section of the Indian population. We continue to further develop and grow our brands and aim to launch additional brands in the consumer products space, both within and outside India.

Audio

We launched our “boAt” brand in 2014 with a foray in the audio market in India which we identified as a category with significant growth potential. We had considered the potential to disrupt the then-incumbent industry landscape by launching distinctive and aspirational products having a clear value proposition at accessible price points, and specifically tailored for the Indian audience. By differentiating our product offerings with well-designed lifestyle-oriented products indigenized to the Indian market, we have launched a wide range of SKUs for specific-use and sub-segmented users. For instance, most of our hearables are ‘IPX’ certified and developed with ‘sweat resistant’ capability and designed primarily for noisy environments, features which may be well-suited to the Indian environment. With the impetus of our marketing efforts, primarily through the online channel and marketed towards the rapidly emerging online audience of young, digitally-enabled and trend-conscious consumers in India, we are able to cater to the large consumer base in India and compete with existing brands in hearables.

Our products in the audio category are available under our flagship brand “boAt”, as well as under brands “RedGear”, “TAGG” and “DEFY”, with a range of products such as home theatre systems, sound bars, wired earphones and headphones, wireless headphones and earphones and true wireless stereo.

Evidenced by the growth of revenue from operations in the audio category for the years/period presented, we believe that our journey in the audio category has driven consumer awareness and excitement around our products. Capitalizing on our digital-first approach, we have been able to achieve market leadership in hearables in terms of revenue from operations, which has enabled us to better understand the demands of the Indian consumer and benefit from swift consumer feedback loop which is one of the features of an online distribution environment. boAt was ranked #1 in India among the wireless hearables' brands in volume term with a market share of 48%, by volume and 30% by value, and has maintained the #1 position in this category by volume since 2019, with a consistent increase in market share annually (Source: *RedSeer Report*).

Wearables

We have identified wearables as a category with a large market potential and similar growth dynamics to the audio category, with the segment having massive room for growth in the future (Source: *RedSeer Report*). Launched in October 2020, our products in wearables (only smartwatches currently) are available under our flagship brand “boAt” and our recently acquired brand, “TAGG”. We continue to focus on expanding our presence in this category by enhancing our reach through different channels, geographies and brands. Similar to our approach in the audio category, our products in wearables are customised to the nuances of the Indian market. For instance, most of our smartwatches are sweatproof and waterproof, and are ‘IPX’ certified. Our smartwatches also have features such as long battery life, multiple watch faces and strap colours to drive personalization, and several sensors to track various health metrics such as in-built GPS, heart rate, measuring steps and SpO₂.

Wearables is one of our primary product categories where we have established a market leading position and in the second quarter of financial year 2022, our “boAt” brand was ranked #2 in India among smartwatch brands and the tenth largest among smartwatch brands globally in terms of volume (Source: *RedSeer Report*). Our ‘Storm’ smartwatch is the leading smartwatch in India in terms of volume for the six month period ended September 30,

2021 (Source: *RedSeer Report*) and our ‘Xtend’ smartwatch is one of the earliest ‘Alexa-compatible’ and voice enabled smartwatch to be launched in India (Source: *RedSeer Report*).

We believe our success in expanding our presence from the audio category to wearables in a relatively short span of time reflects the strengths of our brand, our ability to gauge the pulse of the consumer devices market and successful execution of our vision to disrupt the incumbent landscape in attractive consumer categories. We believe our ability to effectively communicate our offerings in a targeted manner through our various associations and ambassador relationships has also helped us maintain a high value perception of our brands and reflects our ability to develop and diversify our product mix and leverage our growth playbook across product categories, while capitalizing on the strong equity generated by our brands.

Other Categories (Gaming Accessories, Personal Care Appliances, Others)

We have also embarked on similar product expansion initiatives across several other categories such as gaming accessories, which has grown in popularity across the country with a new audience of casual and serious gamers looking to invest in consoles and affiliated accessories (Source: *RedSeer Report*). Our products in this category are offered through our flagship “boAt” brand and “RedGear”, our value-oriented gaming accessories brand. For the six month period ended September 30, 2021, RedGear was one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*). We have since diversified the sales channels of RedGear by expanding into other online marketplaces and offline channels.

Similarly, we successfully ventured into the personal care appliances category in the third quarter of financial year 2022, and currently retail under the sub-brand “Misfit”, which offers products such as men’s trimmers and men’s grooming sets. We also sell a range of ancillary products that complement our products under the audio and wearables categories. These products include cables, chargers and power banks.

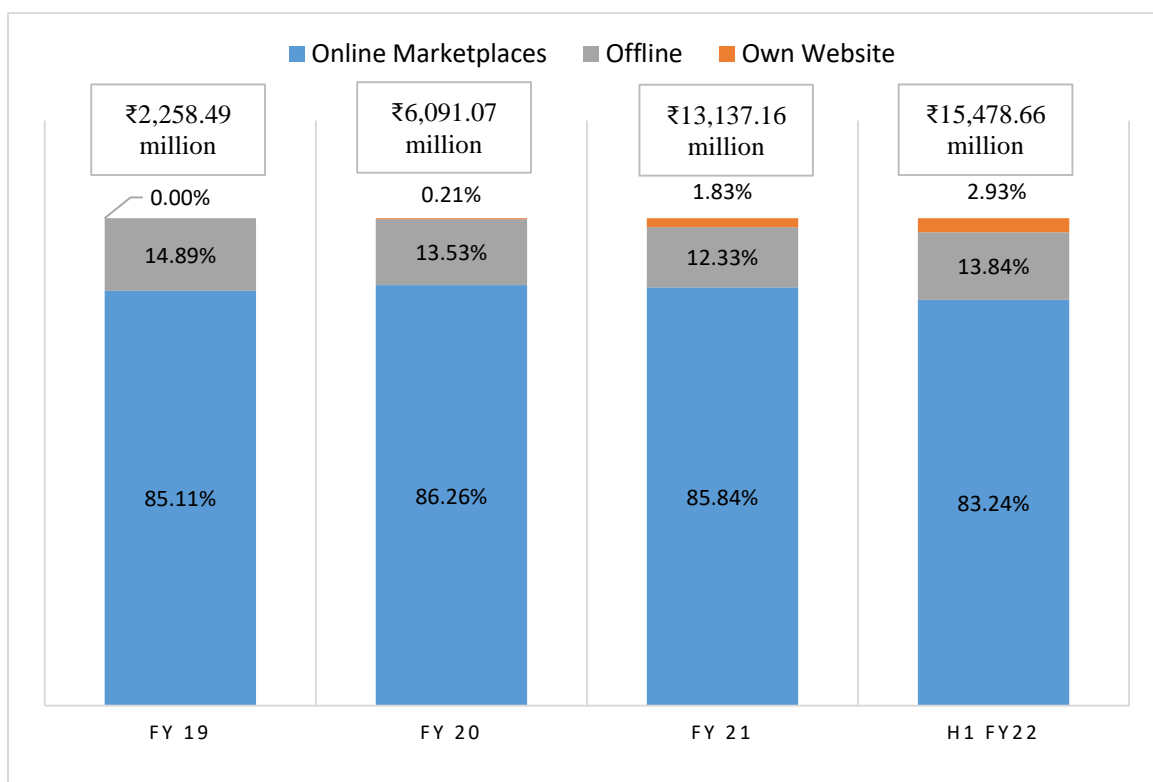
Channels

Along with developing and growing our product portfolio, we have also expanded our presence across online and offline channels to widen our distribution footprint. India’s large and fast-growing e-commerce ecosystem and its enabling infrastructure allows digital-first brands to instantly cater to over 90% pin codes across India (Source: *RedSeer Report*) and we believe that our digital-first approach has enabled us to rapidly penetrate our target markets. As a digital-first consumer products company, we have scaled our business by selling our products predominantly through established online marketplaces and we continue to expand our online presence through additional online marketplaces and our own website.

Our offline presence complements our digital-first model and further helps develop brand visibility and extends our reach.

Historically, the offline channel was not a key focus area for our Company. As we recognize the significant opportunity in offline channels within our product categories, both in terms of sales as well as branding benefits, we aim to significantly expand our footprint to the offline channel through omni-channel and offline retailers and distributors. For the quarter ending September 30, 2021, we were ranked as the #1 offline wireless hearables and wearables brand in India in terms of volume (Source: *RedSeer Report*). As of September 30, 2021, our products were available for sale in over 23,000 retail stores across India, and facilitated by a retail network of over 51 distributors and more than 180 sub-distributors in India, with a presence in over 32 states and Union Territories.

The table below sets out the percentage of our Sale of Products made through the online and offline channels for the Financial Years 2019, 2020 and 2021, and the six months period ended September 30, 2021:



Geographies and Demographics

We are currently exploring opportunities in overseas markets, which we believe can be a compelling growth vector for us. As part of our growth initiatives, we seek to leverage the established presence of online marketplaces with whom we work in the overseas markets. Our overseas expansion efforts are focused in international markets such as the United Arab Emirates, Nepal and countries in the South East Asia region, which we believe have a large Indian diaspora and/or a population with similar tastes and preferences as the audience in India.

Significant Factors Affecting Our Results of Operations

Our Ability to Attract New Consumers and Retain Existing Consumers through Effective Branding, Targeted Advertising and Engagement

Our revenue growth is significantly dependent on our ability to continually attract new consumers, retain existing consumers and cultivate loyalty through repeat purchases. In prior periods, the growth in the popularity and recognition of our brands (in particular our flagship “boAt” brand), the growth in our portfolio of products and stronger consumer engagement have led to an increase in our sales volumes and revenue from operations. As a result, our revenue from operations has grown from ₹2,258.49 million for Financial Year 2019 to ₹6,091.07 million for Financial Year 2020 and ₹13,137.16 million for Financial Year 2021. Our revenue from operations for the six months period ended September 30, 2021 was ₹15,478.66 million. We aim to continue to grow our operations. However, we cannot assure you that we will be successful in our expansion endeavors or be able to sustain our growth, which may vary from quarter to quarter. Moreover, as we expand into new product markets, we may not be able to sustain our profit margins, which may affect our profitability.

We aim to grow our consumer base and attract new consumer through effective branding, targeted advertising and consumer engagement. Further, our strong marketing and branding capabilities have enabled us to successfully market our products, as a result of which a number of our products have achieved high sales volumes. For example, our flagship brand ‘boAt’ attained the leading brand ranking in the earwear category over multiple quarters from the fourth quarter of the financial year 2019 to the second quarter of the financial year 2022. Further, in less than a year after launch, our flagship brand “boAt” was the #2 smartwatch brand in India in terms of volume for the second quarter of financial year 2022 (Source: *RedSeer Report*).

Several of our products such as Rockerz 255, Airdopes 131 and Storm smartwatch have a rating of over 4 (out of 5) with over 400,000 ratings across online marketplaces. For the six month period ended September 30, 2021,

RedGear is one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces (Source: *RedSeer Report*).

In order to market our products, we utilize a mix of product and brand marketing, including brand campaigns on social media. For example, we have also executed campaigns with certain teams participating in the Indian Premier League cricket tournament and with the Sunburn music festival in Goa, India. We also have associations with several musicians, Bollywood celebrities, cricket players and influencers across digital and non-digital platforms. As a result of these initiatives, we are able to popularise our products amongst consumers, which has driven the growth in our revenues. We have also launched multiple products in association with celebrities and global brands such as Masaba, Kunal Rawal and Marvel. Going forward, we aim to continue growing our consumer base and encouraging customer loyalty, which we expect will contribute to increase in our revenue from operations in the future.

Further, we currently sell our products only in India, and intend to expand our operations into international markets that have a large Indian diaspora with similar tastes and/or preferences, such as the United Arab Emirates and countries in South Asia and South East Asia regions. Amongst other factors, we believe that the strong brand equity we have created as well as our perceived trendiness particularly among young digitally-enabled consumers as well as our understanding of Indian consumers' tastes and preferences can enable us to engage such consumers in our target international markets. We intend to leverage the established presence of our online channel partners in India to guide possible subsequent investments in marketing and brand building in overseas markets.

Our Ability to Continue Launching Differentiated Products to Meet the Evolving Needs of Consumers

We believe that our digital-first approach has conferred upon us a set of competitive advantages over traditional offline-first business models, and serves as a strong enabler towards achieving our vision of disrupting the industry landscape within product categories we identify, rapidly building reach and scale, and establishing and maintaining strong brands in the minds of consumers that can help us garner leading market positions. Being one of the first companies in India to establish a digital-first model, the leading market position of our "boAt" brand provides us with a significant opportunity to capitalize on market trends prevalent in India and expand our product offerings across multiple adjacent product categories with a high-growth potential.

Our audio products has a wide range of features such as fast pairing, proximity ear sensing, wear detection, swipe gestures, dual pairing, voice control with Alexa, active noise cancellation, Dolby Atmos with 7.1 channels, ultra-low latency, Dual Equalizer, fast charging, 3D spatial sound, AI Denoising, touch sensor integration and Laser Direct Structuring Antenna. Our wearables incorporate Alexa-enabled features, multiple sports modes, seamless app integration and analytics, cricket score notification and multiple sensors.

Set forth below are certain examples of differentiated products that we have launched in the recent past:

- we launched products which incorporate ruggedised cables and accessories catering to specific consumer needs of long, flexible and long lasting cables. Our audio range offers products with tangle free wires, high bass, sweat resistant, long battery life, high quality sound and fashionable aesthetics at affordable price points to meet the evolving consumer demands;
- we recently launched wearable products with various sports modes, health and fitness tracking, SpO2 monitoring and other sensors. The wearables products have scaled up since their launch, and the contribution of wearables to our revenue from operations increased from 4.17% for financial year 2021 to 14.05% for the six months period ended September 30, 2021. As a result of the growth in revenues from wearables, our flagship brand "boAt" was the #2 smartwatch brand in India in terms of volume for the second quarter of financial year 2022 (Source: *RedSeer Report*);
- our 'Xtend' smartwatch, which we launched in June 2021, is one of the earliest 'Alexa-compatible' and voice enabled smartwatches to be launched in India (Source: *RedSeer Report*);
- our range of gaming products are offered under our flagship brand 'boAt' and 'RedGear', which was one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick) market based on sales volume on leading e-commerce marketplaces for the six month period ended September 30, 2021, (Source: *RedSeer Report*); and
- our 'Storm' smartwatch is the leading smartwatch in India in terms of volume for the six month period ended September 30, 2021 (Source: *RedSeer Report*). We launched this product in January 2021 and

sold 0.95 million units in the six months period ended September 30, 2021.

Our ability to launch innovative products in the market at affordable prices enables us to grow our market share and enhance our value proposition. In prior periods, new product introductions have had a significant, positive impact on our operating results due primarily to increases in revenue associated with sales of the new products in the quarters following their introduction. For example, we launched 70 new products in Financial Year 2020 (as compared with 40 in Financial Year 2019), which positively impacted our revenues for the year. Further, in Financial Year 2021, we also launched certain products which have higher average selling prices, such as 27 new TWS products, which also contributed to the growth in our revenues.

We believe that we need to continue to maintain and expand our product offerings and grow our revenues. The combination of our wide portfolio of products and competitive pricing enables us to attract more consumers to our product offerings. Having a broad, attractive and updated product mix also helps increase consumer loyalty and encourages repeat purchases by consumers. In the future, we intend to continue to release new products and enhance our existing products, and we expect that our operating results will be impacted by these releases. We will focus on products which provide higher average selling prices and can provide us with higher profit margins while maintaining value-based pricing.

Further, we intend to continue to invest in research and development to enable us to introduce innovative new products and services and enhance existing products and services. We intend to leverage upon our partnerships with established technology industry participants such as Qualcomm (also one of our shareholders), Bharat FIH Ltd (a Foxconn Technology Group Company), Google, Dolby International AB, Dolby Laboratories Licensing Corporation, Airoha Technology Corp. and Realtek Semiconductor Corp from whom we are able to source technology and components for the manufacturing of our products by our contract manufacturers. Through 'boAt Labs', we are developing our own proprietary technology stack in-house, which consists of IoT solution design, software and hardware design, cloud development, semi-conductor validation and embedded software design. We intend to augment our research and development capabilities through organic and inorganic methods in order to remain agile and offer the consumers with value added products. For additional details, please see "*Our Business – Competitive Strengths - Our digital-first platform capabilities are targeted to enable growth and continue to allow us to build a presence across multiple consumer categories*" on page 149.

Ability to sustain strong relationships with our channel partners to ensure effective distribution of our products

Our ability to sustain strong relationships with our channel partners ensures the effective distribution of our products. Our primary sales channel is through online marketplaces, and for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, sales from online channels constituted 85.11%, 86.47%, 87.67% and 86.16% of our revenue from operations, respectively, with the remainder derived from offline channels. We are also reliant on our distributors, including modern retailers, and for the financial years 2019, 2020 and 2021 and the six months period ended September 30, 2021, we derived 9.95%, 7.80%, 6.41% and 7.03% of our revenue from operations from five of our most used distributors including modern retailers, respectively. Further, as part of our future growth initiatives, we seek to leverage the established presence of our existing channel partners in international markets.

We monitor the prices at which the online marketplaces sell our products to customers and which our distributors sell our products to retailers and in turn by retailers to customers. For instance, pursuant to our agreements with certain online marketplaces, we mutually agree on price ranges and discounts (where applicable) at which they are obliged to sell our products. As of September 30, 2021, our products were available for sale in over 23,000 retail stores across India, and facilitated by a retail network of over 51 distributors and more than 180 sub-distributors in India, with a presence in over 32 states and Union Territories. We intend to expand our network of presence in retail stores in future. In the past 18 months, we have developed online commerce system on our website. During the six months period ended September 30, 2021, our website commerce activities contributed 2.93% of our revenue from operations. For the Financial Year 2021 and the six months period ended September 30, 2021, we were able to gross over 2.5 million and 10 million visits on a monthly average basis, respectively, on our online webstore. We utilize multiple channels to interact with our customers and intend to continue investing in these channels.

Ability to ensure consistent supply of our products so that products are readily available to consumers

We maintain consistency of supply of our products by engaging reputable suppliers, logistics companies and vendors. We maintain strong relationships with factories, suppliers and manufacturers and aim to communicate effectively with them so that any changes and modifications to production and delivery schedules can happen

effectively. We also use strategic sourcing to avoid interruptions and overcome challenges relating to delivery timelines. This makes it easier to respond rapidly to shifting market conditions, consumer demand, or opportunities for improvement in a product's design. We also create processes and protocols that sets out standard practices for employees to maintain consistent quality in products and customer service.

We engage contract manufacturers based in China, Vietnam and India to manufacture our products using design specifications and standards that we establish. We maintain robust oversight, control and input on the manufacturing process and further support this by facilitating the delivery of raw materials and components from our suppliers to our contract manufacturers. We believe that outsourcing the manufacturing of our products enables us to leverage the capabilities of a broad range of suppliers and provides flexibility to meet our production needs.

Quality control processes for our products are conducted at the facilities of our manufacturers prior to shipment to our facilities. Immediately after completion of production, an inspection is carried out by the respective manufacturer, and if any defects are discovered at this stage, remedial actions are taken. Once we have received the shipment from our manufacturers, we conduct a physical verification of the inventory at our warehouse, and any shortfall in inventory at this stage is accounted for the respective manufacturer.

Purchases of stock-in-trade, changes in inventories of stock-in-trade and operating efficiency

Our ability to manage our stock-in-trade while maintaining and enhancing operation efficiency, impacts our ability to maintain or increase our margins. For the six months period ended September 30, 2021, financial years 2021, 2020 and 2019, the sum total of our purchases of stock-in-trade and changes in inventories of stock-in trade amounted to ₹12,085.65 million, ₹10,208.37 million, ₹4,496.74 million and ₹1,739.12 million, which represented and 78.08%, 77.71%, 73.83% and 77.00%, respectively, of our revenue from operations.

We seek to continue to pursue cost efficiencies to maintain or increase our margins. We believe that with the expansion in our sales volumes, we will be able to attain cost efficiencies through economies of scale. We also aim to invest in efficient sourcing and planning, which will help us improve our margins. Our ability to manage and proportionately reduce our costs of goods sold as we grow our revenue from operations would allow us to improve our margins in future periods, whereas an inability to do so would decrease our margins and, in turn, our profitability.

Our Significant Accounting Policies

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. We have a single stream of revenue i.e. Sale of products

Sale of Products

We recognise revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.

Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. We review modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Variable Consideration

If the consideration in a contract includes a variable amount, we estimate the amount of consideration to which we will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Right of Return

We provide a customer with a right to return in case of any defects or on grounds of quality. We use the expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, we recognize a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Contract Balances

Contract assets: We classify our right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before we transfer goods or services to the customer, a contract liability is recognised when the payment is received.

Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 30 days to 60 days.

Recognition of Dividend Income, Interest Income or Expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in the restated consolidated statement of profit and loss on the date on which our right to receive payment is established.

Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to us and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the restated consolidated statement of profit and loss as and when incurred.

Capital Work In Progress and Capital Advances

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation and Useful Lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the written down value method using the rates arrived at based on the useful lives estimated by the management which are in lines with those prescribed in Part C of schedule II of the Act.

| Tangible Asset | Useful Life |
|------------------------|---|
| Plant and Equipment | 2 years |
| Furniture and fixtures | 10 years |
| Office equipment | 5 years |
| Computers | 3 years |
| Leasehold Improvement | Lower of useful life of the leasehold improvement or the lease term |

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, we have elected to continue with the carrying value of all the items of property, plant and equipment recognized as at April 1 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. We have followed the same accounting policy choices (both

mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2020 while preparing the Restated Consolidated Financial Information for the years ended March 31, 2020 and March 31, 2019.

Intangible Assets

Recognition and Measurement

Intangible assets comprise primarily of brands. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the statement of profit and loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method, and is included in the Depreciation and Amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

| Intangible Asset | Useful Life |
|-------------------------|--------------------|
| Brands | 10 years |

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the restated consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, we have elected to continue with the carrying value of all the items of intangible assets recognized as at April 1, 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Impairment

Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-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 considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the restated consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years

Financial assets

We assess on a forward looking basis the expected credit losses associated with our assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. We recognise loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

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 effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

We consider a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to us in full, without recourse by us to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when we have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. We expect no significant recovery from the amount written off during the year.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

Financial Instruments

Financial Assets

(i) Recognition and Initial Measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when we become a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

(ii) *Classification and Subsequent Measurement*

On initial recognition, a financial instrument is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; or
- Fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period we change our business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

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

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collect contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, we may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets, if any. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent Measurement and Gains and Losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI: These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

(iii) Derecognition of Financial Assets

A financial asset is derecognized only when:

- We have transferred the rights to receive cash flows from financial asset; or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where we have transferred an asset, we evaluate whether we have transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where we have neither transferred a financial asset nor retain substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if we have not retained control of the financial asset. Where we retain control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liability

(i) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or 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/ losses are not subsequently transferred to restated consolidated 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 recognized in the restated consolidated statement of profit or loss. We have not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (“EIR”) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 amortization is included as finance costs in the restated consolidated statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated consolidated statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Compound Financial Instruments

Compound financial instruments issued by us comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Cash and Cash Equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from our operating, investing and financing activities are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of our cash management and are included as a component of cash and cash equivalents.

Foreign Currency Transactions and Translations

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in restated consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in restated consolidated

statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Employee Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. We make specified contributions towards Government administered provident fund scheme, labour welfare fund and employees' state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined Benefit Plan

Our gratuity plan is a defined benefit plan. Our net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the restated consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the restated consolidated statement of profit and loss in the subsequent period. We determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans are recognised under "Finance costs" in the restated consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the restated consolidated statement of profit and loss. We recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs in the restated consolidated statement of profit and loss.

Short-term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if we have a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

Other Long-term Employee Benefits

Our net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated

at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the restated consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

Equity Settled Share Based Payments

Our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. 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 our best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. 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 the Restated Consolidated Statement of Profit and 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 include:

- (i) interest expense calculated using the effective interest rate method;
- (ii) finance charges in respect of leases;
- (iii) interest expenses on bill discounting; and
- (iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the restated consolidated statement of profit and loss in the period in which they are incurred.

Leases

Effective April 1, 2020 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), we have applied Ind AS 116. For the purpose of preparation of Restated Consolidated Financial Information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended March 31, 2021. Hence in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from April 1, 2020 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

In accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with ICAI Guidance Note on Report on Company Prospectuses (Revised 2019), the Restated Financial Information for the years ended March 31, 2020 and March 31, 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. April 1, 2020) following accounting policies consistent with that used at the date of transition to Ind AS. The Ind AS adjustments as described above are more fully described in Note 43 of Annexure VII to the Restated Consolidated Financial Information.

We assess whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

- (i) the contract involves the use of an identified asset;
- (ii) we have substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) we have the right to direct the use of the asset.

We also applied the available practical expedients wherein we:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on our assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Right-of-use Assets

We recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liability

At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating the lease, if the lease term reflects us exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use our incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

We have applied the short-term lease recognition exemption to our short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognise a deferred tax asset only to the extent that we have sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Provisions, Contingent Liabilities and Contingent Assets

General Provision

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. When we expect some or all of a provision to be

reimbursed, the expense relating to a provision is presented in the restated consolidated 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.

Onerous Contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent Assets

Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Warranties

We recognise provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year based on the past trend for actual warranty claims.

Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to our owners for the year by the weighted average number of equity shares outstanding during the reporting period (including instruments entirely equity in nature). The diluted earnings per share is computed by dividing the profit attributable to equity holders (after adjusting the cost recognised during the period for convertible instruments) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). We have identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses which are not attributable or allocable to segments are disclosed separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, our financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

Principal Components of Statement of Profit and Loss

Total Income

Total income consists of revenue from operations and other income.

Revenue from operations

Revenue from operations consists of sale of products. Sale of products relates to transactions where we act directly as the seller of goods we purchase from our suppliers. Revenue from operations from sale of products is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with our consumers.

Other income

Other income consists primarily of interest income on our bank deposit, other interest income, fair valuation gain from investments designated at fair value through profit or loss, provisions and liabilities no longer required written back and non-operating income.

Expenses

Our expenses consist of (i) purchase of stock-in-trade, (ii) changes in inventories of stock-in-trade, (iii) employee benefit expenses, (iv) finance costs (v) depreciation and amortisation expenses and (vi) other expenses.

Purchase of stock-in-trade

Purchase of stock-in-trade consist of the goods that we purchase from our suppliers.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade consists of inventory at the beginning of the year and inventory at the end of the year.

Employee benefits expense

Employee benefit expense primarily comprises salaries, wages and bonus paid to our employees. In addition, employee benefit expense also comprises contributions to provident fund and other funds, gratuity expenses, compensated absence, share-based payment expenses and staff welfare expenses.

Finance costs

Finance costs consist of interest on borrowings from banks and others (primarily working capital loans availed by us), debentures issued by us, other interests, interest expense on financial liabilities at amortised cost and other borrowing costs.

Depreciation and amortisation expenses

Depreciation and amortisation expenses consist of depreciation on right-of-use assets, property, plant and equipment and amortisation of intangible assets.

Other expenses

Other expenses primarily consist of:

- advertisement and business promotion expenses, primarily relating to the marketing, selling and distribution of our products;
- warranty expenses, primarily relating to the payments made to our customers under the warranties provided by us for our products;
- freight and transportation charges, primarily relating to comprises amounts paid to logistics companies for transport of products from our warehouses to customer premises;

Our Results of Operations

The following table sets forth select financial data from our restated Ind AS consolidated summary statement of profit and loss for the six months period ended September 30, 2021, and the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

| Particulars | Six months period ended September 30, | | Financial Years | | | | | |
|--|---------------------------------------|---------------------|------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | 2021 | | 2021 | | 2020 | | 2019 | |
| | (₹ in million) | (% of Total Income) | (₹ in million) | (% of Total Income) | (₹ in million) | (% of Total Income) | (₹ in million) | (% of Total Income) |
| Income | | | | | | | | |
| Revenue from operations | 15,478.66 | 99.66 | 13,137.16 | 99.50 | 6,091.07 | 99.86 | 2,258.49 | 99.88 |
| Other income | 52.85 | 0.34 | 66.59 | 0.50 | 8.52 | 0.14 | 2.63 | 0.12 |
| Total Income | 15,531.51 | 100.00 | 13,203.75 | 100.00 | 6,099.59 | 100.00 | 2,261.12 | 100.00 |
| Expenses | | | | | | | | |
| Purchase of stock-in-trade | 16,320.43 | 105.08 | 12,547.02 | 95.03 | 4,915.06 | 80.58 | 2,008.68 | 88.84 |
| Changes in inventories of stock-in-trade | (4,234.78) | (27.27) | (2,338.65) | (17.71) | (418.32) | (6.86) | (269.56) | (11.92) |
| Employee benefits expenses | 175.12 | 1.13 | 149.20 | 1.13 | 64.92 | 1.06 | 134.61 | 5.95 |
| Finance costs | 99.77 | 0.64 | 118.78 | 0.90 | 100.39 | 1.65 | 24.47 | 1.08 |
| Depreciation and amortisation expense | 31.83 | 0.20 | 31.98 | 0.24 | 13.49 | 0.22 | 2.80 | 0.12 |
| Other expenses | 1,555.01 | 10.01 | 1,513.23 | 11.46 | 771.87 | 12.65 | 245.99 | 10.88 |
| Total Expenses | 13,947.38 | 89.80 | 12,021.56 | 91.05 | 5,447.41 | 89.31 | 2,146.99 | 94.95 |
| Profit before share of losses of equity accounted investee and income tax | 1,584.13 | 10.20 | 1,182.19 | 8.95 | 652.18 | 10.69 | 114.13 | 5.05 |
| Share of loss of equity accounted investee (net of income tax) | - | - | - | - | (6.67) | (0.11) | - | - |
| Profit before tax | 1,584.13 | 10.20 | 1,182.19 | 8.95 | 645.51 | 10.58 | 114.13 | 5.05 |
| Tax expense/(income): | | | | | | | | |
| Current tax | 412.08 | 2.65 | 327.33 | 2.48 | 187.28 | 3.07 | 36.97 | 1.64 |
| Deferred tax | (11.10) | (0.07) | (10.51) | (0.08) | (19.75) | (0.32) | (3.21) | (0.14) |
| Total tax expense/(income) | 400.98 | 2.58 | 316.82 | 2.40 | 167.53 | 2.75 | 33.76 | 1.49 |
| Profit for the Period / Year | 1,183.15 | 7.62 | 865.37 | 6.55 | 477.98 | 7.84 | 80.37 | 3.55 |

Six Months Period Ended September 30, 2021

Total Income

Our total income for the six months period ended September 30, 2021 was ₹15,531.51 million.

Revenue from operations. Our revenue from operations amounted to ₹15,478.66 million for the six months period ended September 30, 2021, comprising sale of products. Sale of products amounted to ₹15,478.66 million for the six months period ended September 30, 2021.

Other income. Our other income amounted to ₹52.85 million for the six months period ended September 30, 2021.

Expenses

Purchases of stock-in-trade and changes in inventories of stock-in-trade. Our purchases of stock-in-trade and changes in inventories of stock-in-trade amounted to ₹12,085.65 million for the six months period ended September 30, 2021.

Employee benefits expense. Employee benefits expenses amounted to ₹175.12 million for the six months period ended September 30, 2021, primarily comprising salaries, stipend, bonus and other allowances amounting to ₹144.50 million.

Finance costs. Our finance costs amounted to ₹99.77 million for the six months period ended September 30, 2021, primarily comprising interest cost on financial liabilities measured at amortized cost relating to other borrowings amounting to ₹86.49 million.

Depreciation and amortisation expense. Our depreciation and amortisation expense amounted to ₹31.83 million for the six months period ended September 30, 2021.

Other expenses. Our other expenses amounted to ₹1,555.01 million for the six months period ended September 30, 2021, primarily comprising warranty expenses amounting to ₹657.70 million, advertisement and promotion expenses amounting to ₹461.66 million and freight and transportation charges amounting to ₹200.10 million.

Tax expense/(income). Our total tax expense amounted to ₹400.98 million for the six months period ended September 30, 2021. Our tax expenses for the six months period ended September 30, 2021 comprised current tax of ₹412.08 million and deferred tax credit of ₹(11.10) million.

Restated profit for the period. As a result of the foregoing, our restated profit for the amounting to ₹1,183.15 million for the six months period ended September 30, 2021.

Financial Year 2021 Compared to Financial Year 2020

Total Income

Our total income increased to ₹13,203.75 million for the Financial Year 2021 from ₹6,099.59 million for the Financial Year 2020, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased to ₹13,137.16 million for the Financial Year 2021 from ₹6,091.07 million for the Financial Year 2020, primarily due to an increase in sale of products.

Our revenue from operations from sale of products increased to ₹13,137.16 million for the Financial Year 2021 from ₹6,091.07 million for the Financial Year 2020, primarily due to an increase in the revenues from the sale of: (i) our audio products by ₹6,338.66 million due to an increase in the demand for our products in financial year 2021 driven by a general increase in online shopping in India during the year, increased brand awareness as a result of our marketing initiatives and the launch of several new products during the year; and (ii) an increase in the sale of cable, chargers, mens grooming kit and gaming equipments by ₹159.38 million for the Financial Year 2021, compared to Financial Year 2020 due to an increase in the demand for these products. Further, in Financial Year 2021, we also launched certain products which have higher average selling prices, such as 27 new TWS products, which also contributed to the growth in our revenues.

Other income. Our other income increased to ₹66.59 million for the Financial Year 2021 from ₹8.52 million for the Financial Year 2020, primarily due to an increase in our interest income on bank deposit, and provisions/liabilities no longer required, written back, partially offset by a decrease in other interest income.

Expenses

Purchases of stock-in-trade and changes in inventories of stock-in-trade. Our purchases of stock-in-trade and changes in inventories of stock-in-trade increased to ₹10,208.37 million for the Financial Year 2021 from ₹4,496.74 million for the Financial Year 2020, primarily due to an increase in sale of products that we purchase from our suppliers which we sell directly to our consumers, in line with the growth in the revenue.

Employee benefits expense. Employee benefits expense increased to ₹149.20 million for the Financial Year 2021 from ₹64.92 million for the Financial Year 2020, primarily due to an increase in salaries, stipend, bonus and other allowances to ₹127.88 million for the Financial Year 2021 from ₹58.79 million for the Financial Year 2020 and

an increase in share-based payment expense to ₹11.82 million for the Financial Year 2021 from ₹3.00 million for the Financial Year 2020. The increase in salaries, wages and bonus was primarily due to an increase in our employee headcount from 74 as at March 31, 2020 to 193 as at March 31, 2021 and annual increments, which were both as a result of the overall growth in business.

Finance costs. Our finance costs increased by 18.32% to ₹118.78 million for the Financial Year 2021 from ₹100.39 million for the Financial Year 2020, primarily due to an increase in interest on borrowings from banks and others to ₹74.98 million for the Financial Year 2021 from ₹44.69 million for the Financial Year 2020 as a result of an increase in the utilisation of a working capital loan during Financial Year 2021. This increase was partially offset by a decrease in interest on debentures and other borrowing costs.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased to ₹31.98 million for the Financial Year 2021 from ₹13.49 million for the Financial Year 2020, primarily due to an increase in depreciation of rights-of-use assets to ₹21.44 million for the Financial Year 2021 from ₹10.31 million for the Financial Year 2020.

Other expenses. Our other expenses increased by 96.05% to ₹1,513.23 million for the Financial Year 2021 from ₹771.87 million for the Financial Year 2020, primarily due to:

- (i) an increase in warranty expenses to ₹527.17 million for the Financial Year 2021 from ₹273.47 million for the Financial Year 2020, which was on account of the growth in our sales volumes, which led to increased warranty related expenses in the ordinary course of business;
- (ii) an increase in advertisement and promotion expenses to ₹478.63 million for the Financial Year 2021 from ₹202.88 million for the Financial Year 2020, which was driven by an increase in new consumer acquisition and advertisement initiatives during the year;
- (iii) an increase in freight and transportation charges to ₹217.48 million for the Financial Year 2021 from ₹125.29 million for the Financial Year 2020, due to an increase in the volume of orders during the year.

Tax expense/(income). Our total tax expense increased by 89.11% to ₹316.82 million for the Financial Year 2021 from ₹167.53 million for the Financial Year 2020. Our tax expenses for the Financial Year 2021 comprised current tax of ₹327.33 million and deferred tax credit of ₹10.51 million, while our tax expenses for the Financial Year 2020 comprised current tax of ₹187.28 million and deferred tax credit of ₹19.75 million. The increase in our total tax expense was primarily on account of an increase in our profit before tax for Financial Year 2021, compared to Financial Year 2020. Our effective tax rate was 25.95% and 26.80% for the Financial Years 2020 and 2021, respectively.

Restated profit for the year. As a result of the foregoing, our restated profit for the year increased to ₹865.37 million for the Financial Year 2021 from a restated profit of ₹477.98 million for the Financial Year 2020.

Financial Year 2020 Compared to Financial Year 2019

Total Income

Our total income increased to ₹6,099.59 million for the Financial Year 2020 from ₹2,261.12 million for the Financial Year 2019, due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased to ₹6,091.07 million for the Financial Year 2020 from ₹2,258.49 million for the Financial Year 2019, primarily due to an increase in sale of products.

Our revenue from operations from sale of products increased to ₹6,091.07 million for the Financial Year 2020 from ₹2,258.49 million for the Financial Year 2019, primarily due to: (i) an increase in the sale of wireless audio products by ₹3,778.78 million due to an increase in demand for our products in Financial Year 2020 as a result of a general increase in online shopping in India during the year, increased brand awareness as a result of our marketing initiatives and the launch of several new products during the year (we launched a total of 70 new products in Financial Year 2020, compared to 40 in Financial Year 2019); and (ii) an increase in the sale of other items by ₹53.80 million due to an increase in the demand for our products and the launch of new products (such as cables, chargers and accessories).

Other income. Our other income increased to ₹8.52 million for the Financial Year 2020 from ₹2.63 million for the Financial Year 2019, due to an increase in interest income in bank deposit and others, liabilities no longer

required, written back and other non-operating income, partially offset by a decrease in fair valuation gain from investments designated at fair value through profit and loss (net).

Expenses

Purchases of stock-in-trade and changes in inventories of stock-in-trade. Our purchases of stock-in-trade and changes in inventories of stock-in-trade increased to ₹4,496.74 million for the Financial Year 2020 from ₹1,739.12 million for the Financial Year 2019, primarily due to an increase in sale of products that we purchase from our suppliers which we sell directly to our consumers, in line with the growth in the revenue.

Employee benefits expense. Employee benefits expenses decreased by 51.77% to ₹64.92 million for the Financial Year 2020 from ₹134.61 million for the Financial Year 2019, primarily due to a decrease in salaries, stipend, bonus and other allowances to ₹58.79 million for the Financial Year 2020 from ₹133.58 million for the Financial Year 2019. The decrease in salaries, wages and bonuses was as a result of the payment of a one-time bonus payment under the Fireside Series A SSA.

Finance costs. Our finance costs increased to ₹100.39 million for the Financial Year 2020 from ₹24.47 million for the Financial Year 2019, primarily due to (i) an increase in interest cost on financial liabilities measured at amortized cost on other borrowings to ₹44.69 million for the Financial Year 2020 from ₹16.85 million for the Financial Year 2019 due to (i) an increase in the utilisation of a working capital loan during Financial Year 2020 (ii) an increase in interest expenses on financial liabilities at amortised cost to ₹12.31 million for the Financial Year 2020 from ₹5.44 million for the Financial Year 2019, and (iii) an increase in other borrowing costs (including processing charges) to ₹11.26 million for the Financial Year 2020 from ₹2.00 million for the Financial Year 2019 due to an increase in loan facilities availed by us.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased to ₹13.49 million for the Financial Year 2020 from ₹2.80 million for the Financial Year 2019, primarily due to an increase in depreciation of right-of-use assets to ₹10.31 million for the Financial Year 2020 from ₹1.10 million for the Financial Year 2019 and an increase in depreciation of property, plant and equipment to ₹3.18 million for the Financial Year 2020 from ₹1.70 million for the Financial Year 2019.

Other expenses. Our other expenses increased to ₹771.87 million for the Financial Year 2020 from ₹245.99 million for the Financial Year 2019, primarily due to:

- (i) an increase in warranty expenses to ₹273.47 million for the Financial Year 2020 from ₹48.87 million for the Financial Year 2019, which was due to the growth in our sales volumes, which led to increased warranty related expenses in the ordinary course of business;
- (ii) an increase in freight and transportation charges to ₹125.29 million for the Financial Year 2020 from ₹28.38 million for the Financial Year 2019, which was driven by an increase in the volume of our orders;
- (iii) an increase in advertisement and promotion expenses to ₹202.88 million for the Financial Year 2020 from ₹123.48 million for the Financial Year 2019, which was driven by increase in new consumer acquisition and advertisement initiatives;
- (iv) an increase in provision for loss allowance for trade receivables to ₹58.18 million for the Financial Year 2020 from ₹5.48 million for the Financial Year 2019, on account of certain unreconciled amounts from customers.

Tax expense/(income). Our total tax expense increased to ₹167.53 million for the Financial Year 2020 from total tax expense of ₹33.76 million for the Financial Year 2019. Our tax expenses for the Financial Year 2020 comprised current tax of ₹187.28 million and deferred tax credit of ₹19.75 million, while our tax expenses for the Financial Year 2019 comprised current tax of ₹36.97 million current tax and deferred tax credit of ₹3.21 million. The increase in our total tax expense was on account of an increase in our revenues and profit before tax. Our effective tax rate was 25.95% and 29.58% for the Financial Years 2020 and 2019, respectively.

Restated profit for the year. As a result of the foregoing, our restated profit for the year increased to ₹477.98 million for the Financial Year 2020 from ₹80.37 million for the Financial Year 2019.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our capital expenditure and working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of September 30, 2021, we had ₹351.14 million in cash and cash equivalents and ₹1,166.41 million in bank balances other than cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

Cash Flows

The following table sets forth our cash flows for the period / financial years indicated:

| Particulars | For the six months period ended September 30, 2021 | Financial Year | | |
|--|--|----------------|---------|----------|
| | | 2021 | 2020 | 2019 |
| Net cash (used in) / generated from operating activities | (6,058.30) | (1,421.01) | 18.62 | (259.99) |
| Net cash (used in) investing activities | (2,304.06) | (66.56) | (71.52) | (2.46) |
| Net cash generated from financing activities | 4,963.74 | 2,707.77 | 182.78 | 208.23 |
| Net increase / (decrease) in cash and cash equivalents | (3,398.62) | 1,220.20 | 129.88 | (54.22) |

(₹ in million)

Operating Activities

Net cash flows used in operating activities was ₹6,058.30 million for the six months period ended September 30, 2021. While our restated profit before tax was ₹1,584.13 million, we had an operating profit before working capital changes of ₹2,378.35 million, primarily due to adjustments for provision for warranty of ₹425.44 million, provision for slow and non-moving inventory of ₹155.58 million and finance cost of ₹99.77 million. Our working capital adjustments for the six months period ended September 30, 2021 primarily consisted of an increase in inventories of ₹4,390.36 million, increase in trade receivables of ₹5,661.81 million, increase in other current assets of ₹2,987.15 million, partially offset by an increase in trade payables of ₹4,838.82 million. Our cash used in operations was ₹5,820.95 million, before adjustment for the taxes paid (net of refunds) amounting to ₹237.35 million.

Net cash used in operating activities was ₹1,421.01 million for the Financial Year 2021. While our restated profit before tax was ₹1,182.19 million, we had an operating profit before working capital changes of ₹1,716.58 million, primarily due to adjustments for finance costs of ₹118.78 million, provision for warranty of ₹181.94 million, and provision for slow and non-moving inventory of ₹168.30 million. Our working capital adjustments for the Financial Year 2021 primarily consisted of an increase of inventories of ₹2,506.95 million, increase in other current assets by ₹880.83 million, and increase in trade receivables of ₹187.75 million partially offset by an increase in trade payables of ₹873.06 million. Our cash used in operations was ₹1,088.18 million, before adjustment for the taxes paid (net of refunds) amounting to ₹332.83 million.

Net cash flows generated from operating activities was ₹18.62 million for the Financial Year 2020. While our net profit before tax was ₹645.51 million, we had an operating profit before working capital changes of ₹1,048.44 million, primarily due to adjustments for finance costs of ₹100.39 million and provision for warranty of ₹86.00 million and provision for expected return liability of ₹89.75 million, provision for loss allowance for trade receivables of ₹58.18 million. Our working capital adjustments for the Financial Year 2020 primarily consisted of an increase in inventories of ₹464.27 million, an increase in trade receivables of ₹228.26 million, increase in other current assets of ₹275.51 million, while partially offset by an increase in trade payables of ₹201.87 million. Our cash generated from operations was ₹136.36 million, before adjustment for the taxes paid (net of refunds) amounting to ₹117.74 million.

Net cash used in operating activities was ₹259.99 million for the Financial Year 2019. While our net profit before tax was ₹114.13 million, we had an operating profit before working capital changes of ₹150.65 million, primarily due to adjustments for finance costs of ₹24.47 million. Our working capital adjustments for the Financial Year 2019 primarily consisted of an increase in inventory of ₹269.56 million, an increase in trade receivables of ₹225.17

million and partial offset by an increase in trade payables of ₹115.17 million, Our cash used in operations was ₹234.45 million, before adjustment for the taxes paid (net of refunds) amounting to ₹25.54 million.

Investing Activities

Net cash used in investing activities was ₹2,304.06 million for the six months period ended September 30, 2021, primarily comprising fixed deposits placed of ₹2,252.71 million and purchase of tangible and intangible assets ₹59.06 million.

Net cash used in investing activities was ₹66.56 million for the Financial Year 2021, primarily comprising fixed deposits placed of ₹45.00 million and purchase of tangible and intangible assets ₹51.90 million.

Net cash used in investing activities was ₹71.52 million for the Financial Year 2020, primarily comprising investment made in equity shares of an associate company of ₹50.00 million and fixed deposits placed of ₹12.50 million, purchase of tangible assets ₹9.89 million.

Net cash used in investing activities was ₹2.46 million for the Financial Year 2019, comprising payment for purchase of tangible assets of ₹2.46 million.

Financing Activities

Net cash flows generated from financing activities was ₹4,963.74 million for the six months period ended September 30, 2021, primarily comprising proceeds from short term borrowings other than cash credit (net) of ₹4,624.70 million and proceeds from issue of preference shares, including securities premium of ₹499.96 million, partially offset by repayment of term loan ₹35.29 million and payment towards interest and other borrowing costs paid of ₹92.01 million.

Net cash flows generated from financing activities was ₹2,707.77 million for the Financial Year 2021, primarily comprising proceeds from issue of preference shares, including securities premium of ₹4,400.09 million and proceeds from term loan of ₹100.00 million, partially offset by repayment towards debentures of ₹112.50 million and payment towards buy back of equity shares of ₹1,135.50 million and payment towards distribution tax on the buyback of equity shares of ₹264.52 million.

Net cash flows generated from financing activities was ₹182.78 million for the Financial Year 2020, primarily comprising proceeds from issue of debentures of ₹150.00 million, proceeds from short-term borrowings other than cash credit (net) of ₹134.08 million and proceeds from term loan of ₹40.00 million, partially offset by interest and other borrowing costs paid of ₹72.18 million.

Net cash flows from financing activities was ₹208.83 million for the Financial Year 2019, primarily comprising proceeds from issue of preference shares, including securities premium of ₹210.00 million, partially offset by interest and other borrowing costs paid of ₹15.09 million.

Indebtedness

As of September 30, 2021, we had outstanding consolidated total borrowings of ₹7,310.57 million. Our borrowings are denominated in Indian Rupee as of such date.

Capital and Other Commitments

As of September 30, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹53.31 million.

The following table summarises the maturity profile of our financial liabilities based on contractual undiscounted payments as of September 30, 2021:

| Particulars | Carrying Amount / Fair Value | Undiscounted Amount <i>(in ₹ millions)</i> | |
|-----------------------------|------------------------------|--|------------------|
| | | Within 1 year | More than 1 year |
| Borrowings | 7,310.57 | 7,640.57 | - |
| Lease liabilities | 159.67 | 41.09 | 131.56 |
| Trade payables | 6,058.26 | 6,058.26 | - |
| Other financial liabilities | 28.43 | 28.43 | - |

| Particulars | Carrying Amount / Fair Value | Undiscounted Amount | |
|--------------|------------------------------|---------------------|------------------|
| | | Within 1 year | More than 1 year |
| Total | 13,556.93 | 13,768.35 | 131.56 |

Capital Expenditure

Our capital expenditures primarily relate to computers, office equipment, furniture and fixtures and intangible assets such as brands and software. Our capital expenditure amounted to ₹67.90 million, ₹9.89 million and ₹2.46 million for the Financial Years 2021, 2020 and 2019, respectively.

Our budgeted capital expenditures for the second half of the Financial Year 2022 primarily relate to intangible assets such as software and computers.

Contingent Liabilities

The following table sets forth our contingent liabilities as of September 30, 2021, as derived from our Restated Consolidated Financial Information as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets':

| Particulars | (in ₹ million) | |
|--|--------------------------|--|
| | As of September 30, 2021 | |
| Indirect Tax Matters | 341.98 | |
| Dividend on 0.01% Cumulative Compulsory Convertible Preference Shares of ₹6,000 Each | 0.01 | |

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "Offer Document Summary - Related Party Transactions" on page 16.

Quantitative and Qualitative Analysis of Market, Credit and Liquidity Risks

Our business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. Our senior management has the overall responsibility for establishing and governing our risk management framework. We have constituted a Risk Management Committee, which is responsible for developing and monitoring our risk management policies. Our risk management policies are established to identify and analyse the risks faced by us, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are proposed to be settled by delivering cash or other financial asset. Our financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

We regularly monitor the rolling forecasts to ensure we have sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet our liabilities.

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices. It will affect our income or the value of our holdings of financial instruments.

Our size and operations result in it being exposed to the following market risks that arise from our use of financial instruments:

- currency risk
- price risk
- interest rate risk

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Our functional currency is Indian Rupees and our revenue is generated from operations in India. We do not enter into any derivative instruments for trading or speculative purposes. Our borrowings are all in Indian rupees.

Price risk

We are mainly exposed to the price risk due to our investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. We have laid policies and guidelines which we adhere to in order to minimise price risk arising from investments in debt mutual funds.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Our portfolio of borrowings comprise of fixed rate loans which are monitored continuously in the light of market conditions.

We do not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and we do not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to us. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to us along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

Our exposure to credit risk is the exposure that we have major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. Majority of our sales are to customers that sell through e-commerce marketplaces.

We provide for allowance for impairment that represents our estimate of expected losses in respect of trade and other receivables. We have used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

We have considered an assessment of past history and have taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Other financial assets

We maintain exposure in cash and cash equivalents and term deposits with banks. We have set counter-party limits based on multiple factors including financial position, credit rating, etc. Our maximum exposure to credit risk as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 is the carrying value of each class of financial assets.

Significant Developments subsequent to September 30, 2021

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

1. Pursuant to the resolutions passed by the Board of Directors on December 15, 2021 and the shareholders on December 15, 2021, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Company being 9,525,000 equity shares of ₹10 each was sub-divided into 95,250,000 equity shares of ₹1 each. There is no impact on the value of equity share capital. Corresponding impacts have been made to the conversion price / exercise price of the compulsory convertible preference shares and the options granted respectively.
2. Subsequent to the six months period ended September 30, 2021, the Company has incorporated two new Subsidiaries as below:

| Name of the entity | Date of incorporation | Principle business |
|---------------------------------------|-----------------------|---|
| Imagine Marketing Singapore Pte. Ltd. | November 29, 2021 | Wholesale trade of a variety of goods without a dominant product |
| HOB Ventures Private Limited | December 31, 2021 | Managing and licensing of brands, providing infrastructural facilities in India and abroad by acquiring brands (directly or indirectly) |

3. Subsequent to September 30, 2021, Innoven Capital India Private Limited has exercised the right to subscribe shares of the Company provided as part of the loan agreement. Pursuant to this, the Company has issued 463,500 equity shares of ₹1 each, fully paid to Innoven Capital India Private Limited at an exercise price of ₹43.15 per equity share totaling to ₹20.00 million.
4. Our Company along with Imagine Marketing Singapore Pte. Ltd., a Subsidiary, entered into agreements to purchase all of the outstanding equity shares of KaHa Singapore and its subsidiaries, in January 2022. Founded in 2015, KaHa Singapore has capabilities in developing products in the Internet of Things (“IoT”) space and has a technology-focused platform for wearables through patented AI and ML capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases. Further, the Company, KaHa Singapore, KaHa India and the KaHa Promoters entered into the KaHa India SPA, pursuant to which the Company agreed to purchase equity shares of KaHa India held by KaHa Singapore, subject to the fulfilment of each of the conditions precedent set out in the KaHa India SPA dated January 6, 2022 for a total consideration of USD 1,030,000 (USD 103 per equity share), subsequent to which KaHa India will become a wholly owned subsidiary of the Company.
5. HOB Ventures, Kimirica Promoters, Hunter Amenities, Kimirica Hunter and Kimirica Lifestyle entered into the Kimirica SSSPA dated January 17, 2022, pursuant to which the HOB Ventures agreed to (a) subscribe 4,286 preference shares of Kimirica Lifestyle at 0.01% coupon rate for a consideration of ₹270.02 million; and (b) purchase 476 equity shares of Kimirica Lifestyle from Kimirica Promoters for a consideration of ₹63,000 per equity share, subject to completion of the conditions precedents set out in the Kimirica SSSPA. Upon the issuance of preference shares and transfer of equity shares as aforementioned, HOB Ventures shall hold 33.30% shareholding interest in Kimirica Lifestyle.
6. HOB Ventures, Kimirica Promoters, Hunter Amenities, Kimirica Hunter and Kimirica Lifestyle entered into the Kimirica BTA dated January 17, 2022, pursuant to which Kimirica Hunter has agreed to transfer, as a going concern on a slump sale, the business of ideating, developing, and selling personal care products on online marketplaces, mobile app, website owned/operated and through retail outlets and supplying private label products of Kimirica Hunter to Kimirica Lifestyle, subject to completion of the conditions precedents set out in the Kimirica BTA for a consideration of ₹20 million. In terms of the Kimirica BTA, the transfer excludes the existing business of Kimirica Hunter of manufacturing, sale and supply of luxury toiletries, cosmetics, ayurvedic medicines, preparations, room amenities, amenity kits, sets, hotel and guest supplies, personal care products, room décor products, food & beverage operating supplies to (a) hotel industry, (b) airline industry, (c) existing global brands owned by Kimirica Hunter, and (d) any leads brought by Kimirica Hunter which culminate in an offshore contract.

7. The Company has entered into a joint venture agreement dated January 17, 2022 with Dixon Technologies for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties. In terms of the JV Agreement, the JV Partners will jointly incorporate a private limited company under the Companies Act with equal shareholding and directors and make contribution towards the share capital of the Proposed JV. As on date, the Proposed JV is yet to be incorporated by the JV Partners.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding, (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct or indirect taxes, in a consolidated manner; or (iv) other material litigation as per the Materiality Policy, in each case involving our Company, its Subsidiaries, Promoters or Directors (collectively, the “**Relevant Parties**”). Further, there are no (i) disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action. Furthermore, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

In accordance with the Materiality Policy, all outstanding litigation involving the Relevant Parties, other than (i) criminal litigation, (ii) tax matters, (iii) statutory and regulatory actions, and (iv) disciplinary actions by SEBI or Stock Exchanges in the last five years against Promoters, would be considered ‘material’, if the monetary amount of claim made by or against the Relevant Party in any such outstanding litigation is in excess of 1.00% of the restated Net Worth of our Company for Financial Year 2021, being ₹46.42 million as per the Restated Consolidated Financial Information or where the monetary liability is not quantifiable or liability is below ₹46.42 million, if the outcome of any such pending litigation may have a bearing on the business, operations, performance, prospects or reputation of our Company (as determined by our Company).

Further, it is clarified that for the purpose of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, in any event, not be considered as litigation and accordingly have not been disclosed in this section until such time that the Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or quasi-judicial forum. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, any outstanding dues to any creditor of our Company would be considered ‘material’ if the amount of such outstanding dues to any creditor is in excess of 5.00% of the total trade payables of our Company as at September 30, 2021, being ₹302.91 million as per the Restated Consolidated Financial Information. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended.

I. LITIGATION INVOLVING OUR COMPANY

A. Outstanding criminal proceedings involving our Company

Criminal proceedings by our Company

1. Our Company and Sirena Labs Private Limited (“**Sirena Labs**”) entered into three ‘Contracts for Purchase of Speaker Products’ dated September 5, 2019, October 1, 2019 and October 16, 2019 (together as “**Purchase Contracts**” and individually as “**Purchase Contract**”). Under each Purchase Contract, our Company was to purchase ‘Boat smart speakers’ from Sirena Labs. Pursuant to the Purchase Contracts, our Company had cumulatively advanced an aggregate amount of ₹40.00 million (“**Borrowed Amount**”) to Sirena Labs, pursuant to the Purchase Contracts, as trade advance for its working capital requirements for a total duration of three months.

Certain disputes have arisen between our Company and Sirena Labs, as a result of Sirena Labs’s failure to repay a portion of the Borrowed Amounts advanced by our Company to Sirena Labs. Subsequently, while Sirena Labs re-paid ₹26.50 million (in three tranches) to the Company towards repayment of the Borrowed Amount, Sirena Labs is yet to repay ₹15.27 million (including interest) (“**Remaining Borrowed Amount**”).

Sirena Labs had issued four cheques of ₹5.00 million each aggregating to ₹20.00 million to the Company (“**Cheques**”) in respect of the Borrowed Amount. The Cheques were presented before the Company’s bank for payment and the same were returned unpaid on the ground of insufficient funds. Pursuant to the dishonour of the Cheques and Sirena Labs’s failure to pay the Remaining Borrowed Amounts, the Company initiated a legal action against Sirena Labs and filed a criminal complaint against Sirena Labs in relation to dishonour of the Cheques before the Additional Chief Metropolitan Magistrate, Bangalore

(“ACMM”) under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending and the ACCM has issued process against Sirena Labs and ordered to register a criminal complaint against Sirena Labs.

Separately, Sirena Labs, through its email dated October 23, 2021, has made certain unsubstantiated allegations and claims against our Company and has, *inter alia*, alleged that our Company was under an obligation to allot certain Equity Shares to Hari Haran Bojan, the chief executive officer of Sirena. Further, pursuant to a legal notice dated January 12, 2022 to Sirena Labs, our Company has *inter-alia* indicated that such claims made by Sirena Labs are false and inconsistent with the contractual understanding of the parties and highlighted the breach of contractual obligations by Sirena Labs including failure to refund the outstanding amount, breach of the terms of the shareholders’ agreement entered into between our Company and Sirena Labs and articles of association of Sirena Labs and diversion of certain amount of money by Sirena Labs to one of its related party. Subsequently, Sirena Labs has written to our Company with a proposal to settle the dispute, which we are in the process of evaluating. For further information, see “*History and Certain Corporate Matters - Details regarding acquisitions or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, etc. in the last 10 years*” on page 173, “*Risk Factor – If we pursue acquisitions and investments, we may not be able to successfully consummate favourable transactions or successfully integrate acquired businesses*” on page 35 and “*Restated Consolidated Financial Information - Note 41 – Investment in Sirena Labs Private Limited*” on page 265.

B. Outstanding material civil proceedings involving our Company

Civil proceedings by our Company

1. Our Company filed a suit against Exotic Mile (“**Exotic Mile**”) alleging infringement of trademarks and copyrights, passing off, unfair competition, delivery up and damages before the High Court of Delhi at New Delhi (“**High Court**”). The suit was filed in relation to the use of certain registered and unregistered marks of Exotic Mile, including “BOULT”, which are phonetically and deceptively similar to the Company’s trademarks BOAT, boAt, *boat* and **A**. Exotic Mile has also adopted tagline “UNPLUG YOURSELF” which is similar to our Company’s tagline “PLUG INTO NIRVANA” and certain of Exotic’s products are named “*Boult BassBud*” which is similar to our Company’s product ‘*boAt BassHeads*’. Further, Exotic Mile has adopted similar get up and colour scheme for its packaging. Accordingly, our Company sought a decree for, among others, permanent injunction restraining Exotic Mile from selling, exporting, importing, offering for sale, distributing, advertising, or dealing in goods or services under the Impugned Marks or any other mark, similar to our Company’s registered trademarks, amounting to, among others, infringement of trademark, an order for rendition of accounts of profits illegally earned by Exotic Mile and for damages. On September 25, 2019, the High Court passed an *ex parte* order of *ad interim* injunction in favour of our Company restraining Exotic Mile from using the Impugned Marks and subsequently, the order was made absolute pursuant to order dated January 21, 2020 till pendency of the suit. Exotic Mile has filed an appeal against the order dated January 21, 2020. Our Company has also filed an application for contempt of court as Exotic Mile continued to offer for sale the impugned products despite the injunction order dated September 25, 2019. Both the matters are currently pending.

C. Outstanding actions by statutory or regulatory authorities against our Company

Nil

D. Outstanding tax proceedings against our Company

The details with respect to direct tax and indirect tax proceedings involving our Company are set out below:

| S. No | Particulars | Number of cases | Aggregate amount involved (in ₹ million)* |
|--------------|--------------|-----------------|---|
| 1. | Direct tax | Nil | Nil |
| 2. | Indirect tax | 3 | 342.80 |
| Total | | 3 | 342.80 |

* to the extent quantifiable

Our Company has received a show-cause notice dated November 5, 2021 from the Commissioner of Customs (Import) Mumbai in relation to the bluetooth headphones imported by our Company. It has been alleged, among others, that the bluetooth headphones were wrongly classified under Customs Tariff Act, 1975 at basic customs duty of 10% instead of 15% and our Company has been called upon to show-cause why the differential duty amount of ₹341.98 million should not be recovered from our Company. The Company is in the process of responding to the notice.

II. LITIGATION INVOLVING OUR SUBSIDIARIES

A. Outstanding criminal proceedings involving our Subsidiaries

Nil

B. Outstanding material civil proceedings involving our Subsidiaries

Nil

C. Outstanding actions by statutory or regulatory authorities against our Subsidiaries

Nil

D. Outstanding tax proceedings against our Subsidiaries

The details with respect to direct tax and indirect tax proceedings involving our Subsidiaries are set out below:

| S. No | Particulars | Number of cases | Aggregate amount involved (in ₹ million)* |
|--------------|--------------|-----------------|---|
| 1. | Direct tax | Nil | Nil |
| 2. | Indirect tax | Nil | Nil |
| Total | | Nil | Nil |

* to the extent quantifiable

III. LITIGATION INVOLVING OUR PROMOTERS

A. Outstanding criminal proceedings involving our Promoters

Nil

B. Outstanding material civil proceedings involving our Promoters

Nil

C. Outstanding actions by statutory or regulatory authorities against our Promoters

Nil

D. Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action

Nil

E. Outstanding tax proceedings against our Promoters

The details with respect to direct tax and indirect tax proceedings involving our Promoters are set out below:

| S. No | Particulars | Number of cases | Aggregate amount involved (in ₹ million)* |
|--------------|--------------|-----------------|---|
| 1. | Direct tax | Nil | Nil |
| 2. | Indirect tax | Nil | Nil |
| Total | | Nil | Nil |

* to the extent quantifiable

IV. LITIGATION INVOLVING OUR DIRECTORS

A. Outstanding criminal proceedings involving our Directors

Nil

B. Outstanding material civil proceedings involving our Directors

Nil

C. Outstanding actions by statutory or regulatory authorities against our Directors

Nil

D. Outstanding tax proceedings against our Directors

The details with respect to direct tax and indirect tax proceedings involving our Directors are set out below:

| S. No | Particulars | Number of cases | Aggregate amount involved (in ₹ million)* |
|--------------|--------------|-----------------|---|
| 1. | Direct tax | Nil | Nil |
| 2. | Indirect tax | Nil | Nil |
| Total | | Nil | Nil |

* to the extent quantifiable

V. PENDING LITIGATION INVOLVING OUR GROUP COMPANIES, THE ADVERSE OUTCOME OF WHICH MAY HAVE A MATERIAL IMPACT ON OUR COMPANY

Nil

Outstanding dues to creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹302.91 million, which is 5.00% of the total trade payables of our Company as on September 30, 2021, as per the Restated Consolidated Financial Information, were considered 'material' creditors. Based on the above, there are six material creditors of our Company as at September 30, 2021 to whom an aggregate amount of ₹3,401.79 million was outstanding. Based on this criterion, details of outstanding dues owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as on September 30, 2021 by our Company, are set out below:

| Type of creditors | Number of creditors | Amount involved (in ₹ million) |
|-------------------------------------|---------------------|--------------------------------|
| Micro, small and medium enterprises | 33 | 48.43 |
| Other creditors | 258 | 6,009.83 |
| Total | 291 | 6,058.26 |
| Material creditors | 6 | 3,401.79 |

The details pertaining to net outstanding dues towards our material creditors as on September 30, 2021 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at www.boat-lifestyle.com/pages/investor-relations. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material developments since the last balance sheet date

Except as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operation – Material developments since the last balance sheet date" on page 307, no circumstances have arisen since September 30, 2021, the date of the Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of all material licenses, approvals, registrations and permits, as applicable, obtained by our Company, for the purposes of undertaking our business activities and operations (“**Key Approvals**”). In view of the Key Approvals, our Company can undertake its current business activities as disclosed in this Draft Red Herring Prospectus. Unless otherwise stated, these Key Approvals are valid as of the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, 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 47. For further details in connection with the regulatory and legal framework within which we operate, see “*Key Regulations and Policies in India*” on page 164.

I. Incorporation details of our Company

1. Certificate of incorporation dated November 1, 2013 issued to our Company by the RoC, in the name of ‘Imagine Marketing Private Limited’.
2. Fresh certificate of incorporation dated January 24, 2022, issued by the RoC pursuant to conversion of our Company to a public company, and consequential change in our name from ‘Imagine Marketing Private Limited’ to ‘Imagine Marketing Limited’.

II. Tax related approvals

1. The permanent account number of our Company is AADCI3821M.
2. The tax deduction account number of our Company is MUMI11421E.
3. Certificate of registration bearing number 27851050912P under Maharashtra State Tax on Professions, Trade, Callings and Employment Act, 1975.
4. Certificate of registration bearing number 383913488 under Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976.
5. GST registrations under applicable central and state goods and service tax legislations.

III. Labour and employment related approvals

1. Our Company has been allotted establishment code number KDMAL1736037000 under the Employees’ Provident Fund and Miscellaneous and Provisions Act, 1952.
2. Our Company has been allotted the ESIC code no. 31001081380001099 under the Employees’ State Insurance Act, 1948.
3. Our Company has obtained certificates of registration bearing registration no. 2110200710020295 and 2110200710020296 under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970.
4. Our Company has obtained registration certificates issued under the relevant shops and establishment legislation for its establishments, including its offices in Mumbai and New Delhi.

IV. Key Approvals in relation to our Company

1. Our Company has obtained licenses from Bureau of Indian Standards for its various products being manufactured by other entities, including electrical musical system, wireless headphones and earphones, smart watches, keyboards, power banks for use in portable applications and charging case. These licenses are typically valid for two years and subject to renewal.

2. Our Company has obtained certificates of registration under Legal Metrology (Packaged Commodities), Rules 2011 as (i) an importer; and (ii) a manufacturer and packer, for its products
3. Certificate of Importer-Exporter Code issued by the Director General of Foreign Trade, Ministry of Commerce and Industry.

V. Intellectual Property

1. Our Company has 49 registered trademarks in India under various classes, including registration for our flagship brand “boAt”. Additionally, we have also filed applications for grant of 18 additional trademarks in India, of which 6 trademark applications have been objected and 4 trademark applications have been opposed, and others are pending registration at various stages.

Further, one of our Promoters, Sameer Mehta is a registered proprietor of the trademark “*BOAT – PLUG INTO NIRVANA*”, registered in People’s Republic of China, and an application has been made for getting the trademark assigned to the Company.

2. Our Company has obtained certificate of registration of design bearing design no. 329553-001 under the Designs Act, 2000 and Designs Rule, 2001.

VI. Pending Key Approvals

1. Our Company has made an application for renewal of registration under Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 on January 24, 2022 for one of its establishment situated in Bhiwandi, Maharashtra.
2. Our Company has made an application for new registration under the Karnataka Shops and Commercial Establishments Act, 1961 for its office in Bangalore.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on January 25, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated January 25, 2022. Further, our Board has taken on record the consent for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 25, 2022.

Our Board has pursuant to the resolution passed at its meeting held on January 25, 2022 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges. The IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated January 26, 2022.

Approvals from the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

| S. No. | Name of the Selling Shareholder | Date of consent letter | Date of corporate authorization | Aggregate amount of Offer for Sale |
|--------------------------------------|---------------------------------|------------------------|---------------------------------|------------------------------------|
| Promoter Selling Shareholders | | | | |
| | Aman Gupta | January 25, 2022 | - | Up to ₹1,500.00 million |
| | Sameer Mehta | January 25, 2022 | - | Up to ₹1,500.00 million |
| Investor Selling Shareholder | | | | |
| | South Lake* | January 24, 2022 | January 24, 2022 | Up to ₹8,000.00 million |
| Total | | | | Up to ₹11,000.00 million |

* The Equity Shares proposed to be offered by South Lake in the Offer for Sale may also include Equity Shares which will result upon conversion of 15,507 Series B Preference Shares held by South Lake which will be converted into a maximum of 31,014,000 Equity Shares. The conversion will be completed prior to filing the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to its letter dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or Governmental Authorities

None of our Company, our Subsidiaries, our Promoters, the members of Promoter Group, our Directors or persons in control of our Company or each of the Selling Shareholders are prohibited or debarred from accessing or operating in the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

Neither our Promoters nor our Directors are promoters or directors of any companies which are debarred from accessing the capital markets by SEBI.

Except for the Preference Shares and the options granted under the ESOP Schemes, 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.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Neither our Company nor our Directors or Promoters have been declared as a 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.

Directors associated with the Securities Market

Except for our Independent Director, Aashish Kamat, who is also a director on the board of directors of IDFC First Bank Limited which is engaged in securities market related business and is registered with SEBI, none of our Directors are associated with entities associated with securities market in any manner. No action has been initiated by SEBI against Aashish Kamat in the five years preceding the date of this Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, the members of Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held as monetary assets;
- our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- our Company has a Net Worth of at least ₹10 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and
- our Company has not changed its name in the last one year, other than the deletion of the word “Private” from the name of our Company pursuant to conversion to a public limited company. The Company has not undertaken any new activity pursuant to such change in name.

Set forth below are our Company’s Operating Profit, Net Tangible Assets, Monetary Assets, Monetary Assets as a Percentage of our Net Tangible Assets and Net Worth, derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

(in ₹ million, unless otherwise stated)

| | Financial year ended as on | | |
|--|----------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| Net Tangible Assets ⁽¹⁾ , as restated and consolidated (A) | 4,592.76 | 715.29 | 230.97 |
| Operating Profit ⁽²⁾ , as restated and consolidated (B) | 1,234.38 | 737.38 | 135.97 |
| Net Worth ⁽³⁾ , as restated and consolidated (C) | 4,641.68 | 715.29 | 230.97 |
| Monetary Assets ⁽⁴⁾ , as restated and consolidated (D) | 1,488.93 | 85.65 | 0.22 |
| Monetary Assets, as restated and consolidated as a % of Net Tangible Assets ⁽⁵⁾ , as restated and consolidated (E)=(D)/(A) (in %) | 32.42% | 11.97% | 0.10% |

Notes:

1. Net Tangible Assets, restated and consolidated, mean the sum of all net assets of the Company and excluding intangible assets, each on restated basis and as defined in Indian Accounting Standard 38.
2. Restated and consolidated Operating Profit has been calculated as restated and consolidated profit before tax excluding other income and finance costs each on a restated and consolidated basis.
3. Restated and consolidated Net Worth has been defined as the aggregate of equity share capital, instruments entirely equity in nature and other equity (including capital redemption reserve, debenture redemption reserve and share options outstanding account) on restated basis.
4. Restated and consolidated Monetary Assets = Cash on hand + balance with bank in current accounts + balance with bank in deposit accounts + fixed deposits with original maturity of more than 3 months but less than 12 months on restated basis.
5. ‘Monetary Assets as restated as a percentage of the Net Tangible Assets’ means Monetary Assets as restated divided by Net Tangible Assets, as restated, expressed as a percentage.

Our Company has operating profits in each of the Financial Years 2021, 2020 and 2019 in terms of our Restated Consolidated Financial Information. Our average operating profit for Fiscals 2021, 2020 and 2019 is ₹702.58 million.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations.

Each of the Selling Shareholders has, severally and not jointly, confirmed its compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND ICICI SECURITIES 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 THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO

EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 26, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.boat-lifestyle.com, or any website of our Subsidiaries, any affiliate of our Company, any of the Group Companies or any of the Selling Shareholders, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those

specifically made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by it through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company 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, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under 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.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The BRLMs and their respective associates and affiliates, in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Subsidiaries, our Group Companies, the Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Subsidiaries, our Group Companies, the Selling Shareholders and their respective 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 Indian Contract Act, 1872, as amended, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds (“AIFs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

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.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft

Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of 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 have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in reliance on Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S, and in each case in compliance with the applicable laws of the jurisdiction where those offers and sales are made. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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 BSE. The disclaimer clause as intimated by BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the

delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, the Chief Financial Officer, Company Secretary and the Compliance Officer, the legal counsels to the Company as to Indian Law, the legal counsels to the BRLMs as to Indian Law, legal counsels to the Offer, the bankers to our Company, RedSeer, independent chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/ the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Refund Bank(s) and the Sponsor Bank to act in their respective capacities, will be obtained. Further, such consents, where already obtained, have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts

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

Our Company has received written consent dated January 26, 2022 from our Statutory Auditors, who hold a valid peer review certificate, to include their name as required under Section 26(5) 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 to the extent and in their capacity as our Statutory Auditors, and in respect of the Restated Consolidated Financial Information and their examination report dated January 25, 2022 on the Restated Consolidated Financial Information and the statement of possible special tax benefits dated January 25, 2022 included in this Draft Red Herring Prospectus. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. 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 January 25, 2022 from Parikh & Parikh, chartered accountants, to include their name in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 in respect of their certificates in connection with the Offer. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Performance vis-à-vis Objects – Public or Rights Issues during the Last Five Years

There have been no public issues, including any rights issues (as defined under the SEBI ICDR Regulations) to the public undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues in the Last Five Years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital Issues in the Preceding Three Years

Except as disclosed in “*Capital Structure - History of Equity Share capital of our Company*” and “*Capital Structure - Preference share capital history of our Company*” on pages 81 and 82, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Group Companies, Subsidiaries or Associate Companies

Public/ rights issue of the listed Subsidiaries/Promoters of our Company

Our Subsidiaries are not listed on any stock exchange. Our Promoters are not corporate promoters.

Price Information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

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 | CMS Info Systems Limited ⁽¹⁾ | 11,000.00 | 216.00 | 31-Dec-21 | 218.50 | - | - | - |
| 2 | Supriya Lifescience Limited ⁽¹⁾ | 7,000.00 | 274.00 | 28-Dec-21 | 425.00 | +78.61%, [-0.07%] | - | - |
| 3 | Medplus Health Services Limited ^{*(1)} | 13,982.95 | 796.00 | 23-Dec-21 | 1,015.00 | +53.22%, [+3.00%] | - | - |
| 4 | Metro Brands Limited ⁽¹⁾ | 13,675.05 | 500.00 | 22-Dec-21 | 436.00 | +21.77%, [+4.45%] | - | - |
| 5 | C.E. Info Systems Limited ⁽¹⁾ | 10,396.06 | 1,033.00 | 21-Dec-21 | 1,581.00 | +70.21%, [+6.71%] | - | - |
| 6 | Shriram Properties Limited ^{§(2)} | 6,000.00 | 118.00 | 20-Dec-21 | 90.00 | -12.42%, [+9.02%] | - | - |
| 7 | Tega Industries Limited ⁽²⁾ | 6,192.27 | 453.00 | 13-Dec-21 | 760.00 | +30.70%, [+3.96%] | - | - |
| 8 | Star Health and Allied Insurance Company Limited ^{^ (2)} | 60,186.84 | 900.00 | 10-Dec-21 | 845.00 | -14.78%, [+1.72%] | - | - |
| 9 | Latent View Analytics Limited ^{@(1)} | 6,000.00 | 197.00 | 23-Nov-21 | 530.00 | +153.58%, [-2.96%] | - | - |
| 10 | One 97 Communications Limited ⁽¹⁾ | 183,000.00 | 2,150.00 | 18-Nov-21 | 1,955.00 | -38.52%, [-4.40%] | - | - |

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

⁽¹⁾BSE as Designated Stock Exchange

⁽²⁾NSE as Designated Stock Exchange

* Offer Price was ₹718.00 per equity share to Eligible Employees

§ Offer Price was ₹107.00 per equity share to Eligible Employees

^ Offer Price was ₹820.00 per equity share to Eligible Employees

@ Offer Price was ₹178.00 per equity share to Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable .
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. *Summary statement of price information of past issues (during 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* | 24 | 578,022.82 | - | 2 | 6 | 6 | 5 | 4 | - | - | - | 4 | 1 | 2 |
| 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.

BofA Securities India Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited*

| Sr. No. | Offer Name | Offer Size (₹ in mm) | Offer Price (₹) | Listing Date | Opening Price on Listing Date (₹) ⁽²⁾ | +/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing ^{(3) (4) (5)} | +/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing ^{(3) (4) (6)} | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing ^{(3) (4) (7)} |
|---------|--|----------------------|-----------------|--------------|--|---|---|--|
| 1 | Star Health And Allied Insurance Company Limited | 64,004.39 | 900.00 | 10-Dec-2021 | 845.00 | -14.78% [1.72%] | - | - |
| 2 | Sapphire Foods India Limited | 20,732.53 | 1,180.00 | 18-Nov-2021 | 1,350.00 | +3.69% [-4.39%] | - | - |
| 3 | FSN E-Commerce Ventures Limited | 53,497.24 | 1,125.00 | 10-Nov-2021 | 2,018.00 | +92.31 [-2.78%] | - | - |
| 4 | Aditya Birla Sun Life AMC Limited | 27,682.56 | 712.00 | 11-Oct-2021 | 715.00 | -11.36% [+0.55%] | -23.85% [-0.74%] | - |
| 5 | Glenmark Life Sciences Limited | 15,136.00 | 720.00 | 6-Aug-2021 | 751.10 | -6.38% [+7.10%] | -12.94% [+10.12%] | - |
| 6 | Zomato Limited | 93,750.00 | 76.00 | 23-July-2021 | 115.00 | +83.22% [+4.44%] | +81.97% [+15.64%] | +75.07% [+14.68%] |
| 7 | UTI Asset Management Company Limited | 21,598.80 | 554.00 | 12-Oct-2020 | 500.00 | -10.43% [5.87%] | -0.60% [+20.25%] | +5.81% [+24.34%] |
| 8 | SBI Cards and Payment Services Limited | 103,407.80 | 755.00 | 16-Mar-2020 | 658.00 | -33.03% [-2.23%] | -21.79% [+7.62%] | +12.51% [+23.78%] |

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

- Equity public issues in last 3 financial years considered.
- Opening price information as disclosed on the website of NSE.
- Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue considered as benchmark index and for disclosing the price information.
- In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.
- 30th listing day has been taken as listing date plus 29 calendar days.

6. 90th listing day has been taken as listing date plus 89 calendar days.
7. 180th listing day has been taken as listing date plus 179 calendar days.

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India 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 | 6 | 2,74,802.72 | - | - | 3 | 2 | - | 1 | - | - | - | - | - | - |
| 2020-21 | 1 | 21,598.80 | - | - | 1 | - | - | - | - | - | - | - | - | 1 |
| 2019-20 | 1 | 103,407.80 | - | 1 | - | - | - | - | - | - | - | - | - | 1 |

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.
2. Based on the day of listing

Credit Suisse Securities (India) Private Limited

A. Price information of past issues handled by Credit Suisse Securities (India) Private Limited:

| S. No. | Issue Name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening Price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|--------|--|------------------------|-----------------|-------------------|--------------------------------------|---|---|--|
| 1. | Metropolis Healthcare Limited | 12,042.90 | 880.00 | April 15, 2019 | 958.00 | 3.73%, [-4.08%] | 21.30%, [-0.44%] | 45.84%, [-2.00%] |
| 2. | Sterling and Wilson Solar Limited | 28,809.42 | 780.00 | August 20, 2019 | 706.00 | -21.67%, [-2.05%] | -48.56%, [8.11%] | -64.74%, [10.53%] |
| 3. | Home First Finance Company India Limited | 11,537.19 | 518.00 | February 03, 2021 | 618.80 | 4.98%, [1.97%] | -5.64%, [-1.05%] | 15.86%, [6.58%] |
| 4. | Sona BLW Precision Forgings Limited | 55,500.00 | 291.00 | June 24, 2021 | 301.00 | 45.17%, [0.53%] | 93.40%, [11.97%] | 140.26%, [5.93%] |
| 5. | Krishna Institute of Medical Sciences Limited | 21,437.44 | 825.00 | June 28, 2021 | 1,009.00 | 47.90%, [-0.30%] | 48.24%, [13.87%] | 61.83%, [7.95%] |
| 6. | Zomato Limited | 93,750.00 | 76.00 | July 23, 2021 | 116.00 | 83.22%, [4.44%] | 81.97% [15.64%] | 75.07%, [14.68%] |
| 7. | Chemplast Sanmar Limited | 38,500.00 | 541.00 | August 24, 2021 | 550.00 | 2.06%, [5.55%] | 12.68%, [6.86%] | NA* |
| 8. | Star Health & Allied Insurance Company Limited | 64,004.39 | 900.00 | December 10, 2021 | 845.00 | -14.78%, [1.72%] | NA* | NA* |
| 9. | MedPlus Health Services Limited | 1,3983.00 | 796.00 | December 23, 2021 | 1,015.00 | +53.22%, [3.00%] | NA* | NA* |

Source: NSE and BSE for the price information and prospectus for issue details.

*Data not available

Note:

- 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date.
- % 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.
- Designated stock exchange Index is considered as the benchmark index

B. Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited:

| Fiscal | Total no. of IPOs | Total amount of funds raised (₹ Mn.) | No. of IPOs trading at discount - 30 th calendar days from listing | | | No. of IPOs trading at premium - 30 th calendar days from listing | | | No. of IPOs trading at discount - 180 th calendar days from listing | | | No. of IPOs trading at premium - 180 th 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 | 6 | 287,174.83 | - | - | 1 | 2 | 2 | 1 | - | - | - | 3 | - | - |
| 2020-21 | 1 | 11,537.19 | - | - | - | - | - | 1 | - | - | - | - | - | 1 |
| 2019-20 | 2 | 40,852.32 | - | - | 1 | - | - | 1 | 1 | - | - | - | 1 | - |

ICICI Securities Limited

TABLE 1

| S. No. | Issue Name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening Price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|--------|--|------------------------|-----------------------|--------------|--------------------------------------|---|---|--|
| 1 | PB Fintech Limited ^{^^} | 57,097.15 | 980.00 | 15-NOV-21 | 1,150.00 | +14.86%, [-4.33%] | NA* | NA* |
| 2 | One 97 Communications Limited [^] | 1,83,000.00 | 2,150.00 | 18-NOV-21 | 1,955.00 | -38.52%, [-4.40%] | NA* | NA* |
| 3 | Sapphire Foods India Limited ^{^^} | 20,732.53 | 1,180.00 | 18-NOV-21 | 1,350.00 | +3.69%, [-4.39%] | NA* | NA* |
| 4 | Latent View Analytics Limited [^] | 6,000.00 | 197.00 ⁽¹⁾ | 23-NOV-21 | 530.00 | +153.58%, [-2.96%] | NA* | NA* |
| 5 | Tarsons Products Limited [^] | 10,234.74 | 662.00 ⁽²⁾ | 26-NOV-21 | 700.00 | -4.16%, [+0.03%] | NA* | NA* |
| 6 | Go Fashion (India) Limited ^{^^} | 10,136.09 | 690.00 | 30-NOV-21 | 1,310.00 | +59.75%, [+1.36%] | NA* | NA* |
| 7 | Star Health and Allied Insurance Company Limited ^{^^} | 60,186.84 | 900.00 ⁽³⁾ | 10-DEC-21 | 845.00 | -14.78%, [+1.72%] | NA* | NA* |
| 8 | Shriram Properties Limited ^{^^} | 6,000.00 | 118.00 ⁽⁴⁾ | 20-DEC-21 | 90.00 | -12.42%, [+9.02%] | NA* | NA* |
| 9 | Metro Brands Limited [^] | 13,675.05 | 500.00 | 22-DEC-21 | 436.00 | +21.77%, [+4.45%] | NA* | NA* |
| 10 | Supriya Lifescience Limited [^] | 7,000.00 | 274.00 | 28-DEC-21 | 425.00 | +78.61%, [-0.07%] | NA* | NA* |

*Data not available.

[^]BSE as designated stock exchange

^{^^}NSE as designated stock exchange

(1) Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.

- (2) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.
(3) Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.
(4) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| Fiscal | Total no. of IPOs | Total amount of funds raised (₹ Mn.) | No. of IPOs trading at discount - 30 th calendar days from listing | | | No. of IPOs trading at premium - 30 th calendar days from listing | | | No. of IPOs trading at discount - 180 th calendar days from listing | | | No. of IPOs trading at premium - 180 th 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* | 23 | 6,69,228.24 | - | 2 | 6 | 6 | 3 | 6 | - | - | - | 3 | 1 | 1 |
| 2020-21 | 14 | 1,74,546.09 | - | - | 5 | 5 | 2 | 2 | - | 1 | 3 | 5 | 3 | 2 |
| 2019-20 | 4 | 49,850.66 | - | - | 2 | - | 1 | 1 | 1 | - | - | 2 | - | 1 |

*This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

Website for track record of the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, 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:

| Name | Website |
|--|---|
| Axis Capital Limited | http://www.axiscapital.co.in |
| BofA Securities India Limited | http://www.ml-india.com/ |
| Credit Suisse Securities (India) Private Limited | https://www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo/track-record.html |
| ICICI Securities Limited | http://www.icicisecurities.com/ |

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 (“**March 2021 Circular**”), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. According to the March 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|--|--|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/ partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

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

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

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and 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, 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.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company has not received any investor grievances 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.

We estimate that the average time required by our Company and/ or the Registrar to the Offer 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.

Our Company has appointed Dhara Joshi as the Company Secretary and the Compliance Officer and may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Dhara Joshi

E-Wing, Unit- 505
Corporate Avenue, Opp. Solitaire Park
Chakala, Andheri (East)
Mumbai – 400 093
Maharashtra, India
Tel: +91 11 4502 4237
E-mail: dhara.joshi@imaginemarketingindia.com

Our Company shall obtain authentication on the SCORES and shall comply with the SEBI circulars, in relation to redressal of investor grievances through SCORES prior to the filing of the Red Herring Prospectus with the RoC and SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Management*" on page 182.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

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

An exemption application dated January 26, 2022, under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted by our Company to the SEBI along with this Draft Red Herring Prospectus, for (i) excluding Sirena Labs from being considered as "group company" of our Company; and (ii) from including any confirmations required from an associate company under SEBI ICDR Regulations in respect of Sirena Labs in the Offer Documents. For details, see "*Group Companies*" on page 202.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to offer for sale and listing and trading of securities, issued from time to time, by SEBI, Government of India, Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, RBI and/or any regulatory authority while granting approval for the Offer.

The Offer

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

Other than (i) listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), and expenses for any corporate advertisements (not including expenses relating to marketing and advertisements undertaken in connection with the Offer) each of which shall be borne solely by our Company; and (ii) fees for counsel to the Selling Shareholders, which shall be solely borne by the respective Selling Shareholders, each of our Company and the Selling Shareholders agrees to share the costs and expenses (including all applicable taxes) directly attributable to the Offer as agreed in a fee letter (approved and executed by the Selling Shareholders), severally and not jointly, based on the following: (i) solely by our Company in relation to the Equity Shares issued and allotted by our Company in the Fresh Issue; and (ii) by the Selling Shareholders in proportion to their respective number of the Offered Shares sold and transferred in the Offer for Sale, in accordance with section 28(3) of Companies Act.

All the expenses relating to the Offer shall be paid by our Company in the first instance. The expenses directly attributable to the portion with regard to Offer for Sale shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by each of them in the Offer and the estimated expenses will be deducted from the Offer proceeds, as appropriate, and only the remaining amount will be paid to the Selling Shareholders, in accordance with Section 28(3) of the Companies Act. It is clarified that, in the event the Offer is not successful or consummated, all expenses in relation to the Offer shall be borne by our Company, except as may be prescribed by SEBI or any other regulatory authority. For further details, see “*Objects of the Offer – Offer Expenses*” on page 102. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see “*Main Provisions of Articles of Association*” on page 361.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be received by the Allottees. For more information, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” on pages 204 and 361, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹1 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. At any given point in time there will be only one denomination for the Equity Shares.

The Price Band, the minimum Bid Lot, will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and published by our Company in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily, Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date, in, 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 at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 361.

Equity Shares to be allotted 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. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated January 18, 2022 entered into among our Company, NSDL and the Registrar to the Offer.
- Tripartite Agreement dated December 30, 2021 entered into among our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “Offer Procedure” on page 338.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/ authorities in Mumbai.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. 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 or 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 Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/ Offer Period

| | |
|---------------------------------|-----|
| BID/ OFFER OPENS ON* | [●] |
| BID/ OFFER CLOSSES ON**# | [●] |

* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.

** Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

UPI mandate end time and date shall be at 12:00pm on [●].

An indicative timetable in respect of the Offer is set out below:

| | |
|---|-----------------|
| BID/ OFFER CLOSING DATE | [●] |
| FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE | on or about [●] |
| INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT | on or about [●] |

| | |
|---|-----------------|
| CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS | on or about [●] |
| COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE | on or about [●] |

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated by the SCSB at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date till the date of the actual unblock. The SCSBs shall compensate the Bidder, immediately on the date of receipt of complaint from the Bidder. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid as stated above, the post-Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of on which grievance is received by the BRLMs or Registrar until the date on which the blocked amounts are unblocked.

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, 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.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the SEBI UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

| Bid/ Offer Period (except the Bid/ Offer Closing Date) | |
|---|--|
| Submission and Revision in Bids | Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time (“IST”) |
| Bid/ Offer Closing Date* | |
| Submission and Revision in Bids | Only between 10:00 a.m. and 3:00 p.m. IST |

*UPI mandate end time and date shall be at 12:00pm on [●].

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Working Days. None of our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received, in accordance with applicable law. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the following order:

- (i) In the first instance towards subscription for 90% of the Fresh Issue; and
- (ii) If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made:
 - a. first towards the sale of the Offered Shares being offered by the Investor Selling Shareholder in the Offer for Sale;
 - b. then towards the sale of the Offered Shares being offered by the Promoter Selling Shareholders in the Offer for Sale; and
 - c. thereafter, towards the balance of the Fresh Issue.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

It is clarified that, subject to applicable laws, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of such Selling Shareholders and to the extent of its portion of the Offer Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “*Terms of the Offer*” on page 329. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, Minimum Promoters’ Contribution and Anchor Investor lock-in in the Offer, as detailed in “*Capital Structure*” beginning on page 80 and as provided in our Articles as detailed in “*Main Provisions of the Articles of Association*” beginning on page 361, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/ splitting.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹20,000.00 million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹9,000.00 million by our Company and an Offer of Sale of up to [●] Equity Shares aggregating up to ₹11,000.00 million by the Selling Shareholders.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, it will be at a price to be decided by our Company in consultation with the BRLMs, and the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹15.00 million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up equity share capital. The Offer less the Employee Reservation Portion is the Net Offer. The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up equity share capital of our Company, respectively. In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

The Offer is being made through Book Building Process.

| Particulars | Eligible Employee [#] | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|---|--|--|--|--|
| Number of Equity Shares available for Allotment or allocation ^{*(2)} | Up to [●] Equity Shares | Not more than [●] Equity Shares aggregating up to ₹[●] million | Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and RIBs | Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and Non-Institutional Bidders |
| Percentage of Offer Size available for Allotment or allocation | The Employee Reservation Portion shall constitute up to 5% of the post-Offer paid-up equity share capital of our Company | Not more than 50% of the Net Offer being available for allocation to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor 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 RIBs | Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders |
| Basis of Allotment if respective portion is oversubscribed* | Proportionate [#] | Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a | Proportionate | The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "Offer Procedure" on page 338. |

| Particulars | Eligible Employee [#] | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|------------------------------|--|--|---|--|
| | | proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. | | |
| | | c) Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors | | |
| Mode of Bid | Through ASBA Process only (except in case of Anchor Investors) | | | |
| Minimum Bid | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000. | Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000. | [●] Equity Shares |
| Maximum Bid | Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, less Employee Discount##, if any | 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 not exceeding the size of the Net Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Mode of Allotment | Compulsorily in dematerialised form | | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | | |
| Allotment Lot | [●] Equity Shares and in multiples of one Equity Share thereafter | | | |
| Trading Lot | One Equity Share | | | |
| Who can apply ⁽³⁾ | Eligible Employees | Public financial institutions of the Companies Act, scheduled banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs | Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) |
| Terms of Payment | In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ | | | |

| Particulars | Eligible Employee [#] | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|--|--------------------------------|---------------------|---------------------------|---------------------------|
| In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form | | | | |

* Assuming full subscription in the Offer.

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of undersubscription 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, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of undersubscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent of ₹[●] per Equity Share) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion and which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date.

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholders, in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(4) 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.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank(s) to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an initial public offer or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

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 SEBI UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations 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.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Bidders (“**UPI Phase III**”), as may be prescribed by SEBI. Accordingly, the Offer has been considered to be made under UPI Phase II, till any further notice issued by SEBI. If the Offer is made under UPI Phase III, the same will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily, Marathi being the regional language of Maharashtra, where our Registered Office is located) on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. Further, SEBI vide its circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has provided certain implementation timelines for the provisions of the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the respective 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 and the Red Herring Prospects. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Company, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

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 allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders 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, 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-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 (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the 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.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹15.00 million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post -Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price, net of Employee Discount, if any.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any portion, except the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

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 IPO.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the SEBI UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the SEBI 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 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 SEBI UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an 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 the continuation of this phase has been extended until March 31, 2020. 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 is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the SEBI UPI Circular, unless UPI Phase III of the SEBI 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 SEBI UPI Circular, the same will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language in Mumbai, Maharashtra where our Registered Office is located) on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (the “**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchanges’ Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office and at our Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

Since the Offer is made under Phase II of the SEBI UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIBs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|-------------------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis [^] | White |
| Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis | Blue |
| Anchor Investors ^{^^} | White |
| Eligible Employees bidding in the Employee Reservation Portion ^{^^} | Pink |

*Excluding the electronic Bid cum Application Form

[^]Electronic Bid cum Application Form will be made available for download on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

^{^^}Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

^{^^}Bid cum Application Forms for Eligible Employees shall be available at the Registered Office and Corporate Office of the Company

The relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Bidders Bidding using the UPI Mechanism) to the

respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For RIBs using the 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.

In case of ASBA forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For RIBs Bidding using 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 UPI Mandate Request to RIBs, for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, 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 RIBs (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. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

For ASBA Forms (other than RIBs Bidding 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(s).

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in reliance on Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S, and in each case in compliance with the applicable laws of the jurisdiction where those offers and sales are made. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 SEBI 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.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Participation by Promoters, the members of the Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, the members of the Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the 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.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLMs;
- (ii) insurance companies promoted by entities which are associate of the BRLMs;
- (iii) AIFs sponsored by the entities which are associate of the BRLMs;
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or
- (v) Person related to Promoters and the members of the Promoter Group.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and the members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or the members of the Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

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 net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to the special resolution dated December 15, 2021 by the Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on 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).

Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 359.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI including its investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100% under the automatic route, being the sectoral cap, of the paid-up equity share capital of our Company on a fully diluted basis.

Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in wholesale trading as well as single brand product retail trade, both under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI

Policy. Our inability to comply with such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

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 Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was 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 as respects things done or omitted to be done before such supersession. 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.

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 the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilize the multi investment manager (“MIM”) structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI 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 offerings.

Category I AIFs and Category 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. Pursuant to the repeal of the SEBI VCF Regulations, 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, and the BRLMs will 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, amended from time to time.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by 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.

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. Pink 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.

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 reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company 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.

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. Further, a banking company is restricted from holding more than 10% of the its own paid-up share capital not being its subsidiary engaged in non-financial services or 10 per cent of the bank's paid up capital and reserve, whichever is lower. Further, the aggregate equity investment by a banking company in all subsidiaries and other entities engaged in financial services company and non-financial services, including overseas investments 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 investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 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 circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company 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.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, 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, subject to applicable law. 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.

The information set out above 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 to 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 regulations, or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, Systemically Important NBFCs, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the 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 such terms and conditions that our Company and the Selling Shareholders, in consultation with the BRLMs, may deem fit.

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 and the Selling Shareholders, in consultation with the BRLMs may finalize 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. For details, see “- *Participation by Promoters, the members of the Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, the members of the Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors*” on page 343.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional 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. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw or lower the size of their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Offer Period.

Do’s:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account

- (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
 6. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for 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;
 7. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
 8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
 9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
 10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
 11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
 12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
 13. 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;
 14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
 15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
 16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
 17. Ensure that the PAN is linked with the Aadhaar and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021;
 18. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
 19. 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.;

20. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and PAN available in the Depository database;
21. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of RIBs Bidding 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;
23. Ensure that the Demographic Details are updated, true and correct in all respects;
24. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
25. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
26. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a RIB Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
27. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
28. RIBs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.
29. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer; and
30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a RIB;
3. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to an amount calculated at less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Anchor Investors should not bid through the ASBA process;
20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not submit the GIR number instead of the PAN;
23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
25. Do not submit your Bid after 3 pm on the Bid/ Offer Closing Date;
26. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/ Offer Closing Date for the QIBs;
27. 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 and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
28. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
29. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a RIB Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
30. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
31. 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;
32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.
34. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 72.

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-issue or post issue related issues regarding share certificates/ demat credit/ refund orders/ unblocking, etc., investors shall reach out the Company Secretary and the Compliance Officer. For details of the Company Secretary and the Compliance Officer, see “*General Information*” beginning on page 71.

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 details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs 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 RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Escrow Account

Our Company and the Selling Shareholders, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank(s) 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, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily, Marathi being the regional language of Mumbai, Maharashtra where our Registered Office is located).

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, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the respective Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

“Any person who –

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- 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 are taken within six working days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within six Working Days from the Bid/ Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with an initial public offer of its Equity Shares;
- that, except issuance of the Equity Shares pursuant to the Fresh Issue, any exercise of options vested pursuant to the ESOP Schemes, issuance of the Equity Shares upon conversion of the Preference Shares and the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in

the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and;

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Promoter Selling Shareholders

Each Promoter Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself and its respective portion of the Offered Shares:

- (i) the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;
- (ii) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any the Offered Shares until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- (iii) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- (iv) it shall provide reasonable assistance to our Company and the BRLMs in redressal of such investor grievances in relation to the Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;
- (v) it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);
- (vi) its respective portion of the Offered Shares are fully paid and are in dematerialized form;
- (vii) its respective portion of the Offered Shares are free and clear of any encumbrances and shall be transferred to the Bidders free and clear of Encumbrance within the time specified under applicable law; and
- (viii) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges in accordance with applicable law.

Undertakings by the Investor Selling Shareholder

The Investor Selling Shareholder, specifically undertakes and/or confirms the following in respect to itself and its respective portion of the Offered Shares:

- (i) the Equity Shares offered by it in the Offer for Sale are and where applicable, pursuant to conversion of its Preference Shares into Equity Shares shall be eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;
- (ii) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- (iii) it shall provide reasonable assistance to our Company and the BRLMs in redressal of such investor grievances in relation to itself and its portion of the Offered Shares;
- (iv) it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);
- (v) its respective portion of the Offered Shares are fully paid and are in dematerialized form;
- (vi) its respective portion of the Offered Shares are free and clear of any encumbrances and shall be transferred to the Bidders free and clear of encumbrances; and
- (vii) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges in accordance with applicable law.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA, the Consolidated FDI Policy and the circulars and notifications issued thereunder. Unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy, subject to certain applicable pricing and reporting requirements.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade (formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI, issued the Consolidated FDI Policy by way of circular under DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in wholesale trading as well as single brand product retail trade, both under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Our inability to comply with such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Subject to certain condition, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the RBI or the relevant ministry or department of the Government of India, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required and such approval has been obtained, the Bidder shall intimate the Company and the Registrar to the Offer in writing about such approval, along with a copy thereof, within the Offer Period.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in reliance on Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore

transactions in compliance with Regulation S, and in each case in compliance with the applicable laws of the jurisdiction where those offers and sales are made. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

*The Articles of Association of the Company consist of two parts, **Part A** and **Part B**. The provisions of **Part A** shall apply to all the matters to which they pertain, to the extent, and only in so far, as they are not inconsistent with the provisions of **Part B**. Until the listing and commencement of trading of equity shares of the Company on a recognized stock exchange pursuant to the Offer, the provisions of **Part B** shall be applicable. However, on and from the date of listing and commencement of trading of the equity shares of the Company pursuant to the Offer, **Part B** shall automatically stand terminated, not have any force and be deemed to be removed from the Articles of Association and the provisions of **Part A** shall come into effect and be in force, without any further corporate or other action by the Company or its shareholders, unless specified otherwise in the Articles of Association. As long as **Part B** remains a part of the Articles of Association, in the event of any conflict or inconsistency, the provisions of **Part B** shall prevail over the provisions of **Part A** to the maximum extent permitted under the Act.*

PART A

SHARE CAPITAL AND VARIATION OF RIGHTS

1. The authorised share capital of the Company is as stated in Clause V of the memorandum of association of the Company, with the power to increase its capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles and to vary, modify or commute or abrogate any such rights, privileges or conditions only in such manner as may for the time being be provided by the Articles of Association or the Act. The rights of the shareholders shall be determined at the time of issue thereof.
2. Any shares of the original or increased capital may, from time to time, be issued with any such guarantee or any right of preference, whether in respect of dividend or of repayment of capital or both or any such other special privilege or advantage over any shares previously issued or then about to be issued or with such deferred or qualified rights as compared with any shares previously issued or subject to any such approvals or conditions and with any special right or limited right or without any right of voting and generally on such terms as the Company may, from time to time, determine.
3. Subject to the provisions of the Act and the Articles of Association, the shares in the capital of the Company shall be under the control of the Board who may issue, allot, or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call shares shall not be given to the person or persons without the sanction of the Company in the General Meeting.
4. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles of Association or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied with consent in writing of the holders of 3/4th (three-fourth) of the issued

shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- (ii) To every such separate meeting, the provisions of the Articles of Association relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least 1/3rd (one-third) of the issued shares of the class in question.
6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
 7. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then: (a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date; (b) Such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any member may renounce the shares offered to him (d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the members and the Company; (e) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or (e) any persons, whether or not those persons include the persons referred to above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a special resolution to this effect is passed by the Company in a general meeting. Notwithstanding anything contained in the preceding sub-clause, the Company may by an ordinary or a special resolution (as may be prescribed under the Act) make a preferential issue of securities (including debentures) to any person, whether such person is a member of the Company or not.
 8. Subject to the provisions of the Act, the Company shall have the power, by means of a special resolution to be passed at a General Meeting of the Company, to issue sweat equity shares of a class of shares already issued.
 9. Subject to the provisions of Section 55 of the Act, any preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

DEMATERIALIZATION OF SHARES

10. Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form pursuant to the Depositories Act, 1996.
11. Notwithstanding anything contained in the Articles of Association, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.
12. Every person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a depository. Such a person who is the beneficial owner of the shares can at any time opt out of a depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the share, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the share.

13. All shares held by a depository shall be dematerialized and shall be in a fungible form.
14.
 - (i) Notwithstanding anything to the contrary contained in the Act or the Articles of Association, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owners.
 - (ii) Save as otherwise provided in the Articles of Association, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.
 - (iii) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such shares and shall also be deemed to be the member of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a depository.
15. The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of the Act. The Company shall have the power to keep in any state or country outside India, a register of members, resident in that state or country. Notwithstanding anything in the Act or the Articles of Association to the contrary, where shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by law from time to time.
16. Nothing contained in the Articles of Association (pertaining to production of instrument of transfer for transfer of securities and related matters) shall apply to a transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.
17. Notwithstanding anything in the Act or the Articles of Association, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
18. Nothing contained in the Act or the Articles of Association regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

19. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a duplicate certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a duplicate certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of such fees, or on payment of such fees for each certificate in accordance with the law applicable at that time and as the Directors shall prescribe. Provided that no fee shall be charged for issue of duplicate certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under any other act or rules applicable in this behalf.

TERMS OF ISSUE OF DEBENTURES

20. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise; debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a special resolution.

TRANSFER AND TRANSMISSION OF SHARES

21. Transfer of shares
- (i) The members of the Company shall transfer securities only in a dematerialized form;
 - (ii) No fee shall be charged for registration of transfer or transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
 - (iii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
 - (iv) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the registrar of members in respect thereof.
 - (v) The transferor and the transferee of the securities shall comply with the requirements under the applicable laws.
 - (vi) Subject to the provisions of the Articles of Association and other applicable provisions of the Act or any other law for the time being in force, the Board may, subject to the right of appeal conferred by the Act, at their own absolute and unconditional discretion and by giving reason, decline to register or acknowledge (a) the transfer of a share, whether fully paid share or not, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien, after providing sufficient cause, within a period of fifteen days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company.
 - (vii) The Board may decline to recognise any instrument of transfer unless— (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
 - (viii) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
 - (ix) Such right to refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within fifteen days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on shares.
 - (x) Transfer of shares/ debentures in whatever lot shall not be refused.
 - (xi) The transfer of shares/ debentures shall be in compliance with applicable laws including the Act and the rules made thereunder and applicable regulations issued by Securities and Exchange Board of India.
22. Transmission of shares
- (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
 - (ii) Nothing in clause 23(i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

- (iii) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (iv) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (v) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- (vi) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

LIEN

23. (i) The Company shall have a first and paramount lien:
- (a) on all shares/debentures (other than fully paid shares/debentures) standing registered in the name of a member, and
 - (b) on every share/debenture (other than fully paid shares/debentures), upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this article.

- (ii) The Company's lien, if any, on a share/ debenture shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.
- (iii) Fully paid shares/ debentures shall be free from all lien and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

24. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

25. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
26. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

27. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed 1/4th (one-fourth) of the nominal value of the share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
28. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
29. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
30. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10 (ten) percent, per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
31. (i) 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 the Articles of Association, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of the Articles of Association 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. Provisions of forfeiture as specified in Table F shall apply in case of forfeiture of by the Board.
32. The Board:
 - (i) 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 beyond the sums actually called for; and
 - (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, 12 (twelve) percent per annum, as may be agreed upon between the Board and the member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at

any time repay the amount so advanced. The member shall not be entitled to any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable. Save as aforesaid, Regulations 13 to 18 of Table 'F' shall apply.

- (iii) The provisions of the Articles of Association shall *mutatis mutandis* apply to any calls on debentures.

ALTERATION OF CAPITAL

- 33. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 34. Subject to the provisions of Section 61 of the Act, the Company in a General Meeting may, from time to time, alter its memorandum for all or any of the following purposes:
 - a. To increase its authorised share capital by such amount as it thinks expedient;
 - b. To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
 - c. To convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
 - d. To sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any unpaid, on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - e. To cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of the capital of the Company within the meaning of the Act.
- 35. Where shares are converted into stock:
 - (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; and
 - (iii) such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those articles shall include "stock" and "stock-holder" respectively.
- 36. Subject to the Act and after obtaining the sanction of the Company in a general meeting by special resolution, the shares in the capital of the Company may be allotted or otherwise disposed of by the Board by way of a preferential offer of shares on a private placement basis.
- 37. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:

- (i) its share capital;
- (ii) any capital redemption reserve account; or
- (iii) any share premium account.

FURTHER ISSUE OF SHARE CAPITAL

38. (i) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such shares shall be offered, subject to the provisions of Section 62 of the Act, and the rules made thereunder:
- a. to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—
 - 1) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - 2) unless the Articles of the Company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
 - 3) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company;
 - b. to employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed; or
 - c. to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed
- (ii) Nothing in the Articles of Association shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the Company. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

Notwithstanding anything contained in (ii) above, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion

The Company may as per the applicable provisions of the Act, issue shares under preferential basis and private placement.

CAPITALISATION OF PROFITS

39. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; and
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power:
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fraction; and
 - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

41. Notwithstanding anything contained in the Articles of Association but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

42. An annual general meeting shall be held in each calendar year within 6 (six) months following the end of the previous financial year of the Company or such extended time in accordance with the Act. The Board of Directors shall issue the notice of the annual general meeting together with the annual financial statement, auditors report and other annexures as required under the Act to all members and others

entitled to receive such notice in accordance with the provisions of the Act to approve and adopt the audited financial statements.

43. All General Meetings other than the annual general meeting shall be called extraordinary general meetings.
44. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. The Board shall, on the requisition of members of the Company, convene an extraordinary general meeting of the Company in the circumstances and in the manner provided under the Act. The annual general meeting and extraordinary general meeting may be called after giving shorter notice as per the Act.
45. General Meetings, other than the annual general meeting (which shall be held at any place within the city, town or village in which the registered office of the Company is situated) may be held at any place, and subject to the Act for any general meeting where the Company makes arrangements, the shareholders may attend by way of, video conference or through any other medium as may be permitted under the Act.
46. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
47. At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands. 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 present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
48. Any member of a company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf. Such proxy shall have the right to speak at such meeting and shall be entitled to vote, whether by show of hands, a poll or otherwise. Further a person appointed as proxy is permitted to act on behalf of any number of members and/or any number of shares, without any limit.
49. The instrument appointing a proxy shall be in such form as the Company may deem fit, shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, by an officer or an attorney duly authorised by it.
50. On a poll taken at a meeting of a Company, a member entitled to more than 1 (one) vote, or his proxy or other person entitled to vote for him, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
51.
 - (i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
 - (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
 - (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

BOARD OF DIRECTORS

52. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
53. The directors shall not be required to hold any qualification share(s) in the Company.
54. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:
- (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or
- (b) in connection with the business of the Company.
55. The number of directors shall not be less than 3 (three) at any time, and may exceed 11 (eleven) only on receipt of sanction from the members by way of a special resolution in this regard.
56. The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.
57. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those sections of the Act) make and vary such Articles as it may think fit with respect to keeping of any such register.
58. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
59. All cheques, promissory notes, drafts, hands, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine,
60. (i) Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board in the Articles of Association.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- (iii) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the **Original Director**”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provision of the Act. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
61. On and from the date of listing and commencement of trading of the Equity Shares of the Company pursuant to an initial public offer (“**IPO Listing Date**”), the Board of the Company shall comprise a maximum of 11 (eleven) directors and at all times shall be constituted in compliance with applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Subject to receipt of approval of the shareholders, post IPO Listing Date, by way of a special resolution, at the first shareholders meeting held

by the Company post the IPO Listing Date, each of the Promoters and the South Lake Investment Ltd shall have the right to nominate and recommend Directors to the Board of the Company in the following manner:

i. Sameer Mehta

- a. Sameer Mehta shall have the right to nominate a maximum of 2 (two) nominee Directors at all times till he (together with any of his Affiliates) holds 15% (fifteen percent) of the total paid up share capital of the Company determined on a fully diluted basis.
- b. Sameer Mehta shall have the right to nominate a maximum of 1 (one) nominee Director at all times till he (together with any of his Affiliates) holds 5% (five percent) of the total paid up share capital of the Company determined on a fully diluted basis.

ii. Aman Gupta

- a. Aman Gupta shall have the right to nominate a maximum of 2 (two) nominee Directors at all times till he (together with any of his Affiliates) holds 15% (fifteen percent) of the total paid up share capital of the Company determined on a fully diluted basis.
- b. Aman Gupta shall have the right to nominate a maximum of 1 (one) nominee Director at all times till he (together with any of his Affiliates) holds 5% (five percent) of the total paid up share capital of the Company determined on a fully diluted basis.

iii. South Lake Investment Ltd

South Lake Investment Ltd shall have the right to nominate a maximum of 1 (one) nominee Director at all times till South Lake Investment Ltd (together with any of its Affiliates) holds 5% (five percent) of the total paid up share capital of the Company determined on a fully diluted basis. The nominee Director of South Lake Investment Ltd shall not be liable to retire by rotation.

Notwithstanding anything contained in the Articles of Association, the calculation of the percentage threshold for the right to nominate nominee Directors in this Article shall not include unvested stock options granted by the Company.

62. At the annual general meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.
63. A retiring Director shall be eligible for re-election and the Company, at the annual general meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.
64. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

PROCEEDINGS OF THE BOARD

65. (i) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii) A director may, and the manager or secretary or any person authorized by the Board on this behalf, on the requisition of a director shall, at any time, summon a meeting of the Board including at a shorter notice.
66. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
68. (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the directors present may choose 1 (one) of their numbers to be chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a chairperson of its meetings.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the members present may choose 1 (one) of their members to be chairperson of the meeting.
71. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
72. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

BORROWING POWERS

73. Subject to the Articles of Association, the Directors may, from time to time, at their discretion, raise or borrow or secure the payment of any sum or sum of money for the purpose of the Company's business and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of the Company (present and future), including its uncalled and unpaid capital.
74. Subject to the Articles of Association, any bonds, debentures/ stock or other securities issued by the Company shall be under the control of the Directors who may issue them upon terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

MANAGING DIRECTOR / WHOLE-TIME DIRECTOR

75. The Board may from time to time appoint 1 (one) or more directors to be managing directors or whole time directors for such terms, and at such remuneration (whether by way of salary or commission or participation in profits or partly in 1 (one) way and partly in another) as it may think fit. But his appointment shall be subject to determination *ipso facto* if he ceases from any case to be a director of the Company or General Meeting resolves that his tenure of office of managing director / whole time director be determined.

**CHIEF EXECUTIVE OFFICER, MANAGER,
COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

76. Subject to the provisions of the Act:
- (i) chief executive officer(s), manager, company secretary and/or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer(s), manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
77. A provision of the Act or the Articles of Association requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDENDS AND RESERVE

78. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Further, no dividend shall be declared unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the Company for the current year.
79. Subject to the provisions of Section 123 of the Act, 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:
80. (i) 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, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
81. (i) 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.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (iii) 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.
82. 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.
83. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 84. Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 85. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 86. No dividend shall bear interest against the Company.
- 87. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the Unpaid Dividend Account (“**Unpaid Dividend Account**”).
- 88. Any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the fund established the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- 89. No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by law.

ACCOUNTS

- 90. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.

SECRECY

- 91. Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall observe strict secrecy in respect of all transaction of the Company with the customers and the state of accounts with individuals and in matters relating thereto and shall not reveal in the discharge of his duties except when required to do so by the directors as such or by any meeting or by court of law or by the person to whom such matters relate and except so for as may be necessary in order to comply with any of the provisions in these presents contained.

WINDING UP

- 92. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets, shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up as at the commencement of the winding up, on the shares held by them respectively. If in a winding up the assets available for distribution among the member is more than sufficient to repay the whole of the capital at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holder of shares issued upon special terms and conditions.
- 93. (i) If the Company shall be wound up whether voluntary, or otherwise, the liquidators may with the sanction of a special resolution and with such other consents required under the Act and

other applicable law, divide amongst the members in specie or kind any part of the assets of the Company as the liquidators, with the like sanction, shall think fit.

- (ii) 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.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories 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

94. Subject to the provisions of the Act every director of the Company, officer (whether managing director, manager, secretary or other officer) or employee or any person employed by the Company as auditor shall be indemnified by the Company against liability in respect of matters which arise from acts or omissions of the relevant person in the ordinary course of discharging his or her authorized duties other than liability which arises as a result of that persons dishonesty, fraud or negligence.

COVENANT

95. The Company covenants that, for so long as the South Lake Investment Ltd is a shareholder, the Company shall and shall cause its Subsidiaries to conduct its business in a manner consistent with Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, and other regulations framed and policies issued thereunder including the Consolidated Foreign Direct Investment Policy effective from October 15, 2020 issued by the Department of Promotion of Commerce and Industry, Government of India, including statutory modifications, amendments and re-enactments thereto from time to time

PART B

Part B of the Articles of Association of the Company provides for the rights and obligations of the parties to the amended and restated shareholders' agreement dated April 9, 2021 entered into among the Company, Sameer Mehta, Aman Gupta, Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust), South Lake Investment Ltd and Qualcomm Ventures LLC, as amended by the waiver cum amendment agreement to the Shareholders' Agreement dated January 25, 2022 entered into among our Company, Sameer Mehta, Aman Gupta, Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust), South Lake Investment Ltd and Qualcomm Ventures LLC. All Articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

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 or entered into more than two years before the date of this Draft Red Herring Prospectus) 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 filed with the RoC, and will also available at the following web link: <https://www.boat-lifestyle.com/pages/investor-relations> from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date for inspection. Copies of the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10:00 am to 5:00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

Material Contracts to the Offer

1. Offer Agreement dated January 26, 2022 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated January 26, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the share escrow agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate Members, our Company, the Selling Shareholders and the Registrar to the Offer.
6. Monitoring agency agreement dated [●] entered into among our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of incorporation dated November 1, 2013.
3. Fresh certificate of incorporation dated January 24, 2022 issued consequent to change in name of the Company from “Imagine Marketing Private Limited” to “Imagine Marketing Limited”.
4. Restated and Amended Shareholders’ Agreement dated April 9, 2021 entered into among the Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust), South Lake Investment Ltd and Qualcomm Ventures LLC.
5. Waiver cum amendment agreement to the Shareholders’ Agreement dated January 25, 2022 entered into among our Company, the Promoters, Fireside, South Lake and Qualcomm.
6. Share subscription agreement dated April 4, 2018 entered into among the Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust).
7. Series A1 share subscription agreement dated December 31, 2018 entered into among the Company, Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust).
8. Share subscription and purchase agreement dated December 14, 2020 entered into among the Company,

Sameer Mehta, Aman Gupta and Fireside Ventures Investment Fund-I (Scheme of Fireside Ventures Investment Trust) and South Lake Investment Ltd

9. Share subscription agreement dated April 9, 2021 entered into among our Company, Sameer Mehta, Aman Gupta and Qualcomm Ventures LLC.
10. Release letters (i) dated January 25, 2022 issued by Fireside; (ii) dated January 26, 2022 issued by South Lake; (iii) dated January 25, 2022 issued by Qualcomm, to the Promoters.
11. Share purchase agreement dated January 6, 2022 entered into among our Company, KaHa Pte. Ltd., KaHa Technologies Private Limited, Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung.
12. Share purchase agreement dated January 10, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd., Nott Hariprasad, Tan Hwee Hua, Yournest Angel Fund Trust, Metals International B.V., IOTPlus Singapore Pte. Ltd., Seeds Capital Pte. Ltd., Tembusu ICT Fund I Pte. Ltd., Tembusu Partners Pte. Ltd., Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung.
13. Share purchase and share subscription agreement dated January 14, 2022 entered into among our Subsidiary, Imagine Marketing Singapore, KaHa Pte. Ltd., Pawan Gandhi, Sudheendra Shantharam and Tang Chok Sung.
14. Share subscription, shareholders' and share purchase agreement dated January 17, 2022 entered into among Mohit Jain, Rajat Jain, Rica Jain, Kimi Jain, Hunter Amenities International Limited, Kimirica Hunter International LLP, Kimirica Lifestyle Private Limited and our Subsidiary, HOB Ventures.
15. Business transfer agreement dated January 17, 2022 entered into among Kimirica Hunter International LLP and Kimirica Lifestyle Private Limited and our Subsidiary, HOB Ventures.
16. Deed of assignment dated January 17, 2022 entered into among Kimirica Hunter International LLP, Mohit Jain, Rajat Jain, Rica Jain, Kimi Jain, Kimirica Lifestyle Private Limited and our Subsidiary, HOB Ventures.
17. Intellectual property purchase and acquisition agreement dated June 4, 2021 entered into among Dive Marketing, TAGG Digital Strategies Pvt. Ltd., Amitesh Bhardwaj, Saurav Prakash, Rohit Dhingra and M/s. 4COM Technologies.
18. Trademark licence agreement dated June 4, 2021 entered into among our Company and Dive Marketing.
19. Asset transfer agreement dated September 1, 2021 entered into among Redwood Interactive and our Company.
20. Share subscription agreement dated November 1, 2019 entered into among our Company, Sirena Labs Private Limited, Hari Haran Bojan and Akanksha Anand.
21. Shareholders' agreement dated November 1, 2019 entered into among our Company, Sirena Labs Private Limited, Hari Haran Bojan, Akanksha Anand, Medari Reuben Hanock Babu and Abinika Radha Krishnan.
22. Right to subscribe agreement dated July 16, 2019 entered into among our Company and Innoven Capital India Private Limited
23. Share subscription agreement dated January 7, 2022 entered into among our Company and Innoven Capital India Private Limited
24. Joint venture agreement dated January 17, 2022 entered into among Dixon Technologies (India) Limited and our Company
25. ESOP 2019 and ESOP 2021.
26. Employment agreement dated December 19, 2020 entered into among our Company and Sameer Mehta, our Chairman and Executive Director.
27. Employment agreement dated December 19, 2020 entered into among our Company and Aman Gupta,

our Executive Director.

28. Employment agreement dated February 9, 2021 entered into among our Company and Vivek Gambhir, our Chief Executive Officer and Executive Director.
29. Resolution of the Board of Directors dated January 25, 2022, approving the Fresh Issue and other related matters.
30. Resolution of the Shareholders dated January 25, 2022, approving the Fresh Issue and other related matters.
31. Resolution of the Board of Directors dated January 25, 2022 and the IPO Committee dated January 26, 2022 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
32. Consent letter dated January 25, 2022 received from Aman Gupta consenting to his participation in the Offer and approving the inclusion of his name as a selling shareholder.
33. Consent letter dated January 25, 2022 received from Sameer Mehta consenting to his participation in the Offer and approving the inclusion of his name as a selling shareholder.
34. Consent letter dated January 24, 2022 received from South Lake Investment Ltd consenting to their participation in the Offer and approving the inclusion of their name as a selling shareholder.
35. Report titled "*Report on Consumer Devices In India*" dated January 2022, issued by RedSeer and consent letter issued by RedSeer dated January 25, 2022 to reproduce part or whole of the Redseer Report and include their name in the Offer Document.
36. Consent of the Statutory Auditors dated January 26, 2022 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditors, and in respect of the Restated Consolidated Financial Information and their examination report dated January 25, 2022 on the Restated Consolidated Financial Information and the statement of possible special tax benefits dated January 25, 2022 included in this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
37. Consents of our Directors, the Chief Financial Officer, Company Secretary and the Compliance Officer, the legal counsels to our Company as to Indian Law, the legal counsels to the BRLMs as to Indian Law, legal counsels to the Offer, the bankers to our Company, independent chartered accountants, the BRLMs and Registrar to the Offer, as referred to act, in their respective capacities.
38. Tripartite Agreement dated January 18, 2022 entered into among our Company, NSDL and the Registrar to the Offer.
39. Tripartite Agreement dated December 30, 2021 among our Company, CDSL and the Registrar to the Offer.
40. Due diligence certificate addressed to SEBI from the BRLMs, dated January 26, 2022.
41. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
42. SEBI final observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sameer Mehta

Chairman and Executive Director

Date: January 26, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Aman Gupta
Executive Director

Date: January 26, 2022
Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vivek Gambhir

Chief Executive Officer and Executive Director

Date: January 26, 2022

Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992 or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anish Saraf

Non-Executive Director

Date: January 26, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Purvi Sheth

Independent Director

Date: January 26, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Aashish Kamat

Independent Director

Date: January 26, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anand Ramamoorthy
Independent Director

Date: January 26, 2022
Place: Bengaluru

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Deven Waghani

Independent Director

Date: January 26, 2022

Place: Seattle

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations or guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 or the Securities Exchange Board of India Act, 1992, or the rules made or the regulations or guidelines issued thereunder, as the case maybe. I certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

Ankur Sharma
Chief Financial Officer

Date: January 26, 2022
Place: Mumbai

DECLARATION

I hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sameer Mehta

Date: January 26, 2022

Place: Mumbai

DECLARATION

I hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Aman Gupta

Date: January 26, 2022

Place: New Delhi

DECLARATION BY SOUTH LAKE INVESTMENT LTD

South Lake Investment Ltd hereby confirms that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself, as an Investor Selling Shareholder and its respective portion of the Offered Shares, are true and correct. South Lake Investment Ltd assumes no responsibility for any other statements, disclosures and undertakings, including any and all statements made or confirmed by, about or relating to, the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of South Lake Investment Ltd

Name: Sharmila Baichoo

Designation: Director

Date: January 26, 2022

Place: Port Louis, Mauritius