BHARAT FIH LIMITED

Our Company was incorporated on 1 May 2015 as a private limited company under the Companies Act, 2013, with the name "Rising Stars Mobile India Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Andhra Pradesh, at Hyderabad. The name of our Company was subsequently changed to "Bharat FIH Private Limited" pursuant to a special resolution passed by our Shareholders at the Extraordinary General Meeting held on 14 June 2021, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu at Chennai (the "**RoC**") on 30 June 2021. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated 22 October 2021, the name of our Company was changed to "Bharat FIH Limited" and the RoC issued a fresh certificate of incorporation on 2 November 2021. For details of changes in the registered office of our Company, see "***History and Certain Corporate Matters – Changes in the registered office***" on page 190.

Corporate Identity Number: U31401TN2015PLC143100
Registered and Corporate Office: M-2B, DTA Area, SIPCOT Industrial Park, Phase - II Chennai Bangalore NH- 4, Sunguvarchatram, Sriperumbudur, Kancheepuram 602 106, Tamil Nadu, India;
Tel: +91 44 67113500; **Website:** https://www.bharatfih.com/
Contact Person: Ramachandran Kunnath, Chief Financial Officer, Company Secretary and Compliance Officer; **Tel:** +91 44 6711 3500; +91 44 4713 5000 **E-mail:** investor@bfih-foxconn.com

OUR PROMOTERS: WONDERFUL STARS PTE. LTD. AND FIH MOBILE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF BHARAT FIH LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ 50,038 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 25,019 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 25,019 MILLION (THE "OFFER FOR SALE"), BY WONDERFUL STARS PTE. LTD. (THE "PROMOTER SELLING SHAREHOLDER", AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND 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 TAMIL DAILY NEWSPAPER, TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after 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, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, where at least 75% of the Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company and Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, 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 event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding the Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category 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. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to non-institutional investors ("**Non-Institutional Investors**" or "**NIIs**") and not more than 10% of the Offer shall be available for allocation to retail individual investors ("**Retail Individual Investors**" or "**RIIs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (other than Anchor Investors) shall mandatorily participate in this Offer through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account (including UPI ID for Retail Individual Investors using UPI Mechanism) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, specific attention is invited to "***Offer Procedure***" on page 341.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 10 each. The Offer Price, Floor Price and Price Band, as determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 96 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S 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. The Promoter Selling Shareholder accepts responsibility for and confirms that the statements specifically made or confirmed by it in this Draft Red Herring Prospectus [to the extent of information specifically pertaining to itself and its 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. However, the Promoter Selling Shareholder assumes no responsibility for any other statement, including, *inter alia*, any of the statements made by or relating to our Company or its business.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purpose of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents that will be 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 383.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited[(3)] 1st Floor, 27 BKC, Plot No. 27 'G' Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** bharatfih.ipo@kotak.com **Website:** www.investmentbank.kotak.com **Investor Grievance E-mail:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No.:** INM000008704	**Citigroup Global Markets India Private Limited**[(3)] 1202, 12th Floor, First International Financial Centre G-Block, C54 & 55 Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India **Tel:** +91 22 6175 9999 **E-mail:** bharatfih.ipo@citi.com **Website:** www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Investor Grievance E-mail:** investors.cgmib@citi.com **Contact Person:** Mubeen Uttanwala **SEBI Registration No.:** INM000010718	**BNP Paribas** 1 North Avenue Maker Maxity Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 3370 4000 **E-mail:** dl.ipo.bharatfih@asia.bnpparibas.com **Website:** www.bnpparibas.co.in **Investor Grievance E-mail:** indiainvestors.care@asia.bnpparibas.com **Contact Person:** Soumya Guha **SEBI Registration No.:** INM000011534	**HSBC Securities and Capital Markets (India) Private Limited** 52/60 Mahatma Gandhi Road, Fort Mumbai 400 001 Maharashtra, India **Tel:** +91 22 2268 5555 **E-mail:** bharatfihipo2021@hsbc.co.in **Website:** www.business.hsbc.co.in/engb/in/generic/ipo-open-offer-and-buyback **Investor Grievance E-mail:** investorgrievance@hsbc.co.in **Contact Person:** Sanjana Maniar / Rachit Rajgaria **SEBI Registration No.:** INM000010353	**KFin Technologies Private Limited** Selenium, Tower B, Plot No. 31-32 Financial District, Nanakramguda, Hyderabad, Rangareddi 500 032 Telangana, India **Tel:** + 91 40 6716 2222 **E-mail:** bharatfih.ipo@kfintech.com **Website:** www.kfintech.com **Investor Grievance e-mail:** einward.ris@kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON[(1)]	[●]	BID/OFFER CLOSES ON[(2)]	[●]

[(1)] *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
[(2)] *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
[(3)] *Kotak Mahindra Capital Company Limited and Citigroup Global Markets India Private Limited are also acting as the Global Coordinators and Book Running Lead Managers.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies or unless otherwise specified, the following terms and abbreviations have the following meanings in this Draft Red Herring Prospectus, and references to any statute or rules or guidelines or regulations or circulars or notifications or policies or Articles of Association or Memorandum of Association will include any amendments, clarifications, modifications, replacements or re-enactments notified thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

*Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to Bharat FIH Limited, a public limited company incorporated in India under the Companies Act, 2013 with its Registered and Corporate Office at M-2B, DTA Area, SIPCOT Industrial Park, Phase - II Chennai Bangalore NH- 4, Sunguvarchatram, Sriperumbudur, Kancheepuram 602 106, Tamil Nadu, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiaries (as defined below) on a consolidated basis.*

Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. Any other words and expressions used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, and the Depositories Act and the rules and regulations made thereunder.

*Notwithstanding the foregoing, terms defined in "**Objects of the Offer**""**Basis for Offer Price**", "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies**", "**Financial Information**", "**Outstanding Litigation and Material Developments**", "**Government and Other Approvals**" and "**Main Provisions of the Articles of Association**", on pages 81, 96, 99, 106, 183, 222, 310, 315 and 360, respectively, will have the meaning ascribed to such terms in the respective sections.*

Company Related Terms

Term	Description
Aptech Electronics	Aptech Electronics Pte. Ltd.
Articles of Association/ Articles/AoA	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, as described in "***Our Management***" on page 196
Auditors/Statutory Auditors	The statutory auditors of our Company, being Deloitte Haskins & Sells LLP, Chartered Accountants
Board/Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
BTC	Bharat Taiwan Corporation (*formely known as Rising Stars Taiwan Corporation*)
Chairman	Yu Yang Chih, the chairman of our Company
Chief Financial Officer/ CFO	The chief financial officer of our Company
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "***Our Management***" on page 196
Director(s)	The director(s) on our Board of Directors, as described in "***Our Management***" on page 196
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
ESOS 2021	The share option scheme adopted by the Company pursuant to resolutions passed by our Board and Shareholders, each dated 25 March 2021, as amended by way of resolutions passed by our Board and Shareholders, each dated 12 November 2021
Executive Director	Executive director on our Board, as described in "***Our Management***" on page 196
FIH Mobile	FIH Mobile Limited
Foxconn Technology Group	The Hon Hai group and its subsidiaries
F&S	Frost & Sullivan (India) Private Limited
F&S Report	Report titled "Market Assessment for India EMS/ODM Industry" dated 14 December 2021, prepared by F&S
Group	Bharat FIH Limited and its Subsidiaries, namely, RSHTPL and BTC
Group Companies	In terms of SEBI ICDR Regulations, the term "group companies" includes companies (other than our Promoters and Subsidiaries) with which there were related party

Term	Description
	transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in “***Our Group Companies***” on page 217
Independent Director(s)	Independent director(s) on our Board, as described in “***Our Management***” on page 196
KMP/Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, including key managerial personnel under Section 2(51) of the Companies Act, 2013, and as described in “***Our Management***” on page 196
Managing Director	Clement Joshua Foulger, the managing director of our Company
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated 14 December 2021 for identification of Group Companies, material outstanding litigation involving our Company, our Subsidiaries, Directors, and Promoters and outstanding dues to material creditors by our Company, in accordance with the requirements under the SEBI ICDR Regulations
MoA/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 “***Our Management***” on page 196
Non-Executive Director(s)	Non-executive director(s) on our Board, as described in “***Our Management***” on page 196
Promoters	Wonderful Stars and FIH Mobile
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “***Our Promoters and Promoter Group***” on page 212
Promoter Selling Shareholder	Wonderful Stars
Registered and Corporate Office	The registered and corporate office of our Company is M-2B, DTA Area, SIPCOT Industrial Park, Phase - II Chennai Bangalore NH- 4, Sunguvarchatram, Sriperumbudur, Kancheepuram 602 106, Tamil Nadu, India
Restated Financial Information	Our restated consolidated financial information which comprises the restated consolidated statement of assets and liabilities as at 30 September 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated consolidated statement of changes in equity for the six month period ended 30 September 2021 of the Group, the restated statement of assets and liabilities as at 30 September 2020 and Financial Years 2021, 2020 and 2019, the restated statements of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six month period ended 30 September 2020 and for the Financial Years 2021, 2020 and 2019 of the Company; and the summary of significant accounting policies and explanatory notes prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the ICAI Guidance Note, and included in “***Financial Information***” on page 222
Risk Management Committee	The risk management committee of our Board, as described in “***Our Management***” on page 196
RoC/Registrar of Companies	Registrar of Companies, Tamil Nadu situated at Chennai
RSHTPL	Rising Stars Hi-Tech Private Limited
Shareholder(s)	The holders of the Equity Shares of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in “***Our Management***” on page 196
Subsidiaries	The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, namely, RSHTPL and BTC, as disclosed in “***History and Certain Corporate Matters – Subsidiaries of our Company***” on page 194 For the purpose of Restated Financial Information and related financial information, subsidiaries would mean subsidiaries as at or during the relevant Financial Year.
Wonderful Stars	Wonderful Stars Pte. Ltd.

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotted/Allotment/Allot	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to successful Bidders

Term	Description
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	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 Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs on the Anchor Investor Bidding Date
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to the 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 Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, 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 only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount/ASBA	An application (whether physical or electronic) by an ASBA Bidder to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account and will include application made by RIIs using the UPI Mechanism, where the Bid amount will be blocked upon acceptance of UPI Mandate Request by RIIs
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Investor using the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA 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
Banker(s) to the Offer	Collectively, the Escrow Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 341
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to the submission of an ASBA form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable In the case of Retail Individual Investors Bidding at the Cut-off Price, the Bid Amount is the Cap Price multiplied by the number of Equity Shares Bid for by such RII and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Term	Description
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bid, being [●], 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is located). In case of any revisions, the extended Bid/Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is located)
Bid/Offer Period	Except in relation to any Bids received from the 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. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
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, and includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branches, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BNP Paribas	BNP Paribas
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 Lead Managers/BRLMs	The book running lead managers to the Offer, in this case being Kotak, BNP Paribas, Citi and HSBC The book running lead managers include the Global Coordinators and Book Running Lead Managers or the GCBRLMs
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, and updated from time to time
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Citi	Citigroup Global Markets India Private Limited
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated 10 November 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges, as updated from time to time
Collecting 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 (CIR/CFD/POLICYCELL/11/2015) dated 10 November 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges, as updated from time to time
Confirmation of Allocation Note/CAN	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date
Cut-off Price	The Offer Price, finalised by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail

Term	Description
	Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such centres of the Collecting Depository Participants where ASBA Bidders can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI). 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 (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Date	The date on which the funds from the Escrow Accounts are transferred to the Public Offer Account or the Refund Account, as appropriate, and instructions are issued to SCSBs (and in case of RIIs using the UPI Mechanism, instructions issued through the Sponsor Bank) for the transfer of the relevant amounts blocked in the ASBA Accounts to the Public Offer Account and/or unblocking, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIIs (not using the UPI Mechanism) authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated 21 December 2021 filed with SEBI and Stock Exchanges and 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, and includes any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members and Banker(s) to the Offer for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account, and where applicable remitting refunds, if any, to such Bidders, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 25,019 million by our Company

Term	Description
General Information Document/GID	The general information document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated 17 March 2020 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated 30 March 2020 notified by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Global Coordinators and Book Running Lead Managers/ GCBRLMs	The global coordinators and book running lead managers to the Offer, in this case being Kotak and Citi
HSBC	HSBC Securities and Capital Markets (India) Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "***Objects of the Offer***" on page 81
Non-Institutional Category	The portion of the Offer being not more than 15% of the Offer, or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI, that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 50,038 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 25,019 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 25,019 million by the Promoter Selling Shareholder
Offer Agreement	The agreement dated 21 December 2021 entered into among our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to [●] Equity Shares aggregating up to ₹ 25,019 million by the Promoter Selling Shareholder, in terms of the Red Herring Prospectus and the Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see "***Objects of the Offer***" on page 81
Offered Shares	The Equity Shares offered by the Promoter Selling Shareholder in the Offer by way of Offer for Sale
Price Band	Price band ranging from a Floor Price of ₹ [●] per Equity Share to a Cap Price of ₹ [●] per Equity Share, including revisions thereof, if any. The Price Band will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is situated), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Promoter Selling Shareholder in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 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

Term	Description
Public Offer Account	The 'no-lien' and 'non-interest bearing' bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations, with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category	The portion of the Offer, being at least 75% of the Offer, or [●] Equity Shares, which shall be allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company 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	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account 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 (CIR/CFD/14/2012) dated 4 October 2012 and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated 21 December 2021 entered into among our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	KFin Technologies Private Limited
Retail Category	The portion of the Offer, being not more than 10% of the Offer, or [●] Equity Shares, available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Retail Individual Investors/RIIs	Individual Bidders, 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)
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 bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Banks/SCSBs	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as may be prescribed by SEBI and updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile applications which are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, in this case being [●]
Share Escrow Agreement	Agreement to be entered into among the Promoter Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder in the Offer for Sale 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, a list of which will be included in the Bid cum Application Form
Sponsor Bank	A Banker to the Offer registered with SEBI, which has been appointed to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions by an RII using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Together, BSE and NSE
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company and the Promoter Selling Shareholder in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Together, the BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Promoter Selling Shareholder and the Underwriters, on or after the Pricing Date but before filing of the Prospectus with the RoC
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated 1 November 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated 3 April 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated 28 June 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated 26 July 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated 8 November 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated 30 March 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated 16 March 2021, SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated 31 March 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated 2 June 2021 and any subsequent circulars or notifications issued by SEBI in this regard from time to time
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investors, by way of a notification on the UPI linked mobile application and by way of an SMS directing the Retail Individual Investors to such UPI linked mobile application) to the Retail Individual Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India, as per the circulars issued by SEBI from time to time

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting of shareholders under the Companies Act, 2013
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Banking Regulation Act	Banking Regulation Act, 1949
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder

Term	Description
Companies Act, 2013	Companies Act, 2013, as amended read with rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The Consolidated FDI Policy, effective from 15 October 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	Copyright Act, 1957
COVID - 2019/COVID-19	A public health emergency of international concern as declared by the World Health Organization on 30 January 2020 and a pandemic on 11 March 2020
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP/Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identity number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
EBIT	Earnings before interest and tax and is calculated as the restated profit or loss for the period/ financial year plus tax expense and finance costs less other income
EBITDA	Earnings before interest, tax, depreciation and amortisation and is calculated as the restated profit or loss for the period or financial year plus tax expense, finance costs, depreciation and amortisation expense less other income
EBIT Margin	EBIT divided by revenue from operations
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI/Central Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu undivided family(ies)
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
INR/Indian Rupees/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
IT Act	Information Technology Act, 2000
MCA	The Ministry of Corporate Affairs, Government of India
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
NAV	Net asset value
NBFC-SI	Systemically important non-banking financial company

Term	Description
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
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on 3 October 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA and which was de-recognised through the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Restated Profit/ (loss) for the financial year/period
PAT Margin	Restated profit /(loss) before tax divided by revenue from operations
PBT Margin	Restated profit/(loss) for the year/period divided by revenue from operations
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Regional Director	Regional Director (Southern Region), MCA, Chennai, Tamil Nadu
RoNW	Restated profit or (loss) for the year/period divided by net worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under section 3 of the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
TAN	Tax deduction and collection account number
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
US$/USD/US Dollar	United States Dollar, the official currency of the United States of America
USA/U.S./US	United States of America
VCF	Venture Capital Fund
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Industry Related Terms

Term	Description
Box build	A systems integration unit which can range from a simple PCBA housed in a small enclosure to a cabinet comprising a electromechanical system
EMS	Electronic manufacturing services
ODM	Original design manufacturer
OEM	Original equipment manufacturer
PCB	Printed circuit boards
PCBA	Printed circuit board assembly
SMT	Surface mount technology

Term	Description
Time-to-market	Time-to-market is defined as the time it takes from the conception of a new product design to its release in the market
Time-to-volume	Time-to-volume is defined as the time it takes from the conception of a new product design to launch and achievement of commercially relevant business volumes

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references herein to the "US", the "U.S." or the "United States" are to the United States of America.

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time ("**IST**") and unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Financial Data

Unless indicated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Information. The Restated Financial Information included in this Draft Red Herring Prospectus comprises the restated consolidated statement of assets and liabilities as at 30 September 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated consolidated statement of changes in equity for the six month period ended 30 September 2021 of the Group, the restated statement of assets and liabilities as at 30 September 2020 and Financial Years 2021, 2020 and 2019, the restated statements of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six month period ended 30 September 2020 and for the Financial Years 2021, 2020 and 2019 of the Company; and the summary of significant accounting policies and explanatory notes prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the ICAI Guidance Note, and included in "***Financial Information***" on page 222.

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. Accordingly, all references to a particular fiscal or 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.

There are significant differences between the Ind AS, the International Financial Reporting Standards issued by the International Accounting Standards Board (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows***" on page 50.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals 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 such respective sources.

Non-GAAP Financial Measures

We use certain supplemental non-generally accepted accounting principle ("**non-GAAP**") measures to review and analyse our financial and operating performance from period to period, and to evaluate our business, which have been included in this Draft Red Herring Prospectus. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us and our operating and financial performance. Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information set out in this Draft Red Herring Prospectus. These non-GAAP financial measures and performance indicators are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools. These non-GAAP financial measures may differ from similar titled information used by our peer companies, who may calculate such information differently and hence their comparability with the measures used by us may be limited. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for measures of performance under Ind AS or as indicators of our cash flows, liquidity or profitability.

Industry and Market Data

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned and paid for a report titled "*Market Assessment for India EMS/ODM Industry*" dated 14 December 2021 ("**F&S Report**") prepared by Frost & Sullivan (India) Private Limited ("**F&S**"), who were appointed on 30 September 2021 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. The F&S Report is available on our Company's website at https://www.bharatfih.com/industry-report. F&S has required us to include the following disclaimer in connection with the F&S Report:

"Market Assessment for India EMS/ODM Industry" dated December 2021 has been prepared for the proposed initial public offering of equity shares by Bharat FIH Limited (the "Company").

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

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

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

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. 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 – This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan (India) Private Limited, and any***

reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 45. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "***Basis for Offer Price***" on page 96 includes information relatingto our peer group companies, which has been derived from publicly available sources.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollar, the official currency of the United States of America. All references to "**NT$**" are to New Taiwan Dollar, the official currency of Taiwan.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents 10 lakhs or 1,000,000 and 10 million represents one crore or 10,000,000. However, where any figures that may have been sourced from third party 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 and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The following table sets forth as of the dates indicated, information with respect to the conversion of foreign currency amounts into Indian Rupee:

(in ₹)

Currency	Exchange Rate as at 30 September 2021	Exchange Rate as at 31 March 2021	Exchange Rate as at 31 March 2020	Exchange Rate as at 31 March 2019[(1)]
1 US$	74.26	73.50	75.39	69.17
1 NT$	2.67	2.58	2.49	2.25

Source: For USD - www.fbil.org.in, for NT$ - www.xe.com
Note: Exchange rate is rounded off to two decimal places
[(1)] *Exchange rate as at 29 March 2019, as 31 March 2019 being Sunday and 30 March 2019 being a Saturday.*

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs". This Draft Red Herring Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Any reproduction or distribution of this Draft Red Herring Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements can generally be identified by words or phrases such as ***"aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek to", "will achieve", "will continue", "will likely", "will pursue"*** or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

- The decline in sales to a single customer, from which most of our revenues are derived;
- The material adverse impact of COVID-19 pandemic and measures intended to prevent its spread, on our business and results of operations;
- Shortages in the supply of our major production inputs;
- Inability to maintain our leadership in the mobile phone EMS industry;
- Inability to replicate the success we have had in the mobile phone industry in the new industries we are targeting for future growth;
- Inability to successfully expand our EMS business into higher margin ODM services;
- Inability to anticipate and adapt to rapid technological changes and continue offering high quality products and services;
- Significant competitive pressures in our business, and our inability to compete effectively would be detrimental to our business and prospects;
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness; and
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 25, 148 and 283 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 results and 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. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance

Neither our Company, nor our Director or KMPs, nor the Promoter Selling Shareholder, nor the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company, the Promoter Selling Shareholder (in respect of statements and undertakings specifically made confirmed by it in relation to itself and the Equity Shares offered by it in the Offer for Sale) and the BRLMs will ensure that bidders in India are informed of material developments from the date of the Red Herring Prospectus until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled "***Risk Factors***", "***The Offer***", "***Capital Structure***", "***Objects of the Offer***", "***Industry Overview***", "***Our Business***", "***Our Promoters and Promoter Group***", "***Financial Information***", "***Outstanding Litigation and Material Developments***", "***Offer Procedure***" and "***Main Provisions of the Articles of Association***" on pages 25, 56, 71, 81, 106, 148, 212, 222, 310, 341 and 360, respectively.

Summary of business

We are the largest EMS provider in India, with approximately 15% market revenue share in Financial Year 2021, according to the F&S Report. In addition to our EMS services, which mainly comprise manufacturing services, we are building the capabilities to provide OEMs with a comprehensive, vertically integrated "one-stop solution" comprising a range of ODM services including product design and development, component manufacturing and sourcing, logistics, and after-sales services. We have also been expanding our business into high-growth industries other than mobile phones, including mechanics, electric vehicles, televisions and hearables. We conduct our operations across our campuses based in South India.

Summary of industry

The EMS industry includes domestic electronics production and imports of electronic finished goods. OEMs engage EMS providers for manufacturing services, product design and development, testing, and after-sales services such as repair, remanufacturing, marketing and product lifecycle management. OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on brand development, customer service and diversification. The Indian market opportunity is driven by the expected increase in electronics usage in the country from the current levels of under-penetration, geographical diversification by OEMs of their manufacturing needs, and the availability of government incentives and other schemes, according to the F&S Report.

Promoters

Our Promoters are Wonderful Stars and FIH Mobile.

Offer size

Offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 50,038 million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 25,019 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 25,019 million by Wonderful Stars, the Promoter Selling Shareholder.

For further details, see "***The Offer***" on page 56.

Objects of the Offer

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

(in ₹ million)

Particulars	Estimated Amount
Funding capital expenditure requirements of our Company towards expansion of our existing campuses	10,581.71
Investment in our Subsidiary, RSHTPL, for financing capital expenditure requirements	363.26
Funding working capital requirements of our Company	7,069.00
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 utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue.

Pre-Offer shareholding of the Promoters, Promoter Group and Promoter Selling Shareholder

The equity shareholding of our Promoter, Wonderful Stars, which is also the Promoter Selling Shareholder, and the Promoter Group as on the date of this Draft Red Herring Prospectus and the percentage of pre-Offer Equity Share capital is set forth below:

S. No.	Name	Pre-Offer	
		Number of Equity Shares held on a fully diluted basis	Percentage of equity share capital on a fully diluted basis (%)
Promoter			
1.	Wonderful Stars	2,380,308,780[(1)]	99.97
	Total (A)	**2,380,308,780[(1)]**	**99.97**
Promoter Group			
1.	Aptech Electronics	636,200	0.03
	Total (B)	636,200	0.03
	Total (A+B)	**2,380,944,980**	**100.00**

[(1)] *One Equity Share each of our Company is held by Yu Yang Chih, Hui-Chung Chen, Clement Joshua Foulger, Meng Hsiao -Yi, Kam Wah Danny Tam, as a nominee of our Promoter, Wonderful Stars*

Our Promoter, FIH Mobile does not directly hold any Equity Shares in our Company.

Summary of selected financial information

The following details of our Equity Share capital, net worth, net asset value per Equity Share and total borrowings for the six months period ended 30 September 2021 and 30 September 2020, and Financial Years 2021, 2020 and 2019 and total income, restated profit/(loss) for the period/year and earnings per share (basic and diluted) for the six months period ended 30 September 2021 and 30 September 2020, and Financial Years 2021, 2020 and 2019 are derived from the Restated Financial Information* (except as stated in the note below):

(₹ in million, unless otherwise specified)

Particulars	Six month period ended 30 September 2021 (Consolidated)	Six month period ended 30 September 2020 (Standalone)	Financial Year 2021 (Standalone)	Financial Year 2020 (Standalone)	Financial Year 2019 (Standalone)
Equity Share capital	23,809.45	23,809.45	23,809.45	23,809.45	16,659.45
Net worth[(1)]	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99
Total income	1,01,698.35	64,278.63	1,59,066.57	2,66,693.26	3,43,923.73
Restated profit/(loss) for the year/period	891.71	881.87	1,619.15	3,897.13	(2,228.71)
Basic earnings per Equity Share	0.37	0.37	0.68	2.08	(1.57)
Diluted earnings per Equity Share	0.37	0.37	0.68	2.08	(1.57)
Net asset value per Equity Share (in ₹)[(2)]	12.29	11.60	11.91	14.26	11.11
Total borrowings[(3)]	-	1,178.57	-	-	10,662.01

* Please see "***Other Financial Information***" on page 280.

[(1)] *Net worth=Total equity*

[(2)] *Net asset value per Equity Share= (Total assets- total liabilities)/Weighted average number of Equity Shares*

[(3)] *Total borrowings=current borrowings*

Net worth

Particulars	Six month period ended 30 September 2021 (Consolidated)	Six month period ended 30 September 2020 (Standalone)	Financial Year 2021 (Standalone)	Financial Year 2020 (Standalone)	Financial Year 2019 (Standalone)
Equity Share capital (A)	23,809.45	23,809.45	23,809.45	23,809.45	16,659.45
Other equity (B)	5,445.47	3,814.65	4,547.90	2,929.33	(981.46)

Particulars	Six month period ended 30 September 2021 (Consolidated)	Six month period ended 30 September 2020 (Standalone)	Financial Year 2021 (Standalone)	Financial Year 2020 (Standalone)	Financial Year 2019 (Standalone)
Net worth (C=A+B)	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99

Please see "***Other Financial Information***" on page 280.

Net asset value per Equity Share

Particulars	Six month period ended 30 September 2021 (Consolidated)	Six month period ended 30 September 2020 (Standalone)	Financial Year 2021 (Standalone)	Financial Year 2020 (Standalone)	Financial Year 2019 (Standalone)
Weighted average number of Equity Shares (A)	2,380,944,980	2,380,944,980	238,0944,980	187,4975,042	1,410,848,209
Total assets (B)	87,132.01	89,713.89	87,120.91	86,231.52	88,999.15
Total liabilities (C)	57,877.09	62,089.79	58,763.56	59,492.74	73,321.16
Net asset value (D = B - C)	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99
NAV per Equity Share (E = D / A)	12.29	11.60	11.91	14.26	11.11

Please see "***Other Financial Information***" on page 280.

For further details, see "***Other Financial Information***" on page 280.

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

The Restated Financial Information does not contain any qualifications by the Statutory Auditors.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, our Subsidiaries in terms of the Materiality Policy as required under the SEBI ICDR Regulations, and in case of our Group Companies, such proceedings which may have a material impact on our Company, as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)(2)
Company					
By the Company	2	Nil	Nil	Nil	32.70
Against the Company	Nil	9	9	190(1)	4,049.52
Promoters					
By the Promoters	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	1	Nil	Nil
Directors					
By the Directors	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil
Subsidiaries					
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil
Group Companies					
By the Group Companies	Nil	Nil	Nil	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	Nil	Nil
Total	**2**	**9**	**10**	**190**	**4,082.22**

(1) *Our Company has been impleaded as a party in 190 matters initiated by consumers before district consumer redressal consumer forums of various states against our OEM customers and certain others. The aggregate amount involved in these matters is approximately ₹ 7.03 million. Additionally, certain consumers have sought payment of interest for the losses suffered due to the usage of defective mobile phones. The aggregate amount that may arise in relation to the interest claims is not ascertainable at this stage.*

(2) *To the extent quantifiable*

For further details, see "***Outstanding Litigation and Material Developments***" on page 310.

Risk factors

Specific attention of investors is invited to the section "***Risk Factors***" on page 25. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities derived from the Restated Financial Information (to the extent not provided for) as at 30 September 2021:

(₹ in million)

Particulars	Amount
Claims against the Company not acknowledged as debt:	
Customs Act	1225.47
Pre-deposit paid	91.91

For further details of our contingent liabilities, see "***Restated Financial Information***" on page 222.

Summary of Related Party Transactions

The following is the summary of transactions with related parties for the six month periods ended 30 September 2021 and 30 September 2020 and Financial Years 2021, 2020 and 2019, as per the requirements under applicable Accounting Standards i.e., Ind AS 24 read with the SEBI ICDR Regulations.

(₹ in million)

Particulars				Financial Years		
Nature of transaction	**Related parties with whom transactions have taken place**	**Six month period ended 30 September 2021 (Consolidated)**	**Six month period ended 30 September 2020 (Standalone)**	**2021 (Standalone)**	**2020 (Standalone)**	**2019 (Standalone)**
Interest Income	FIH India Developer Private Limited	4.44	5.25	8.70	12.11	3.62
Reimbursement of Expense received	FIH India Developer Private Limited	165.74	91.72	-	-	19.30
	FIH India Private Limited	28.63	-	-	-	-
Sales	FIH (Hong Kong) Limited	27.18	63.33	69.29	31.96	58.32
	Futaijing Precision Electronics (Beijing) Co Ltd	-	-	-	7.85	186.99
	Great Promote Limited	-	14.10	19.28	2,067.73	55.27
	Foxconn Interconnect Technology Singapore Pte. Ltd.	-	-	-	2.14	-
	Innocom Electronics India Private Limited	0.30	0.32	0.63	0.16	-
	Foxconn Technology India Private Limited	0.33	0.57	0.65	0.27	-
	Cheng Uei Precision Industry Co., Ltd	-	-	-	1.77	-
	Guizhou FIH Precision Electronics Co. Ltd	-	-	-	18.21	8.50
	Competition Team Technology (India) Private Limited	-	-	0.49	-	-
Purchase / (Purchase Returns) of Raw Materials (including stores and consumables)	1St Special Material International Holdings Ltd	-	-	-	1.52	14.30
	Best Ever Industries Limited	3.90	21.76	29.37	73.11	102.20

Particulars					Financial Years	
Nature of transaction	**Related parties with whom transactions have taken place**	**Six month period ended 30 September 2021 (Consolidated)**	**Six month period ended 30 September 2020 (Standalone)**	**2021 (Standalone)**	**2020 (Standalone)**	**2019 (Standalone)**
	FIH (Hong Kong) Limited	48.06	337.77	595.11	2,410.57	6,687.76
	Foxconn Interconnect Technology Singapore Pte Ltd	5.19	13.70	25.67	28.74	267.48
	Foxconn Technology Co Ltd	-	-	-	1.30	22.21
	Futaijing Precision Electronics (Beijing) Co Ltd	4.64	-	-	-	0.72
	Garuda International Limited	1.80	5.28	7.41	7.42	224.91
	FIH Precision Electronics (Langfang) Limited		0.17	4.50	-	38.41
	Great Promote Limited	-	(0.18)	(0.18)	621.53	7,914.46
	Shih Hua Technology Ltd.	-	0.47	1.01	8.51	125.50
	Competition Team Technology (India) Private Limited	-	-	-	-	-
	Pan-International Industrial Corp	-	15.78	15.78	55.24	3.39
	Innolux Corporation	-	-	-	74.61	125.91
	Fitipower Integrated Technology Inc.	-	-	-	0.07	1.07
	Futaihua Industrial (Shenzhen) Co., Ltd.	-	-	-	-	0.85
	FIH Singapore Trading Pte Ltd	-	-	-	-	11.45
	Guizhou FIH Precision Electronics Co Ltd	-	0.03	0.03	-	0.04
	View Great Limited	-	10.60	10.60	258.03	466.99
	Sharp Honkong Limited	-	-	-	-	406.80
	Cheng Uei Precision Industry Co., Ltd	-	-	-	-	156.41
	UR Materials Industry (Shenzen) Co Ltd	8.19	26.08	67.12	14.93	-
	Jusda International Limited		-	1.99	-	-
	Fortunebay Technology Pte Ltd	488.13	345.49	1,047.59	680.37	-
Purchase / (Purchase Returns) of Raw Materials (including stores and consumables)	Honhai Precission Industry Company Limited	612.82	256.42	938.33	-	-
Rent	FIH India Developer Private Limited	63.59	104.23	143.73	146.52	158.44
Reimbursement of expense paid	FIH India Developer Private Limited	-	-	281.85	332.88	311.06
	FIH India Private Limited	-	-	-	0.26	0.58
Other Expenses	Jusda India Supply Chain Management India Private Limited	100.87	177.29	381.66	274.31	644.72
	1st Special Material International	-	-	-	0.78	-
	FIH (Hong Kong) Limited	1.40	3.05	4.95	26.98	-

Particulars					Financial Years	
Nature of transaction	**Related parties with whom transactions have taken place**	**Six month period ended 30 September 2021 (Consolidated)**	**Six month period ended 30 September 2020 (Standalone)**	**2021 (Standalone)**	**2020 (Standalone)**	**2019 (Standalone)**
	FIH Precision Electronics (Langfang) Limited	18.50	0.56	12.91	18.59	-
	Foxconn Technology India Private Limited	-	12.48	12.48	19.32	-
	Foxconn Technology Co Ltd	-	-	-	0.16	-
	Great Promote Limited	-	-	375.07	11.38	-
	Guizhou FIH Precision Electronics Co. Ltd	-	-	-	0.38	-
	Innolux Corporation	-	-	-	86.17	-
	Sharp Business Systems India Private Limited	2.08	1.14	3.42	4.29	-
	Shih Hua Technology Ltd.	-	-	-	0.34	-
	Honhai Precission Industry Co Ltd	0.01	-	0.10	-	-
Remuneration	Clement Joshua Foulger	3.33	-	-	-	-
	Ramachandran Kunnath	3.92	3.31	-	-	-
	Liu Chien Liang (Director)	1.20	1.20	2.40	2.00	1.80
Others						
Purchase/(Purchase Returns) of Capital Goods	Competition Team Technology (India) Private Limited	24.82	-	-	-	0.13
	FIH (Hong Kong) Limited	20.69	47.95	33.83	145.90	2.11
	FIH India Developer Private Limited	-	-	(0.03)	1.18	-
	FIH Precision Electronics (Langfang) Limited	-	0.48	9.19	38.59	232.52
	Foxteq Services India Private Limited	-	-	-	0.18	-
	Fushan Technology (Vietnam)	-	0.79	0.90	4.78	-
	Guizhou FIH Precision Electronics	-	-	-	78.88	2.90
	Great Promote Limited	-	0.02	(5.58)	136.53	58.08
	Hong Fu Jin Precision Industry (Shenzen) Co., Ltd	-	-	-	-	6.93
	FIH Precision Component (Beijing) Co., Ltd	-	-	-	-	-
	Futaijing Precision Electronics (Beijing) Co. Ltd.	1.47	-	-	5.14	4.82
	Jusda India Supply Chain Management India Private Limited	4.25	5.68	-	-	6.80
	Sharp Business Systems India	-	-	-	-	2.04
	FIH India Private Limited	-	-	565.56	-	-
	TNS Mobile India Private Limited	-	-	-	-	39.68

Particulars						Financial Years
Nature of transaction	**Related parties with whom transactions have taken place**	**Six month period ended 30 September 2021 (Consolidated)**	**Six month period ended 30 September 2020 (Standalone)**	**2021 (Standalone)**	**2020 (Standalone)**	**2019 (Standalone)**
Sale of Assets	FIH India Developer Private Limited	54.39	-	-	-	-
Allotment of Shares	Wonderful Stars Pte. Ltd.	-	-	-	7,150.00	3,680.23
	Aptech Electronics Pte. Ltd.	-	-	-	0.03	0.02

For details of the related party transactions and as reported in the Restated Financial Information, see "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260.

Financing arrangements

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

Weighted average price at which the Equity Shares were acquired by the Promoters (including the Promoter Selling Shareholder) and members of the Promoter Group in the three years preceding the date of this Draft Red Herring Prospectus

The Weighted average price at which the Equity Shares were acquired by our Promoter Selling Shareholder, Wonderful Stars and members of the Promoter Group in the three years preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Acquirer	Number of Equity Shares acquired[(1)]	Weighted average price per Equity Share (₹)
Promoters (including Promoter Selling Shareholder)		
Wonderful Stars	71,49,99,960	10.00
Promoter Group		
Aptech Electronics	30	10.00

(1) *Adjusted for sub-division of Equity Shares. Pursuant to a resolution passed by the Shareholders in the EGM held on 29 May 2020, the Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000*

Except as disclosed above, neither the other Promoter, FIH Mobile, nor the other members of the Promoter Group, have acquired any equity shares of our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by the Promoters (including the Promoter Selling Shareholder) and members of the Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus

No Equity Shares were acquired by our Promoter Selling Shareholder, Wonderful Stars and members of the Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of Equity Shares by the Promoters (including the Promoter Selling Shareholder) as on the date of this Draft Red Herring Prospectus

The average cost of acquisition per Equity Share by our Promoter, Wonderful Stars, also the Promoter Selling Shareholder, as on the date of this Draft Red Herring Prospectus is:

Name of Acquirer	No. of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)[(1)]
Wonderful Stars	2,38,03,08,780	10.00

(1) *As certified by V. Narayanan & Co, Chartered Accountants by way of their certificate dated 21 December 2021.*

Our Promoter, FIH Mobile does not directly hold any Equity Shares in our Company.

Details of price at which Equity Shares were acquired by the Promoters (including the Promoter Selling Shareholder) and members of the Promoter Group in the three years preceding the date of this Draft Red Herring Prospectus

Name of the Acquirer	Date of acquisition	No. of Equity Shares acquired	Transfer price per Equity Share (in ₹)[1]
Promoter (Also Promoter Selling Shareholder)			
Wonderful Stars	16 December 2019	71,499,996	100
	May 29 2020	2,142,277,902[2]	-
	October 21 2020	(5)[3]	-
Members of the Promoter Group			
Aptech Electronics	16 December 2019	3	100
	October 21 2020	572,580[2]	-

(1) As certified by V. Narayanan & Co, Chartered Accountants by way of their certificate dated 21 December 2021.

(2) Pursuant to a resolution passed by the Shareholders in the EGM held on 29 May 2020, the Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000.

(3) One Equity Share each of the Company was transferred to each of Yu Yang Chih, Hui-Chung Chen, Clement Joshua Foulger, Meng Hsiao –Yi and Kam Wah Danny Tam, on 21 October 2021, holding as nominees of the Promoter, Wonderful Stars Pte. Ltd.

For further details of the acquisition of Equity Shares by our Promoter, see "***Capital Structure – History of the share capital held by our Promoters***" beginning on page 72.

Our Promoter, FIH Mobile does not directly hold any Equity Shares in our Company.

Details of Pre-IPO Placement

Our Company does not propose to undertake any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

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

Our Company has not issued any Equity Shares for consideration other than cash in the one year immediately preceding the date of this Draft Red Herring Prospectus.

Split/Consolidation of Equity Shares in the last one year

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

SECTION II - RISK FACTORS

An investment in the 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 the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry or geographies in which we operate. 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, some combination of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. Unless specified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived or extracted from the report titled "Market Assessment for India EMS/ODM Industry" dated 14 December 2021 (the "**F&S Report**") prepared and issued by Frost and Sullivan (India) Private Limited which has been commissioned, and paid for, by us exclusively in connection with the Offer for the purposes of confirming our understanding of the industry we operate in.*

Risks Relating to Our Business and Industry

1. ***We derive most of our revenue from a single customer, and a decline in sales to that customer will have a material adverse effect on our results of operations.***

   We derive most of our revenue from Xiaomi, which is the leader in the Indian smartphone industry with 27% and 26% market share by volume in Financial Year 2021 and the six months ended 30 September 2021, according to the F&S Report. We provide manufacturing and assembly services for Xiaomi's mobile phones in India, and in Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021, Xiaomi accounted for revenues of ₹300,946.54 million, ₹235,014.92 million, ₹149,086.77 million and ₹97,530.63 million, representing 87.81%, 89.05%, 94.24% and 96.13% of our revenue from operations for these periods. The concentration of our sales in Xiaomi exposes us to a number of risks that could have a material adverse effect on our revenue and profitability. Sales of our services to Xiaomi could decline as a consequence of several factors, such as lower demand for Xiaomi's mobile phones in the Indian market on account of changing consumer preferences or an increase in the market share of Xiaomi's competitors, or on account of our inability to fulfil Xiaomi's purchase orders in the required quantities or quality and on schedule. Our revenues from Xiaomi have exhibited a declining trend during the financial years under discussion, with revenues declining to ₹149,086.77 million in Financial Year 2021 from ₹235,014.92 million in Financial Year 2020 and ₹300,946.54 million in Financial Year 2019. While the decline in Financial Year 2021 is largely explained by the effects of the COVID-19 pandemic, the decline in Financial Year 2020 was on account of industry and customer factors, including diversification by Xiaomi of its EMS provider base consistent with the practice of OEMs globally, which resulted in a lower volume of orders to us during the year. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Financial Year Ended 31 March 2020 Compared with Financial Year Ended 31 March 2019***" on page 294. Our business and revenue from Xiaomi increased by 62.67% to ₹97,530.63 million in the six months ended 30 September 2021 from ₹59,956.56 million in the six months ended 30 September 2020. This recovery in our revenue from Xiaomi has been on account of the reliability of our supply chain for components, the development of our capabilities to provide mechanics services for smartphones, and our increased wallet share, among others. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Six Months Ended 30 September 2021 Compared with the Six Months Ended 30 September 2020***" on page 290. If our revenues from Xiaomi decrease and we are unable to replace the lost revenue with revenue from other customers, or if we were to lose Xiaomi as a customer for any reason, including Xiaomi deciding to move some or all EMS services in-house as certain other OEMs have, our business, results of operations, financial condition, cash flows and prospects will be adversely affected.

   Our Goods Sales Agreement with Xiaomi does not restrict it from using other manufacturers as an alternative source, and for each new product Xiaomi launches it requires us to bid for the project against one or more competing EMS providers. Our ability to continue winning profitable business from Xiaomi will depend on our ability to price projects at competitive levels, in addition to ensuring sufficient manufacturing capacity for Xiaomi and delivering timely and high-quality services. In addition, our Goods Sales Agreement with Xiaomi has an indefinite term, and if this Goods Sales Agreement with Xiaomi is terminated, we may not be able to renegotiate favourable terms with Xiaomi.

Any suspension of purchases or payment delays by Xiaomi will adversely affect our cash flows and working capital. Furthermore, any adverse actions against companies based in a country sharing a land border with India (including China), other regulatory issues, litigation or challenges affecting the business, products, technologies, prospects or intellectual property of Xiaomi could also limit or reduce its demand for our mobile phone manufacturing and assembly services. If any of these risks were to materialise, our business, results of operations and financial condition would be materially and adversely affected, including reductions in Xiaomi's demand for our mobile phone manufacturing and assembly services or the loss of Xiaomi as a customer.

2. ***The COVID-19 pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse impact on our business and results of operations.***

The COVID-19 pandemic has had, and may continue to have, a material adverse impact on our business and results of operations. The COVID-19 outbreak in China in late 2019 resulted in widespread lockdowns across that country, impacting factories, transportation links, and other logistics facilities. As a result, we experienced shortages of some of the key components required for our mobile phone manufacturing business. Starting in early 2020, the COVID-19 outbreak spread to India and caused a nationwide lockdown that resulted in the closure of our factories for the last week of Financial Year 2020. These factors resulted in a reduction in our production of mobile phones in the fourth quarter of Financial Year 2020, which partially contributed to the 22.45% decrease in our revenue from operations to ₹266,355.58 million in Financial Year 2020 from ₹343,453.89 million in Financial Year 2019.

For most of Financial Year 2021, the COVID-19 pandemic caused widespread and prolonged lockdowns throughout India. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our factories, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. The lockdowns in India and in other countries, specifically China, caused major supply chain disruptions in Financial Year 2021, including shortages of materials, components and other inputs and, to a smaller extent, integrated chipsets. These shortages were exacerbated by the unprecedented demand for smartphones, tablets and personal computers necessitated by home-working and the upsurge in e-commerce, and the large amount of stockpiling of semiconductors and integrated chipsets by OEMs in various sectors. In addition, the nationwide lockdown in India during March and April 2020 resulted in the full closure of our factories in the first six weeks of Financial Year 2021, resulting in no production for that period. Subsequent social distancing requirements also meant that significantly fewer workers were able to come into our factories, which materially reduced our production capacity. These factors resulted in our revenue from operations decreasing by 40.47% to ₹158,548.58 million in Financial Year 2021 from ₹266,355.58 million in Financial Year 2020.

The COVID-19 pandemic has also impacted our customers and has caused, and may continue to cause, unpredictable reductions or increases in demand for our manufacturing services. For certain periods between March and May 2020 when the COVID-19 pandemic was spreading rapidly in India, various state governments restricted e-commerce companies from selling non-essential items (including mobile phones), which significantly impacted mobile phone sales to end customers and consequently, decreased demand from our key OEM customers. In addition, OEM customers such as Xiaomi diversified their EMS networks so as to de-risk their supply chain during the COVID-19 pandemic, resulting in a lower share of their business for us. On account of the increase in our operational costs during the pandemic, we bid for new projects conservatively so as to protect our margins, further affecting the volume of new business.

The "second wave" of the COVID-19 pandemic in India started in April 2021 and continued until June 2021. The second wave caused widespread mortality, severely strained healthcare resources across the country and adversely affected our operations in the first three months of the current Financial Year. Following the second wave and with increased vaccination and relaxation in social distancing norms, operations in our campuses partially stabilised.

The duration and extent of the effect of COVID-19 on our business and results of operations is not determinable. If the COVID-19 pandemic persists, whether through the outbreak of new virus strains or otherwise, further lockdowns and travel disruptions may occur, factory closures may be required, and we may experience lower production levels, additional direct costs and lost revenue. For example, a new COVID-19 variant named Omicron was detected in November 2021 and its effects are yet to be determined. In addition, if our suppliers experience COVID-19 related closures or reductions in their capacity utilisation levels in the future, we may have difficulty sourcing the materials necessary to fulfil production requirements. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

3. ***Shortages in the supply of our major production inputs have had, and may continue to have, a material adverse effect on our results of operations and financial condition.***

We primarily source PCBs and electronic components such as displays, antennas, connectors and camera modules from China. We also source components and inputs such as displays, cameras and batteries from other countries, with some components and inputs such as packaging materials and other consumables being sourced domestically in India. Among the components and inputs sourced internationally, an average of 95% of our components and inputs were imported from China in Financial Year 2021 and the six months ended 30 September 2021. The components and inputs required for our business may not always be readily available, our China-origin supply chain may be disrupted on account of market, geopolitical or other factors beyond our control and we may not obtain the required components and other inputs in a timely manner to meet our production schedules. There may be risks relating to the imported components if there is a disruption to the overseas production facilities of our suppliers.

In Financial Year 2021 and the six months ended 30 September 2021 we have faced a significant shortage of key components and inputs, on account of the factors discussed under "***Risk Factors – The COVID-19 pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse impact on our business and results of operations.***" on page 26. These shortages have been particularly acute for the supply of semiconductors and integrated chipsets because of the unprecedented global demand for smartphones, tablets and personal computers necessitated by home-working and the upsurge in e-commerce during the COVID-19 pandemic, and the closure of manufacturing facilities in several regions during the COVID-19 pandemic. Furthermore, integrated chipset manufacturers had diverted their resources away from 4G modules prior to the COVID-19 pandemic in preparation for the production of 5G modules, resulting in difficulties in producing 4G mobile phone products which were in high demand during the COVID-19 pandemic. In addition, there has been a significant amount of stockpiling of semiconductors and integrated chipsets by OEMs in various sectors. Integrated chipset shortages have intensified in the current Financial Year. These shortages have had a material and adverse effect on our manufacturing operations, quantities produced, and revenues in Financial Year 2021 and the six months ended 30 September 2021. In addition, we use various raw materials in our ODM business, including base metals such as copper and steel, as well as packaging materials and other consumables. We source these materials directly and they may be subject to significant price volatility due to changes in global demand, supply disruptions and other factors. Significant shortages or delay in the supply or increase in costs of our major production inputs for our ODM business may adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence, and reduce our competitiveness.

4. ***We may not be able maintain our leadership in the mobile phone EMS industry.***

The mobile phone EMS industry is highly competitive, and we face competition from a number of domestic and international EMS providers, as well as the in-house manufacturing and assembly departments of our existing and potential mobile phone OEM customers. While there are significant barriers to entry to the mobile phone EMS industry such as the large amount of capital expenditure required for acquiring machinery and developing complex manufacturing capabilities, these competitors may win market share from us on the basis of better products, services and technologies, or by providing lower cost solutions to mobile phone OEM customers. Our OEM customers may also choose to move some or all EMS services in-house, as certain OEMs in the mobile phone sector already have. We have lost and may continue to lose customers due to the dynamic nature of the mobile phone industry. Our success depends on our ability to configure, ramp up and ramp down production to respond to new mobile phone innovations, models and consumer trends. We face pricing pressure from mobile phone OEM customers as a result of intense competition in their end markets, their strong bargaining power, emerging technologies, product maturity and oversupply of certain products in India. As a consequence, mobile phone OEM customers are constantly seeking to reduce costs in their supply chain and increasingly impose cost-reduction requirements. While we focus on reducing our costs to address pricing pressure, we may not be able to achieve proportionate reductions in costs or sustain our current rate of cost reduction. We expect these pressures on pricing and costs in the mobile phone industry to continue. Even if we change our pricing policies in response to competition, we may still not be successful in retaining our customers and market position in the mobile phone industry. Any broad-based change in our prices and pricing policies may reduce our revenues and profitability.

5. ***We may not be able to replicate the success we have had in the mobile phone industry in the new industries we are targeting for future growth.***

We are expanding our business into industries other than mobile phones, with a focus on high-growth industries that benefit from market tailwinds, including mechanics, electric vehicles, televisions and hearables. See "***Our Business – Strategic Business Units***" on page 164. Our expansion into these high-growth industries has been facilitated by the fungibility of our tools, equipment, systems and production lines which can be used across our SBUs and their end products. The success of our entry into new industries depends on a number of factors, including a sufficient understanding of OEMs in these industries and their end markets, timely and successful product development by us and/or our OEM customers in those industries, and market acceptance of the products we manufacture and the services we offer. We will also need to further build the capabilities of the SBUs we have organised to build our business in these industries, market our existing capabilities and the service offerings we are developing to new OEM customers in those industries, and strengthen our R&D efforts to be able to provide value added services to those customers. If we fail to achieve these objectives, our business and prospects may be materially and adversely affected, and our revenue and profitability may decrease. Furthermore, our strategic objectives in these industries are premised on their projected growth. If those industries do not grow as expected, or if our customers in those industries experience a sustained decline in demand for their products, our order volumes could decline, materially and adversely affecting our business, financial condition and results of operations.

6. ***We may not be able to successfully expand our EMS business into higher margin ODM services.***

We are the largest EMS provider in India, with approximately 15% market revenue share in Financial Year 2021, according to the F&S Report. In addition to our established manufacturing and assembly capabilities, we are building our capabilities to provide a wide range of services across the ODM value chain. We already have the capabilities to provide OEM customers with specific mechanics services as well as some logistics services, and are building the capabilities to expand these service offerings and also provide product design, development and after-sales services. We are undertaking R&D efforts and intend to continue building our R&D teams to provide product design and development and other value-added ODM services, and to keep pace with technological developments. We also intend to engage in joint R&D efforts with our OEM customers. Our future results of operations, and profit margins, will depend on our ability to develop new capabilities which meet evolving customers' needs, maintain technological leadership, and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis. To execute these strategies, we must make long-term investments, develop or obtain appropriate intellectual property, and commit significant resources before knowing whether our efforts will generate sufficient customer demand for our services. If we are unsuccessful in developing new capabilities to provide ODM services in the volumes and of the quality required to be competitive in the ODM industry, our business and prospects could be materially and adversely affected.

7. ***We may not be able to anticipate and adapt to rapid technological changes and continue offering high quality products and services.***

Our industry is characterised by rapid technological changes, evolving industry standards, and the frequent introduction of new products and enhancements. As a result, our OEM customers consistently require up-to-date machinery and technology in line with the latest industry trends. For example, in our PCB assembly and testing services, our OEM customers required third generation machinery as part of the SMT process and therefore we promptly adapted and upgraded from first and second generation machinery to third generation machinery. Our ability to continue using our technology resources to improve our production efficiency depends on factors both within and outside our control and may be constrained by the distinct characteristics and production requirements of individual products or specific customers, as well as the need to incur additional expenditure that may be required to upgrade existing technology. If we or our customers are unable to anticipate and rapidly adapt to technological changes, our business and results of operations will be materially and adversely affected.

8. ***We face significant competitive pressures in our business, and our inability to compete effectively would be detrimental to our business and prospects.***

We face significant competition in our business. The markets for our EMS and ODM services, including mobile phones, mechanics, electric vehicles, televisions and hearables, are characterised by factors such as rapid technological change, the development of new end products and their rapid obsolescence, evolving industry standards and significant price erosion over the life of a product. Our key competitors include domestic and international EMS/ODM providers such as Flextronics Technologies (India) Private Limited, Jabil Circuit India Private Limited, Dixon Technologies (India) Limited, Sanmina-SCI Technology India Private Limited and Optiemus Infracomm Limited, as well as the in-house manufacturing and assembly departments of our existing and potential OEM customers. We primarily compete on the basis of: (i) our value proposition to our customers by providing operating practices, manufacturing quality and reliability; (ii) design, technical, research and production capabilities; (iii) ability to meet customers' order requirements and delivery schedules within exacting timelines; (iv) the stability of our relationships with our customers and our willingness and ability to make investments that anticipate our customers' needs in advance; and (v) price.

We may not be able to maintain our competitiveness in any of these areas with respect to any of our services. Our efforts to offset pricing pressures, including strategies to collaborate with or integrate our services into our end customers' product development process to produce tailored solutions for new end products, advance our technological capability, or enhance our production efficiency to reduce costs, may not be successful. Also, as we plan to expand our offerings to launch new service offerings, we will face strong competition from other EMS/ODM providers. Our existing and potential competitors may equal or surpass us in terms of their financial, production, sales, marketing and other resources. If we fail to compete effectively in the future, our business and prospects for growth could be materially and adversely affected.

9. ***Our R&D efforts may not be successful or yield the returns or benefits that we expect, and we may not be able to successfully offer our customers new solutions and products and maintain our competitiveness.***

In order to maintain our market-leading position in EMS, we need to continuously develop competitive products and services for our OEM customers. Leveraging on our experience in manufacturing and assembling mobile phones, we have set up an R&D centre in Chennai focused on industrial and mechanical design, product development, hardware design and component engineering, among others, and to provide design enhancement and verification to our customers. In addition, our R&D centre in Bengaluru provides a range of testing, consumer trial and quality management services. Furthermore, we have recently established a Taiwan-based subsidiary, Bharat Taiwan Corporation, to explore opportunities for technology transfer and collaboration with our R&D centres in India. As at 30 November 2021, our R&D team consisted of 23 R&D personnel. We expect to continue to dedicate significant financial and other resources to expanding our R&D team. We may not be able to recruit and retain engineers required for our R&D operations. Researching and developing new products and designs is also time-consuming and costly. Our R&D efforts may not be successful or yield the anticipated returns or benefits.

10. ***If we fail to effectively implement our production schedules, or our manufacturing operations suffer unanticipated or prolonged interruption, our business and results of operations may be materially and adversely affected.***

Our success depends in part on our ability to meet the production and assembly schedules and requirements of our customers according to their detailed specifications and capacity planning, within demanding delivery time frames. In particular, given the relatively short lifecycles of many of the products of our OEM customers that incorporate our manufactured components, our OEM customers tend to require large volumes of our manufactured and assembled products, as well as customised components and equipment, within a limited amount of time when they launch new products as they seek to take advantage of the high initial demand for those products. Our ramp up capabilities enable us to commence large-scale production of technically complex products on short timeframes. This is particularly important for our mobile phones SBU, the end products of which have a short product lifecycle and where time-to-market and time-to-volume is critical. Equally important is our ability to "ramp down", by rapidly discontinuing production of obsolete products and models and re-configuring the relevant production lines to manufacture new products and models. This requires us to maintain and enhance our production capabilities by adjusting and streamlining our production resources and processes, hiring additional workers to meet our customer orders during peak seasons and acquiring, expanding and upgrading our testing equipment and production facilities. We may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. If we are unable to meet the production schedule of our OEM customers, we may be subject to contractual liabilities. Our production operations may also suffer from unanticipated or prolonged interruptions such as those caused by the COVID-19 pandemic, which would cause delays to our production schedule and prevent us from fulfilling customer orders on time. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be materially and adversely affected.

11. ***Our efforts to expand our production capabilities are subject to delays, cost overruns, and other risks and uncertainties.***

In order to achieve the economies of scale in our operations to enable us to rapidly increase production of mobile phone modules and systems as well as other products in response to the needs and timelines of our customers, we intend to continue to expand our existing production capabilities. Our expansion plans and business growth require significant capital expenditure and the dedicated attention of our management. Our efforts to enhance our production capabilities are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of raw materials and components, shortages of skilled workforce and transportation constraints; (ii) lower production efficiency and yield before achieving our expected economies of scale; (iii) our inability to obtain the required permits, licenses and approvals from relevant government authorities; (iv) the unavailability of the required technology or equipment or raw materials from third parties or our internal R&D resources; and (v) interruptions caused by natural disasters or other unforeseen events**.** If we are unable to anticipate regulatory changes and address these risks and uncertainties, our expansion plans could be delayed or cancelled, adversely affecting our business, results of operation and prospects.

12. ***If the products we manufacture experience quality defects, we may lose our customers and may be subject to product liability claims and damage to our reputation, results of operations and financial condition.***

Our business depends on delivering mobile phone modules and systems as well as other products of consistently high quality to our OEM customers, which we believe has been a key factor for OEMs to outsource their production to us. Many of our products are subject to standards and safety regulations in India. There may be defects in our products which may result in product recalls, large-scale repair and remediation claims and other losses to our OEM customers. We may be required to replace or repair defective products at our own cost, defend related litigation or compensate our OEM customers for losses or damage caused by these defects. In addition, quality defects may cause us to lose customers to our competitors. We may also have to expend resources to defend ourselves in the event that claims or legal proceedings are instituted directly against us. For instance, we have been impleaded in several proceedings against our customers which are pending before various consumer grievance redressal forums. See "***Outstanding Litigation and other Material Developments – Litigation involving our Company – Litigation filed against our Company – Outstanding Proceedings before various Consumer Forums***" on page 312. Our reputation, results of operation and financial condition may be materially and adversely damaged if we are unable to ensure high quality standards.

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

Our master framework agreements are generally valid between one to ten years. A number of these master framework agreements also provide that the term of the contracts remains effective indefinitely unless terminated by either party with prior written notice. These agreements include general terms of sale, specification requirements and pricing policy, but do not obligate our customers to place an order with us. Based on the relevant master framework agreement, we reserve manufacturing capacity for the relevant customer. For each new product the customer launches, it issues a tender to us and one or more competing EMS providers and we bid for the project. Upon acceptance of our bid by the OEM customer, we are issued a purchase order containing the specific terms related to pricing and quantities which constitutes the actual order. These orders may be amended or cancelled prior to finalisation, or we may be instructed to delay production. There may be a mismatch in production demand and our production capacity. Our OEM customers may also change their sourcing strategy and redirect their production in-house or to an EMS or ODM competitor. For example, we had leased an office space in Mumbai, which we closed in Financial Year 2021 as the anticipated demand for our products, which would have required the use of such additional office space, did not materialise. The short-term nature of our customers' commitment may limit our ability to accurately schedule production, source raw materials and components, manage personnel capacity and maintain optimal inventory levels. If our OEM customers cancel, modify or delay their orders at short notice or change their sourcing strategy, our business and results of operations may be adversely affected.

14. ***Customer relationships with emerging companies may present more risks than with established companies.***

While establishing customer relationships with emerging companies expands our customer base, it exposes us to the risks of associating with such emerging companies. Customer relationships with emerging companies present higher risks because we do not have an extensive product or customer relationship history. Our success depends in part on the success of our customers. The products of emerging companies, particularly those in new technology industries, are less established in the market, making it more difficult to anticipate the level of demand for their products. Our credit risks with respect to these customers, especially with respect to trade accounts receivable and inventories, and the risk that these customers may be unable to fulfil their contractual obligations, are potentially higher.

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

We may require additional capital or financing from time to time, including for expansion of our manufacturing facilities and investment in R&D. While we have historically been able to finance our capital expenditure through equity contributions from the Promoter Selling Shareholder, Wonderful Stars, this may not be the case once we are a publicly listed company. We will have to finance our future growth from internal accruals and through external debt financing and equity fund raising. We have had minimal external borrowings in Financial Years 2020 and 2021 and the six months ended 30 September 2021, and as at 30 September 2021 we had no outstanding borrowings. Therefore, while we have the capacity to take on financial leverage, our ability to obtain external financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of the domestic and international capital and lending markets. In addition, our loan agreements may contain financial covenants that restrict our ability to incur additional indebtedness without our lenders' consent. Any indebtedness that we may incur in the future may also contain operating and financing covenants that could be restrictive. Financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. A large amount of bank borrowings and other debt may result in a significant increase in interest expenses while at the same time exposing us to increased interest rate risks. If we are required to raise equity financing, this could result in dilution to our Shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our Equity Shares. Any failure to raise additional funds on favourable terms or in a timely manner or at all could severely restrict our liquidity and have a material adverse effect on our business and results of operations.

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

There may be significant fluctuations in the demand for our OEM customers' products, which increases the difficulty for us to maintain optimal levels of component inventory. We may not be able to anticipate our OEM customers' demand accurately. We frequently need to manage long lead times in inventory sourcing and procurement, and rely on resource planning systems such as our in-house integrated SRM system to coordinate the sourcing, shipment, tracking and delivery schedules for our inventory. See "***Our Business – Supply Chain Management***" on page 171. We generally maintain inventory at a level sufficient for our business. We may from time to time increase the amount of consumables and packaging we retain in anticipation of customer demand, such as periods when our OEM customers indicate to us that a new, high volume end product will soon be announced to the public. However, we may not have sufficient inventories of components at any given time to meet sharp increases in our customers' requirements. If the demand for our services is weaker than anticipated, or if a customer reduces or cancels orders after we have increased our inventory levels, or is unable or unwilling to accept delivery of our finished products for any reason, we may experience problems with excessive inventory of components and other supplies and semi-finished goods, which could increase our inventory holding costs and adversely affect our operations and financial condition.

17. ***Failure to manage component and material purchasing could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence.***

    Efficient component and material purchasing is critical to our manufacturing processes and contractual arrangements. Our OEM customers typically have their approved suppliers from whom we source components and other inputs for our EMS business. Depending on the arrangements between our OEM customers and their approved suppliers, we sometimes have multiple suppliers for certain components and other inputs, and sole suppliers for others. Our OEM customers are able to leverage their relationship with their approved suppliers on matters of pricing and availability, which has the effect of mitigating our input and component risks. In addition, we use various raw materials in our ODM business, including base metals such as copper, steel and aluminium, plastic, polycarbonate and polypropylene, as well as packaging materials and other consumables. Significant shortages or delay in the supply or increase in costs of our major production inputs could adversely affect our ability to deliver contracted volumes of manufactured products, increase our inventory carrying costs and increase our risk of exposure to inventory obsolescence. Some of these components may be subject to supply shortages from time to time. In 2019, political events in Hong Kong resulted in an embargo of the Hong Kong airport, causing shortages and logistical issues with the delivery of the production inputs and components. In these cases, supply shortages will substantially curtail production using a particular component. A supply shortage may increase our costs if we have to pay higher prices for components, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations. We may not be able to purchase the components and materials needed at favourable prices or at all.

18. ***We may not be able to successfully build an export business.***

    We are exploring opportunities to export our products to overseas markets, including the Middle East and Africa. Our location in India provides us with a geographical advantage and enables us to deliver products to local markets in those regions quickly and at competitive cost. We are also exploring opportunities to collaborate with mobile operators in Europe and the United States, with a view to exporting mobile phones and hearables that they can offer to their network customers. If we export our products overseas, we will be exposed to risks including: (i) compliance with a wide variety of foreign laws, including those relating to export and import duties and trade barriers; (ii) unexpected changes in regulatory requirements and adverse trade policies; (iii) political and economic instability; (iv) legal or political constraints on our ability to maintain or increase prices; and (v) fluctuations in currency exchange rates. In addition, the costs associated with entering and establishing ourselves in new markets, and expanding these operations, may be higher than expected, and we may face significant competition in these regions. Entry into new international markets requires considerable management time and start-up expenses before any significant revenue is generated. Therefore, we may not be able to successfully build an export business and our initial operations in new markets may be unprofitable.

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

    As at 30 September 2021, we did not have any patents and we had five trademarks under application. However, we may apply for patents, trademarks and protection of other intellectual property following the Offer. Our ability to obtain and maintain patents, trademarks and other intellectual property protection for our products, technologies, designs and know-how without infringing the intellectual property of third parties, and to protect our intellectual property rights may affect our business and results of operations. The measures that we adopt to protect our rights under any future patents that we obtain or non-patented intellectual properties may not be adequate. While we may seek to enforce non-disclosure agreements with our employees, customers and suppliers, certain proprietary knowledge may be leaked (either inadvertently or wilfully) at various stages of the manufacturing process. If confidential technical information about our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other EMS or ODM companies could be compromised. Intellectual property claims involve complex scientific, legal and factual analysis and their outcome is uncertain. Therefore, any potential intellectual property that we obtain may not fully protect us from competition, as it may be challenged, invalidated or held to be unenforceable.

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

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

As we expand our service offerings to a range of ODM services including product design and development, we will update our products with the latest technology. Many of our products such as mobile phones include third-party intellectual property, which may require licenses from and payment of royalty to those third parties. See "***Our Business – Intellectual Property***" on page 177. These third-party intellectual property rights currently licensed or sub-licensed to us, licensed to us in the past or to be licensed to us in the future may be challenged. Further, we may be required to negotiate licenses or sub-licenses from third parties, which may not be available on favourable terms, or at all. We may also incur increased expenditure on royalties. Failure to obtain the right to use third-party intellectual property, or to use such intellectual property on commercially acceptable terms, could preclude us from selling or manufacturing certain products leading to a loss of market share and competitive presence, which may have an adverse impact on our financial condition and results of operations.

21. ***Our suppliers may not perform their contractual obligations in a timely manner, or at all.***

Our production depends on obtaining adequate supplies of components and raw materials on a timely basis. We mainly source components and other inputs, including PCBs, integrated chipsets, cameras, speakers, displays and mechanics used in our manufacturing operations, from suppliers identified by our OEM customers. We rely on these key suppliers to perform their contractual obligations and deliver high-quality components and other inputs in a timely matter. Our suppliers may not perform their contractual obligations in a timely manner or at all, resulting in delays to our production schedule and adversely affecting our output.

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

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

23. ***Acquisitions, strategic investments, partnerships or alliances may be difficult to integrate, and may adversely affect our financial condition and results of operations.***

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. If we choose to grow through acquisitions, we may face risks including: (i) difficulties integrating the personnel, operations, technology, internal controls and financial reporting of companies we acquire into our operations; (ii) disruption of our ongoing business and diversion of the attention of our management; (iii) potential loss of skilled professionals and established client relationships of the businesses we acquire; (iv) unforeseen or hidden liabilities or costs post-acquisition; (v) regulatory hurdles in closing an acquisition; and (vi) challenges in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and alliances. In addition, acquisitions may result in impairment of goodwill and other intangible assets, adversely affecting our financial condition and results of operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. We may not be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

24. ***If we are no longer able to benefit from our relationship with the Foxconn Technology Group, our business may be adversely affected.***

Being part of the Foxconn Technology Group uniquely positions us to work closely with Foxconn Technology Group for the provision of EMS and ODM services and to benefit from its global standing, OEM relationships, end market exposure and large industry footprint. We currently procure ancillary materials and components from the Foxconn Technology Group, and also benefit from its extensive supply chain resources and relationships. These transactions with the Foxconn Technology Group are on an arms-length basis. Furthermore, we have leased the premises in Sriperumbudur, Tamil Nadu, in which our campuses, including our Registered and Corporate Office, are located, from FIH India Developer Private Limited, an entity part of the Foxconn Technology Group and a Group Company. These rent expenses amounted to ₹158.44 million, ₹146.52 million, ₹143.73 million, and ₹63.59 million in Financial Years 2019, 2020, 2021 and the six months ended 30 September 2021. The land on which the proposed building will be constructed as part of capital expenditure of our Company to be incurred as part of the objects of the Offer is also leased from FIH India Developer Private Limited. See "***Objects of the Offer***" on page 81. Following the Offer, we will continue to lease the premises on a contractual basis with FIH India Developer Private Limited. Our Promoter, FIH Mobile, also sub-licenses certain intellectual property (licensed from a third party) in relation to the manufacture of mobile phones to our Company under an arrangement where our Company pays royalty to the third party. For other transactions with the Foxconn Technology Group, see "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260. If we are no longer able to benefit from our relationship with the Foxconn Technology Group in the future, our business operations, results of operations and financial position may be materially and adversely affected. In addition, any negative media coverage or publicity on Foxconn Technology Group may also have a negative material impact on our customers' perception of us and affect our future share price following the Offer. Further, the Foxconn Technology Group is not contractually restricted from competing with us, and any significant competitive action by the Foxconn Technology Group in our key markets or service areas could adversely affect our business and prospects.

25. ***Following the Offer, if any of the sub-contractors and manufacturing vendors that we may use for certain production processes are unable to meet our delivery requirements, our production schedules may be adversely affected.***

As at 30 September 2021, we do not use sub-contractors and manufacturing vendors in our production process. However, following the Offer, we may occasionally sub-contract production to other EMS manufacturers. We may also purchase semi-finished goods and assembled products from EMS vendors. These will be primarily used for labour-intensive processes to reduce costs associated with maintaining a large manufacturing personnel. If we are unable to arrange for sufficient production among our sub-contractors and manufacturing vendors or if our sub-contractors and manufacturing vendors encounter production, quality, financial or other difficulties, we may not be able to meet customer demands. Sub-contractors and manufacturing vendors may also fail to meet our production criteria, quality or delivery requirements. Any such difficulties could have a material adverse effect on our production schedules and accordingly, our business and results of operations.

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

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. See "***Government and Other Approvals – Material approvals obtained in relation to our business***" on page 316 for further details.

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. Further, the approvals, licenses, registrations and permits issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. As at the date of this Draft Red Herring Prospectus, the no objection certificate issued under the Tamil Nadu Fire Service Act, 1985 has expired for which an application for renewal has been made. We have also made applications to update certain approvals for recent changes to our Board and the name of our Company following its conversion into a public limited Company. For details, see "***Government and Other Approvals – Material Approvals applied for, but not received***" beginning on page 317. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be materially and adversely affected.

27. ***If we lose the services of our key executive officers or senior management, or are unable to retain, recruit and hire other skilled personnel, our ability to effectively manage and execute our operations and meet our strategic objectives could be harmed.***

Our key management personnel in India, who have experience and competence in the EMS/ODM industry, together with our senior management (comprising our SBU heads and functional heads), have within six years built our large-scale manufacturing operations and high quality systems, managed the complexities of our supply chain to ensure the timely availability of inputs in sufficient quantities, developed our talent and human resources, and established customer relationships. Any loss or interruption in the services of our key management personnel or senior management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business and growth.

Our success also depends, to a significant extent, on our ability to attract, train and retain our technical experts, R&D personnel, sales and marketing personnel and customer service personnel. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, are vital to our success. There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers, as well as a rising attrition rate in the EMS industry, and we may not be able to attract or retain these individuals to achieve our business objectives. If we fail to attract and retain employees, to keep pace with our expected growth, our competitiveness, business, financial condition and results of operations may be materially and adversely affected.

28. ***Seasonality may cause fluctuations in our revenue and operating results.***

Our mobile phone revenues are subject to seasonality. The main festival season in India occurs between late October and January and includes Diwali, Christmas and various regional new year festivals. This is also the bonus season for many businesses, resulting in increased consumer spending and gift-giving. Our OEM customers frequently release new mobile phone products around Diwali and e-commerce companies announce festival schemes and shopping incentives during this period. Our OEM customers typically require us to ramp up production in advance of the festival season, which typically results in increased production and sales from August to October. See "***Management's discussion and analysis of financial condition and results of operations*** – ***Factors affecting results of operations – Seasonality***" on page 288. As we expand into new industries, we will become subject to any seasonal factors affecting business in those industries.

29. ***Our Promoters will continue to hold a significant equity stake and continue to control our Company after the completion of the Offer and their interests may not be aligned with the interests of other Shareholders.***

After the Offer, our Promoters will, directly and indirectly, hold a majority of the issued Equity Shares. This concentration of ownership could limit your ability to influence corporate matters requiring Shareholders' approval. The Promoters will therefore have substantial influence over decisions regarding mergers, consolidations and sales of all or substantially all of its assets, election of Directors, any amendment to our Memorandum of Association and Articles of Association and including the issuance of Equity Shares and dividend payments and other significant corporate actions. However, the interests of the Promoters may differ from the interests of other Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive the Shareholders of an opportunity to receive a premium for their Equity Shares in a sale of our Company or may reduce the market price of the Equity Shares.

In addition, as there is no formal non-compete arrangement between our Promoters and us, our Promoters, along with members of our Promoter Group and the Foxconn Technology Group, may in certain circumstances, pursue business opportunities or undertake corporate strategies which may not be aligned with our interests. As a result, our Promoters, members of our Promoter Group and the Foxconn Technology Group may have conflicts of interest which may materially and adversely affect our business, results of operations and financial condition.

FIH Mobile, one of our Promoters, is listed on The Stock Exchange of Hong Kong Limited ("**HKSE**"). FIH Mobile has applied for and obtained the approval of the HKSE for the proposed listing of our Company under Practice Note 15 of the Listing Rules of the HKSE. The HKSE reserves the right to revoke or modify the terms of the approval if there are changes to the information provided or circumstances under which the approval is granted (including information in relation to the delineation of the business of our Company and Subsidiaries and the rest of the Promoter Group).

To the extent that business or financial information relating to our Company and our Subsidiaries can be derived from the annual or other public reports of our listed Promoter prepared in the ordinary course or filings made with the relevant stock exchanges in accordance with applicable standards and requirements for listed company disclosure in an overseas jurisdiction, investors are reminded that such information has not been and will not be prepared for purposes of this Offer and does not form a part of this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus. Any investment decision in connection with the Offer must be taken only on the basis of the information in the Red Herring Prospectus and the Prospectus.

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

Our Non-Executive Directors, Yu Yang Chih, Hui-Chung Chen and Kam Wah Danny Tam, Managing Director and our Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their holding of Equity Shares in our Company as nominees of our Promoter (Wonderful Stars), and any options held by them under the ESOS 2021, as applicable. Our Directors and such Key Managerial Personnel may not exercise their rights as Shareholders to the benefit and best interest of our Company. Yu-Yang Chih, who is the Chairman and Non-Executive Director on our Board, is also the Acting Chairman and Chief Executive Officer of FIH Mobile, one of our Promoters. Further, Hui-Chung Chen and Kam Wah Danny Tam, Non-Executive Directors on our Board, are also serving as senior AVPs of FIH Mobile. For more details, see "***Our Management — Our Board***" on page 196. Our Promoter, Wonderful Stars, does not have experience in the line of business, including the proposed lines of business, of our Company.

31. ***Our Company, our Promoters, our Directors, our Subsidiaries and Group Companies may be involved in certain legal proceedings from time to time, and an adverse outcome in any such proceedings may adversely affect our business, financial condition and growth strategy.***

There are outstanding legal proceedings against our Company, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "***Outstanding Litigation and Other Material Developments***" on page 310) involving our Company.

Litigation involving our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (*₹ million*)(2)
Civil	190 (1)	7.03
Criminal	2	32.70
Regulatory/ statutory action	9	3.92
Tax	9	4,038.57
Other matters	-	-

(1) *Our Company has been impleaded as a party in 190 matters initiated by consumers before district consumer redressal consumer forums of various states against our OEM customers and certain others. The aggregate amount involved in these matters is approximately ₹7.03 million. Additionally, certain consumers have sought payment of interest for the losses suffered due to the usage of defective mobile phones. The aggregate amount that may arise in relation to the interest claims is not ascertainable at this stage.*

(2) *To the extent quantifiable.*

There is also regulatory action involving one of our Promoters, FIH Mobile.

For further information, see "***Outstanding Litigation and Other Material Developments***" on page 310.

These legal proceedings may or may not be decided in our favor. Further, as at 30 September 2021, we have not considered any provisioning as necessary to be made by us for any possible liabilities arising out of these litigation, and have accordingly not made any such provisioning. Additional liability may also arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations, cash flows, financial condition and growth strategy.

32. ***Work stoppages, strikes or other types of conflicts with, or the potential unionisation of, our employees and contract workers may adversely impact our business, results of operations and financial condition.***

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. Our current workforce comprises a limited number of full-time employees and a large number of contract workers. In particular, our manufacturing operations (both SMT lines and final assembly lines) are currently fully staffed by contract workers. If the central government or the state governments in India introduce new regulations that prohibit the employment of contract workers, or enforce a certain ratio between permanent employees and contract workers, this may adversely impact our business as we would need to re-assess our current process of hiring and staffing our operations. If we are required to increase the ratio or number of permanent employees in our workforce, we would not be able to right-size the workforce as quickly during a "ramp down" of our business operations without incurring significant costs or other adverse consequences. Moreover, we would have to continue paying wages and salaries even if the relevant workers are not engaged in productive activities. In addition, while our workforce are not currently members of labour unions, they may unionise in the future. Unionisation would require additional resources from our management team to coordinate with and manage the demands of the labour union. Our operations may be affected by work stoppages, strikes or other types of conflicts with our employees and contract workers. Any such event, at our current facilities or at any new facilities that we may lease or acquire in the future, or at facilities adjacent to ours that we may or may not control, may adversely affect our ability to operate our business. For example, a sit-down in December 2021 by contract workers at a neighbouring facility operated by one of our Group Companies to protest against a food safety incident resulted in suspension of production in our facilities for one shift. If such events were to persist, this may impact our ability to serve our customers and impair our relationships with key customers and suppliers, which may adversely impact our business, results of operations and financial condition.

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

Our operations generate pollutants and waste including metal and plastic scrap, electronic scrap, and polluted water from paint coating, some of which may be hazardous. We are therefore subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection including the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, E-Waste (Management) Rules, 2016, Atomic Energy (Radiation Protection) Rules, 2004 etc. These laws and regulations impose controls on water release or discharge, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain electronic waste, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For example, under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, there are limits on the quantities of various pollutants discharge that our manufacturing facilities may release into the air and water. The waste water produced from the paint coating in our mechanics and enclosures business is subject to pollution control and required to undergo a water treatment before disposal. Electronic waste is also subject to e-waste regulations, which requires proper disposal with approved vendors. Environmental laws and regulations in

India have become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of applicable environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities. While there have been no actions undertaken by the relevant authorities/ courts in relation to any environmental/ safety/ labour related non-compliances in the past, including in the previous three Financial Years, there may be violations in the future which could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. Our costs of complying with current and future environmental laws and other regulations may adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, health and safety, hiring and termination of employees, contract labour and work permits. These include the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Wages Act, 1936, etc. These regulations may also apply to facilities and services we provide to our employees and contract workers through third-party contractors, including dormitory accommodations (and related catering facilities) and transportation. A failure by us or our contractors to comply with the relevant labour regulations, could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We may be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to labour, safety, health and environmental matters, the costs of which may be significant.

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

34. ***Any decrease in our future profitability may have an adverse effect on our ability to recover our deferred income tax assets.***

We had deferred tax assets (net) of ₹393.00 million as at 30 September 2021, and as at that date ₹344.39 million of our deferred income tax assets are to be recovered on or before 31 March 2022. Deferred income tax assets relating to certain temporary differences and tax losses are recognised when we consider it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Significant judgment is thus required to determine the amount of deferred income tax assets that can be recognised, including the timing and level of future taxable profits. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed, and the carrying amount of deferred income tax assets may be reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Any decrease in our profitability in the future may have an adverse effect on our ability to recover our deferred income tax assets, which could have an adverse effect on our results of operations.

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

We maintain insurance policies in respect of our manufacturing facilities and fixed assets. These policies cover industrial risks to our business, including any machinery breakdowns. We also maintain a transit insurance policy with third-party insurers in connection with the marine transportation of our raw materials, products and equipment. In addition, we maintain a general liability policy for claims in connection with compensation for damage or injuries incurred by a third party. Our insurance cover for property, furniture and fixtures, plant and equipment as at 30 September 2021 was ₹13,103.62 million, while our net block of property, plant and equipment was ₹6,993.71 million as of 30 September 2021. Consequently, our insurance cover as a percentage of total assets was 15.04%, as at 30 September 2021. If we were subject to substantial liabilities that were not covered by our insurance, we could incur costs and losses that could materially and adversely affect our results of operations.

36. ***Foreign exchange fluctuations may adversely affect our earnings and profitability.***

While our reporting currency is Indian Rupees, certain of our transactions, such as imports of raw materials and components and payment of certain expenses, are conducted in foreign currencies, and certain assets and liabilities are denominated in foreign currencies. We have sought to mitigate our foreign currency risk by changing the way we invoice material costs to our largest OEM customer. Until Financial Year 2019 we bore foreign currency risk for the payment period and thereafter we agreed with the customer to fix the exchange rate of Indian Rupees against the US Dollar (which is the currency in which the import costs of those materials are largely denominated) as at the date of import, which effectively results in the counterparty bearing the foreign currency risk over the payment period. However, we may not be able to do this with other customers, and the new businesses and industries we are diversifying into may expose us to additional foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies. As we commence our export business, we will also enter into transactions denominated in currencies other than the local currencies in which we or our subsidiaries operate and will face foreign currency transaction risk to the extent that the amounts and relative proportions of various currencies in which our costs and liabilities are denominated deviate from the amounts and relative proportions of the various currencies in which our sales and assets are denominated.

We have had loss on foreign currency transactions and translation (net) in Financial Years 2019, 2020 and 2021 of ₹7,205.67 million, ₹2,323.49 million and ₹282.29 million. However, the impact of future exchange rate fluctuations among these currencies on our results of operations and financial condition cannot be accurately predicted, and our attempts to mitigate the adverse effects of exchange rate fluctuations may not be successful and such exchange rate fluctuations may in the future, which could have a material adverse effect on our results of operations, financial condition and prospects in the future.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends in the future. For further details, see "***Dividend Policy***" on page 221.

38. ***The expiry or early withdrawal of certain tax benefits available to our manufacturing facilities or our Subsidiaries may adversely affect our results of operations.***

We benefit from certain tax exemptions provided by the Government of India in relation to some of the manufacturing activities undertaken by us at our Andhra Pradesh and Tamil Nadu campuses.

Applications by our Subsidiary, RSHTPL, for PLIs for the telecom and networking products and IT hardware have been approved, under which certain incentives and benefits may be made available to our Subsidiary for the production and manufacture of such products. See "-- ***Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***" below on page 47.

Further, with the introduction of the GST, the tax benefits previously available to us under the Central Excise Act, 1944 and the Central Sales Tax Act, 1956, have been withdrawn prior to the contemplated expiration or termination of such benefits. At this stage, we are unable to quantify the impact that such changes may have on our business, results of operations and profitability, due to limited information available in the public domain.

39. ***We have incurred a loss in Financial Year 2019 and have had negative cash flows in the past three Financial Years and the six months ended 30 September 2021 and there can be no assurance that we will not incur a loss in future financial years.***

In Financial Year 2019, we incurred a restated loss of ₹2,228.71 million and our loss before tax was ₹2,113.25 million. We have had negative cash flows from (i) operating activities and investing activities in Financial Year 2019, (ii) investing activities and financing activities in Financial Year 2020, (iii) operating activities, investing activities and financing activities in Financial Year 2021, and (iv) investing activities and financing activities in the six months ended 30 September 2021. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Financial Year Ended 31 March 2020 Compared with Financial Year Ended 31 March 2019***" on page 294. The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021:

(₹ million)

Particulars	Six months ended 30 September 2021 (Consolidated)	Financial Year		
		2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Net cash generated from/ (used in) operating activities	11,752.73	(760.74)	11,015.09	(5,329.25)
Net cash (used in) investing activities	(562.69)	(1,634.51)	(1,716.87)	(5,369.31)
Net cash generated from/ (used in) financing activities	(207.53)	(455.39)	(4,086.27)	13,417.01
Cash and cash equivalents at the beginning of the period/year	**8,612.82**	**11,463.46**	**6,251.51**	**3,533.06**
Cash and cash equivalents at the end of the period/year	**19,595.33**	**8,612.82**	**11,463.46**	**6,251.51**

We have expended, and expect to continue to expend, substantial financial and other resources on, among others, R&D, expansion of our facilities and expansion of our product lines. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or increasing profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges or if we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may incur losses in the future and our business, cash flows, financial condition and results of operations could be adversely affected.

40. ***We have certain contingent liabilities and our cash flows, financial condition and profitability may be adversely affected if any of these contingent liabilities materialise.***

The following table sets forth our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Contingent liabilities

(*₹ million*)

Particulars	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year		
			2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Claims against the Company not acknowledged as debt:					
Customs Act	1,225.47	1,225.47	1,225.47	1,225.47	-
- Amount paid as pre deposit	91.91	67.06	91.91	67.06	-

If a significant portion of these contingent liabilities materialise, we may have to fulfil our payment obligations, which may have an adverse impact on our cash flows, financial conditions and results of operations. For further details, see the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities***" on page 303.

41. ***All our facilities in India, including our Registered Office and Corporate Office, are located on leased premises, and certain equipment is leased by us. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms or at all.***

Our campus in Andhra Pradesh is situated on land and in buildings leased from Sri City Private Limited, and our campuses in Tamil Nadu, including our Registered and Corporate Office, are situated on land leased by FIH India Developer Private Limited, a member of our Promoter Group, from State Industries Promotion Corporation of Tamil Nadu, which in turn has been sub-leased to our Company. For further details, see "***Our Business – Immovable Properties***" on page 171. While we renew these lease agreements and deeds periodically in the ordinary course of business, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business and results of operations may be adversely affected.

We also lease certain equipment for use in our operations. For example, we have leased our equipment for printed circuit assemblies under a seven-month lease ending in February 2022, which is extendable by mutual agreement. While installation and functional failure costs are covered under the lease agreement, we are responsible for maintaining the equipment in safe condition and for any physical damage attributable to us.

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

42. ***We have in the past made applications for compounding certain non-compliances under the Companies Act 2013 and FEMA.***

We have in the past made applications for compounding of non-compliances with certain provisions under the Companies Act 2013 and FEMA. These include compounding in relation to delay in holding our annual general meeting, lack of disclosure on maintenance of cost records in previous Board reports, non-disclosure of loans made to a related party in a previous Board report, shortfall in CSR spending as well as for a delay in filing of Form FC-GPR, brief details of which are provided below:

S. no.	Relevant provisions	Year of order	Details of Non- Compliance	Fines / Compounding fee imposed
Companies Act				
1.	Section 96(1)	2021	Our Company held its AGM for Financial Year 2018 on October 31, 2018 with a delay of one day.	1. ₹ 10,000 against our Company; and 2. ₹ 5,000 each, against our erstwhile directors and our Company Secretary and Compliance Officer
2.	Section 134(3)(q) read with Rule 8(5)(ix) of the Companies (Accounts) Rule, 2014	2021	Our Company failed to make disclosures in the Board's report for Financial Years 2019 and 2020 as to whether maintenance of cost records is required by our Company under Section 148(1) and whether such accounts and records are actually prepared and maintained.	1. ₹ 150,000 against our Company; and 2. ₹ 50,000 each, against our erstwhile directors
3.	Section 134(3) read with Section 135(5)	2021	Our Company failed to specify the reasons for not spending the monetary amounts stipulated for CSR activities in its Board's Report for Financial Years	1. ₹ 150,000 against our Company; and 2. ₹ 130,000 each, against our

S. no.	Relevant provisions	Year of order	Details of Non- Compliance	Fines / Compounding fee imposed
			2018 and 2019.	erstwhile directors and our Company Secretary and Compliance Officer
4.	Section 134(3)(g)	2021	Our Company failed to disclose the details of the loans made to FIH India Developers Private Limited in its Board's Report for Financial Year 2018.	1. ₹ 75,000 against our Company; and 2. ₹ 130,000 each, against our erstwhile directors and our Company Secretary and Compliance Officer
5.	Section 134(6) of the Companies Act 2013	2021	The Board's reports and their annexures namely Form AOC – 2, Form MGT – 9 and Annual Report on CSR Activity for Financial Years 2018 and 2019 the Board's report and its annexures namely Form MGT – 9 and Annual Report on CSR Activity for Financial Year 2020 were not signed in accordance with Section 134(6) of Companies Act 2013	1. ₹ 150,000 against our Company; and 2. ₹ 65,000 each, against our erstwhile directors and our Company Secretary and Compliance Officer
6.	Section 139(1)	2021	Our Company failed to appoint the Statutory Auditors for a mandatory period of five years	1. ₹ 150,000 against our Company; and 2. ₹ 75,000 each, against our erstwhile directors and our Company Secretary and Compliance Officer
7.	Section 42	2021	Delays in the filing of various E-Forms MGT-14 in relation to the intimation to the RoC of passing of special resolutions under Section 42 of at various EGMs for the allotment of equity shares of the Company to Wonderful Stars at various EGMs conducted in Financial Year 2016 and Financial Year 2018	1. The Deputy Director, MCA, passed various orders approving all our applications for condonation of delay filed on 2 August 2021. No penalties were imposed by the MCA. 2. Further, our Company has also filed three applications for condonation of delays on 8 November 2021 which were approved by the MCA pursuant to an e-mail dated 10 December 2021. No penalties were imposed by the MCA.
FEMA				
8.	Para 9(1)(B) and para 9(2) of Schedule-I of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000	2019	Delay in submission of Form FC-GPR to the regional office of RBI in pursuance of allotment of 16,65,94,499 equity shares to our Promoter, Wonderful Stars and member of our Promoter Group, Aptech Electronics undertaken between July 9, 2015 and December 10, 2018 and delay in filing the annual return in respect of Foreign Liabilities and Assets	₹ 14,98,670

For further details, see "***Outstanding Litigation and other Material Developments – Litigation involving our Company – Litigation filed against our Company – Actions by regulatory and statutory authorities involving our Company***" on page 311. There are also certain inadvertent errors in our regulatory filings, such as typographical errors with respect to the date of a shareholders resolution, the date of allotment of equity shares and details of the share capital of our Company. There have also been delays in the past filings with regulatory authorities, including in relation to investment in our Subsidiary, RSHTPL, for which we have paid a late submission fee to the RBI.

Any such repeated non-compliances may be detrimental to the interest of our Company and may have a material adverse effect on our reputation as well as results of operations. Additionally, there may be fines imposed on us for any non-compliances.

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

Our business is capital intensive as we constantly seek to add new and upgrade our existing manufacturing facilities; increase our product portfolio; and invest in the research and development of new technologies and products, among others. In Financial Years 2019, 2020 and 2021, additions to Property, Plant and Equipment amounted to ₹5,081.54 million, ₹1,764.03 million and ₹2,321.90 million. We also have significant working capital requirements to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. We intend to utilise ₹7,069.00 million (a part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscals 2023 and 2024.

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

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

44. ***We have not entered into any definitive arrangements to utilise certain portions of the net proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and a cost assessment report from Axium Valuation Services LLP and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds.***

We intend to use the Net Proceeds of the Offer for the purposes described in "***Objects of the Offer***" on page 81. We are yet to place orders for the total capital expenditure which we propose to fund from the Net Proceeds. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. Further, a cost assessment report has been obtained from Axium Valuation Services LLP for the proposed capital expenditure in Campus 2 located at Sriperumbudur, Tamil Nadu by construction of a ready to occupy main factory building with other necessary utility buildings and utilities for the purpose of production of mobile devices components. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Our funding requirements may be subject to change based on various factors such as the timing of completion of the Offer, market conditions outside the control of our Company, and any other business and commercial considerations. The remaining Net Proceeds shall be utilised in subsequent periods as may be determined by our Company and by the Shareholders by way of a special resolution, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law. Our funding requirements are based on management estimates and our current business plans and the cost assessment report obtained from Axium Valuation Services LLP and has not been appraised by any bank or financial institution or other agency. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations.

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

45. ***Our proposed expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.***

Our capital expenditure plans in relation to the proposed expansion of manufacturing facility in Campus 2, remain subject to the potential problems and uncertainties that construction activities face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management.

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

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

We propose to utilise the Net Proceeds for funding the capital expenditure requirements of our Company towards expansion of our manufacturing facility in Campus 2, located in Sriperumbudur, investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements, funding the working capital requirements of our Company and for general corporate purposes.

For further details of the proposed objects of the Offer, see "***Objects of the Offer***" on page 81. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

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

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

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

We use certain supplemental non-GAAP measures to review and analyse our financial and operating performance from period to period, and to evaluate our business, which have been included in this Draft Red Herring Prospectus. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us and our operating and financial performance. For more information on the non-GAAP financial measures used in this Draft Red Herring Prospectus, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Non-GAAP Financial Measures***", "***Definitions and Abbreviations – Conventional and General Terms and Abbreviations***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures***" on pages 12, 8 and 296.

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

48. ***This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan (India) Private Limited, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

We have retained an independent third party research agency, Frost & Sullivan (India) Private Limited, to prepare an industry report titled "*Market Assessment for India EMS/ODM Industry*" dated 14 December 2021, exclusively for purposes of confirming our understanding of the industry we operate in and inclusion of industry-related information in this Draft Red Herring Prospectus. Given the scope and extent of the F&S Report, disclosures are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. The F&S Report is a paid report that has been commissioned by our Company, and is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and its dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics therein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. You are advised not to place undue reliance on the F&S Report or extracts thereof as included in this Draft Red Herring Prospectus, when making your investment decision. Also, see "***Certain Conventions Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data***" and "***Industry Overview***" on pages 12 and 106.

49. ***Information relating to installed capacities and the historical production and capacity utilisation of manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates by the independent chartered engineer verifying such information and future production and capacity utilisation may vary.***

Information relating to our installed capacities and historical production and capacity utilisation of manufacturing facilities in India is based on various assumptions and estimates by Multi Engineers Private Limited, the independent chartered engineer, as set out in their certificate dated 20 December 2021, including those relating to the number of working days in a month, the number of shifts in a day and the number of manufacturing hours in a day. Such assumptions and estimates may not continue to be true and future production and capacity utilisation may vary. Calculation of the installed capacities and historical production and capacity utilisation of our manufacturing facilities by the independent chartered engineer may not have been undertaken on the basis of any standard methodology and may not be comparable to that employed by competitors.

50. ***Unfavourable media coverage in relation to us or our affiliates could harm our business, reputation, financial condition, cash flows and results of operations.***

We are the subject of media coverage from time to time. Unfavourable publicity regarding our revenue model, quality of products, technology, employees or management team could adversely affect our reputation. In order to ensure that we cater in the best possible manner to all stakeholders, we are constantly reviewing our systems and policies to reflect the dynamic nature of the market and customer needs. While we are open to roll back any policy if not well received, we may receive negative publicity or incur costs to implement and roll back any such policy, which would have an adverse impact on our operations. Such negative publicity could also harm the size of our network and the engagement and loyalty of our customers, which could adversely affect our business and results of operations.

As our Company continues to scale and public awareness of our brand increases, any future issues that draw media coverage could have an amplified negative effect on our reputation and brand. In addition, negative publicity related to our Promoters or the Foxconn Technology Group may damage our reputation, even if the publicity is not directly related to us. Any negative publicity that we may receive could diminish confidence in our products and may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our brand. As a result, any impairment or damage to our brand, including as a result of these or other factors, could adversely affect our business, reputation, financial condition, cash flows and results of operations.

51. ***Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder will receive the proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Promoter Selling Shareholder shall be entitled to the proceeds from the Offer for Sale (net of its portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer for Sale. None of our Directors or Key Managerial Personnel will receive, in whole or in part, any proceeds from the Offer.

52. ***We are required to comply with the covenants under our financing agreements, including if we draw down amounts pursuant to such agreements.***

We have entered into agreements in relation to our financing arrangements with certain banks. As of 30 September 2021, we did not have amounts outstanding under our borrowing arrangements with lenders. We are subject to compliance with the terms of such facilities, including in the event we draw down amounts under our borrowing arrangements. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation reorganization, compromise or reconstruction, amending the constitutional documents of our Company, change in shareholding pattern, change in management, declaration of dividends, creating, assuming or incurring any further encumbrances on the assets of our Company or enter into any borrowing arrangement with any bank or financial institution, effecting any change in the general line of business of the Company or our management, any capital expenditure other than in the ordinary course of business, change in management or control and selling, assigning, mortgaging or otherwise disposing the fixed assets of our Company.

There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. For details of our borrowings, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 283.

External Risks

53. ***Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***

Our business benefits substantially from the Government of India's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which provides a range of incentives to attract and localise manufacturing and production in the country. These incentives promote manufacturing and exporting products in various industries, including those that we are targeting for future growth. The Company has been approved for a PLI for mobile phone manufacturing which provides a revenue subsidy of 4-6% on the incremental revenue from mobile phones priced above ₹15,000. The aggregate maximum potential incentive for the Company under this scheme is ₹60,004 million over the Financial Years 2022 to 2026. In addition, our subsidiary RSHTPL has been approved for a PLI for (i) IT hardware with aggregate maximum potential incentive of ₹12,450 million over the Financial Years 2022 to 2026 and (ii) telecom and networking products with aggregate maximum potential incentive of ₹4,025 million over the Financial Years 2022 to 2026. These time-bound incentives are subject to various conditions, including meeting certain minimum and cumulative targets, including incremental investments, incremental sales and employment generation, and the amount and disbursement of incentives will depend on our ability to meet or exceed those targets and other conditions. Other conditions include requirements with respect to investment and production, compliance with applicable conditions at the time of submission of a disbursal claim, submission of self-certified quarterly review reports, submission of shareholding pattern along with the annual incentive claim in case of any changes in shareholding pattern during the year and informing the authority of any change of the manufacturing location from the application. The authority is empowered to conduct periodic reviews of eligible companies with respect to their investments, employment generation, production and value addition under the relevant scheme, and may revise incentive rates, ceilings, target segments and eligibility criteria as deemed appropriate during the tenure of the relevant scheme. These approvals received under the PLI schemes should not be considered as a guarantee for disbursement of incentive amounts and any such disbursement will be subject to the determination of the baseline and verification of eligibility after submission of a disbursal claim and other criteria set out in the relevant scheme guidelines.

We also intend to apply for the electric vehicles (components category) and hearables PLI schemes as and when applications are invited.

We are also eligible, and have applied for, the Modified Special Incentive Package Scheme (M-SIPS), which provides a capital subsidy of 20-25% for investment in capital expenditure for mobile phone manufacturing. The maximum potential incentive under this scheme is ₹2,032.0 million over the Financial Years 2022 to 2026. The application is pending as at the date of this Draft Red Herring Prospectus. We also have a capital and revenue subsidy from the government of Andhra Pradesh for investments in that state, where the maximum potential incentive is ₹3,433 million over the Financial Years 2022 to 2026. These incentives are also time-bound and subject to conditions. If we are unable to meet the investment thresholds, financial targets and the other conditions on the basis of which these incentives were applied for, we will not be able to realise the benefits from these incentives.

The Government of India launched a series of policies, schemes and incentives such as Modified Special Incentive Package Scheme, Electronic Manufacturing Clusters and mandatory safety standards and investment allowances and deductions to encourage domestic manufacturing in India. The most significant policy initiatives were Tariff Protection Against Imports and Tax and Tariff Concessions on Inputs. Under Tariff Protection Against Imports, an excise duty of 12.5% was applied as Countervailing Duty (CVD) to imports but domestic producers could choose between the same 12.5% excise duty with VAT exemption on inputs used and a significantly lower excise duty and no VAT exemption. For a vertically integrated manufacturer, this regime allowed significant protection against imports. Tax and Tariff Concessions on Inputs encouraged assembly activities in India by waiving basic custom duty and CVD on inputs used in the production of all ITA-1 products. ITA-1 products are final products that enter duty free into the country under the World Trade Organisation Information Technology Agreement – 1 to which India is a signatory. These Basic Customs duty exemptions/concessions are largely continued under the Goods and Service Tax regime launched in 2017 subject to compliance with Import of Goods under the Concessional Rates Rules. Concessional CVD on inputs is no more available under GST regime from 2017 and Integrated GST ("IGST") is levied on inputs imported in the GST regime, however the IGST paid on inputs is inputable. These duty differentials between imports and local production offered significant cost advantages to manufacturer of mobile phones which have local production in India.

54. ***Changing regulations in India, whether at the central, state or local level, could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The government of India ("***GoI***") as well as the states of Andhra Pradesh and Tamil Nadu, where our campuses and substantially all of our operations are based, may implement new laws or other regulations and policies that could affect the electronics manufacturing industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI, the state governments of Andhra Pradesh and Tamil Nadu, and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, may adversely affect our business, financial condition, results of operations, cash flows and prospects:

For example, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of 20 September 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

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.

Additionally, the GoI has recently 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.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any increase in the compliance requirements as result of a change in law, regulation or policy, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

We may not be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

55. ***A downgrade in credit ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and was affirmed to be BBB with a "negative" outlook by Fitch in April 2021; and from BBB to BBB "low" by DBRS in May 2021. India's sovereign rating from S&P is BBB- with a "stable" outlook. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

56. ***Political changes, natural disasters and other macroeconomic factors could adversely affect economic conditions in India***

Our Company is incorporated in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include: (i) the macroeconomic climate, including any increase in Indian interest rates or inflation; (ii) any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets; (iii) any shortage of credit or other financing in India; (iv) prevailing income conditions among Indian consumers and Indian corporations; (v) epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the COVID-19 pandemic; (vi) volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; (vii) political instability, terrorism or military conflict in India or other countries in the region; (viii) occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations; (ix) international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws; (x) protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements; (xi) downgrading of India's sovereign debt rating by rating agencies; or (xii) 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 the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, India and certain emerging economies in Asia. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Risks resulting from a relapse in the Eurozone crisis or any future debt crisis in Europe or any similar crisis could have a detrimental impact on consumer confidence levels and global economic recovery. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

58. ***If inflation continues to rise in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

The SEBI ICDR Regulations requires us to, for the purposes of disclosure in this Draft Red Herring Prospectus, prepare and present our Restated Financial Information. Our Restated Financial Information has been derived from our audited consolidated financial statements as at and for the six months ended 30 September 2021, our audited financial statements as at and for the six months ended 30 September 2020, and our audited financial statements as at and for the financial years ended March 31, 2019, 2020, 2021 prepared in accordance with Ind AS and as per Ind AS Rules notified under Section 133 of the Companies Act 2013, and restated in accordance with the requirements of Section 26 of the Companies Act 2013, the SEBI ICDR Regulations and the ICAI Guidance Note. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

60. ***Our business and activities may be regulated by the Competition Act, 2002 and any breach thereof may invite sanctions.***

The Competition Act, 2002 ("***Competition Act***") prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act, notified and brought into force with effect from June 1, 2011, require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. Any breach of the provisions of Competition Act may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

61. ***We are, and after the Offer will remain, a "foreign owned and controlled" company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly are subject to Indian foreign investment laws.***

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is, and after the Offer will remain, a foreign owned and controlled company. As a foreign owned and controlled company, our Company is subject to various requirements under the Consolidated FDI Policy and other Indian foreign investment laws. Such requirements include restriction on undertaking certain business activities without prior Government approval or at all, and pricing guidelines applicable to issue or transfer of our Equity Shares.

While we believe that our business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, the Government, or a regulatory or judicial authority, may take a different interpretation. A determination by the Government, or a regulatory or judicial authority, that any of our business activities are being, or have been, conducted in violation of the Consolidated FDI Policy and other applicable Indian foreign investment laws, would attract regulatory sanctions, including monetary penalties. In such an event, we may also have to cease undertaking the relevant business activities. Further, until the time we continue to be a foreign owned and controlled company, we may not be able to undertake certain commercially attractive business activities or investments without prior approval of the Government, or at all.

62. ***Political tensions between India and China may intensify, causing either or both countries to adopt measures in the future that may adversely impact our business.***

While our operations are based in India, we currently derive most of our revenue from Xiaomi, a mobile phone OEM based in China. In addition, a substantial number of the suppliers for components and other inputs, and raw materials for our EMS business are located in China. Accordingly, our business and results of operations may be influenced by political and economic relations between India and China. In recent years, tensions have been rising between India and China over a disputed border in the Himalayan region which has led to military clashes. India's recent entry into the Quadrilateral Security Dialogue, a group consisting of the United States, India, Japan and Australia, has been criticised by China as creating an "exclusive bloc" contrary to the aspirations of the regional countries.

If the Chinese government or the Indian government impose tariffs or other economic measures that directly or indirectly increase the price of the supplies we import from China, the increased prices could have a material adverse effect on our cost of production. The Chinese government may also impose restrictions on trade and commerce between Chinese and Indian companies, and the Indian government might do likewise. Escalation of trade tensions between India and China may result in long-term changes to their relationships, including retaliatory trade restrictions that restrict the international flow of products. We cannot predict the actions taken with respect to tariffs or trade relations between India and China and the types of products that may be subject to such actions. Any alterations to our business strategy or operations to adapt to or comply with any such changes would be time-consuming and expensive.

63. ***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. Accordingly, our ability to raise foreign capital may be constrained.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Further, under applicable foreign exchange regulations 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 under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness.

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. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Required regulatory approvals for borrowing in foreign currencies may not be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("***DPIIT***"), the Consolidated FDI Policy has been amended to state that any investments under the foreign direct investment route into India by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. Neither the Consolidated FDI Policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all. For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 358.

64. ***Foreign investors may have difficulty enforcing foreign judgments against us or our management.***

Our Company is incorporated under the laws of India. A majority of our Directors and a majority of the Company's executive officers are residents of India and a significant portion of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons in jurisdictions outside India, or to enforce against us or such parties judgments obtained in courts outside India based upon the liability provisions of foreign countries, including the civil liability provisions of the federal securities laws of the United States. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "***CPC***").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Instead, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the CPC. Section 13 of the CPC provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty but does not include an arbitration award, even if such an award is enforceable as a decree or judgment.

The United States and Canada have not been declared by the GoI to be a reciprocating territory for the purpose of Section 44A of the CPC. However, the United Kingdom, Singapore and Hong Kong, among others, have been declared by the GoI to be reciprocating territories. A judgment of a court in the United States or another jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. It is also unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

Risks Relating to the Offer and the Equity Shares

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

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 a market for the Equity Shares.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control: (i) quarterly variations in our results of operations; (ii) results of operations that vary from the expectations of securities analysts and investors; (iii) results of operations that vary from those of our competitors; (iv) changes in expectations as to our future financial performance, including financial estimates by research analysts and investors; (v) a change in research analysts' recommendations; (vi) announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; (vii) announcements by third parties or governmental entities of significant claims or proceedings against us; (viii) new laws and governmental regulations applicable to our industry; (viii) developments relating to our peer companies in our industry; (ix) additions or departures of key management personnel; (x) changes in exchange rates; (xi) fluctuations in stock market prices and volume; (xii) investor perception of us and the industry we operate in; (xiii) the public's reaction to our press releases and any adverse media reports; and (xiv) general economic and stock market conditions. Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. 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.

66. ***Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

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

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. 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. Additionally, the Finance Act, 2020 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. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

67. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, including under the existing ESOS 2021, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "***Basis for Offer Price***" beginning on page 96 and may not be indicative of the market price for the Equity Shares after the Offer.

The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

69. ***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 the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

    Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' 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. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

    Under the Companies Act 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

    However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

71. ***Rights of shareholders of companies under Indian law may be different compared to the laws of other jurisdictions.***

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

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer(1)	Up to [●] Equity Shares aggregating up to ₹ 50,038 million
Of which:	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹ 25,019 million
Offer for Sale(1)	Up to [●] Equity Shares aggregating up to ₹ 25,019 million
The Offer consists of:	
A. QIB Category(2)	Not less than [●] Equity Shares
Of which:	
Anchor Investor Portion(3)	Up to [●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Category (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Category for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Category	Not more than [●] Equity Shares
C. Retail Category	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	2,380,944,980 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of the Offer	See "***Objects of the Offer***" on page 81 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

(1) *The Offer has been authorised by our Board pursuant to its resolution dated 29 November 2021 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution dated 30 November 2021. The Promoter Selling Shareholder specifically confirms that it has authorized its participation in the Offer for Sale. Details of the authorization issued by the Promoter Selling Shareholder is as follows:*

Sr. No.	Name of the Promoter Selling Shareholder	Date of resolution by board or committee of directors	Date of consent letter	Value of Equity Shares offered for sale (in ₹ million)
1.	Wonderful Stars	19 November 2021	21 December 2021	Up to 25,019

The Promoter Selling Shareholder specifically confirms that the Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations.

(2) *If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money will be refunded forthwith. In the event aggregate demand in the QIB Category has been met, subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, in accordance with applicable laws. Under-subscription, if any, in the QIB Category (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

(3) *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. 5% of the QIB Category (other than the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Category (other than the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 341 and 338, respectively.*

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post- Offer paid-up equity share capital of our Company. Allocation in all categories, except the Anchor Investor Portion, if any, and the Retail Category, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For more information, including in relation to grounds for rejection of Bids, see "***Offer Structure***", "***Offer Procedure***" and "***Terms of the Offer***" on pages 338, 341 and 333, respectively.

SUMMARY FINANCIAL STATEMENTS

*The summary financial statements presented below should be read in conjunction with "****Financial Information****" and "****Management's Discussion and Analysis of Financial Condition and Results of Operations****" on pages 222 and 283, respectively.*

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Restated Summary of Assets and Liabilities

	Particulars	As at 30 September 2021 (Consolidated)	As at 30 September 2020 (Standalone)	As at 31 March 2021 (Standalone)	As at 31 March 2020 (Standalone)	As at 31 March 2019 (Standalone)
		(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)
A	**ASSETS**					
1	**Non-Current Assets**					
	(a) Property, plant and equipment	6,993.71	6,896.08	7,543.47	7,127.15	7,384.53
	(b) Right of use assets	538.39	597.12	582.00	531.42	686.54
	(c) Capital work-in-progress	142.55	710.03	93.92	749.45	448.21
	(d) Financial assets					
	(i) Other financial assets	450.33	417.10	508.13	596.65	465.06
	(e) Non-current tax assets (net)	-	82.15	-	781.02	1,775.60
	(f) Deferred tax assets (net)	393.00	206.26	230.48	189.89	-
	(g) Other non-current assets	52.21	42.73	57.09	64.04	77.72
	Total non-current assets	**8,570.19**	**8,951.47**	**9,015.09**	**10,039.62**	**10,837.66**
2	**Current Assets**					
	(a) Inventories	18,132.08	27,077.38	24,760.40	21,897.88	30,963.99
	(b) Financial assets					
	(i) Trade receivables	33,421.92	42,329.52	36,087.64	37,689.30	35,930.48
	(ii) Cash and cash equivalents	19,595.33	2,295.93	8,612.82	11,463.46	6,251.51
	(iii) Bank balances other than (ii) above	110.00	-	110.00	-	-
	(iv) Loans	150.68	155.44	152.03	156.33	84.67
	(v) Other financial assets	609.67	272.71	114.25	114.43	91.02
	(c) Other current assets	6,542.14	8,631.44	8,268.68	4,870.50	4,839.82
	Total current assets	**78,561.82**	**80,762.42**	**78,105.82**	**76,191.90**	**78,161.49**
	Total Assets	**87,132.01**	**89,713.89**	**87,120.91**	**86,231.52**	**88,999.15**
B	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a) Equity share capital	23,809.45	23,809.45	23,809.45	23,809.45	16,659.45
	(b) Other equity	5,445.47	3,814.65	4,547.90	2,929.33	(981.46)
	Total Equity	**29,254.92**	**27,624.10**	**28,357.35**	**26,738.78**	**15,677.99**
2	**Non-current liabilities**					
	(a) Financial liabilities					
	(i) Lease Liabilities	480.65	575.63	517.23	449.96	429.36
	(b) Provisions	94.32	72.30	89.59	66.50	45.49
	Total non-current liabilities	**574.97**	**647.93**	**606.82**	**516.46**	**474.85**
3	**Current liabilities**					
	(a) Financial liabilities					
	(i) Borrowings	-	1,178.56	-	-	10,662.01
	(ii) Lease Liabilities	91.10	45.15	94.17	99.95	299.77
	(iii) Trade payables					
	(a) total outstanding dues of micro enterprises and small enterprises	79.39	14.35	49.19	12.28	7.66
	(b) total outstanding of dues and creditors other than micro enterprises and small enterprises	51,691.44	53,749.36	52,387.75	56,424.34	58,598.05
	(iv) Other financial liabilities	825.50	274.84	986.26	293.85	1,110.58
	(b) Provisions	107.68	102.41	109.71	83.54	35.27
	(c) Current tax liabilities (net)	813.99	-	365.00	-	-
	(d) Other Current liabilities	3,693.02	6,077.19	4,164.66	2,062.32	2,132.97
	Total current liabilities	**57,302.12**	**61,441.86**	**58,156.74**	**58,976.28**	**72,846.31**
	Total Liabilities	**57,877.09**	**62,089.79**	**58,763.56**	**59,492.74**	**73,321.16**
	Total Equity and Liabilities	**87,132.01**	**89,713.89**	**87,120.91**	**86,231.52**	**88,999.15**

Restated Summary of Profit and Loss

	Particulars	For the six month period ended 30 September 2021 (Consolidated)	For the six month period ended 30 September 2020 (Standalone)	For the year ended 31 March 2021 (Standalone)	For the year ended 31 March 2020 (Standalone)	For the year ended 31 March 2019 (Standalone)
		(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)
1	Revenue from operations	1,01,557.92	63,945.78	1,58,548.58	2,66,355.58	3,43,453.89
2	Other income	140.43	332.85	517.99	337.68	469.84
3	Total Income (1+2)	1,01,698.35	64,278.63	1,59,066.57	2,66,693.26	3,43,923.73
4	**Expenses**					
	(a) Cost of materials consumed	93,931.55	58,572.67	1,46,350.31	2,46,654.59	3,29,638.27
	(b) Changes in inventories of finished goods and work-in-progress	1,002.98	179.70	580.23	2,326.42	(2,960.05)
	(c) Employee benefits expense	1,531.27	1,356.64	2,999.82	2,757.54	2,929.66
	(d) Finance costs	52.64	170.24	236.11	281.26	689.55
	(e) Depreciation and amortisation expense	1,351.05	1,107.48	2,186.15	2,255.44	1,624.35
	(f) Other Expenses	2,633.78	2,043.55	4,748.90	7,684.27	14,115.20
	Total Expenses	1,00,503.27	63,430.28	1,57,101.52	2,61,959.52	3,46,036.98
5	**Restated Profit/ (Loss) before tax (3 - 4)**	1,195.08	848.35	1,965.05	4,733.74	(2,113.25)
6	**Tax expense:**					
	(a) Current tax	467.35	305.90	708.58	1,026.62	-
	(b) Adjustment of Current Tax Relating to Earlier Years	-	(57.34)	(57.34)	-	-
	(c) Deferred tax (net)	(163.98)	(282.08)	(305.34)	(190.01)	115.46
		303.37	(33.52)	345.90	836.61	115.46
7	**Restated Profit/(Loss) For The Year/Period (5 - 6)**	**891.71**	**881.87**	**1,619.15**	**3,897.13**	**(2,228.71)**
8	**Restated Other comprehensive Income/(Loss)**					
	A (i) Items that will not be reclassified to profit or loss					
	(a) remeasurement of the defined benefit plans	5.82	4.61	(0.78)	0.37	(4.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.47)	(1.16)	0.20	(0.13)	1.40
	(iii) Foreign Exchange Reserve	1.51	-			
	Restated Total other comprehensive Income/ (Loss)	**5.86**	**3.45**	**(0.58)**	**0.24**	**(2.60)**
9	**Restated Total comprehensive income/(Loss) (7 + 8)**	**897.57**	**885.32**	**1,618.57**	**3,897.37**	**(2,231.31)**
10	**Restated Earnings Per Share**					
	- Basic (Face Value of Rs. 10 each)	0.37	0.37	0.68	2.08	(1.57)
	- Diluted (Face Value of Rs. 10 each)	0.37	0.37	0.68	2.08	(1.57)

Restated Summary of Cash and cash equiavalents

Particulars	For the six month period ended 30 September 2021 (Consolidated)	For the six month period ended 30 September 2020 (Standalone)	For the year ended 31 March 2021 (Standalone)	For the year ended 31 March 2020 (Standalone)	For the year ended 31 March 2019 (Standalone)
	(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)
I. CASH FLOW FROM OPERATING ACTIVITIES					
Restated Profit/ (Loss) before tax	1,195.08	848.35	1,965.05	4,733.74	(2,113.25)
Adjustments to reconcile loss before tax to net cash flows:					
Depreciation and Amortisation Expense	1,351.05	1,107.48	2,186.15	2,255.44	1,624.35
Interest and Finance Charges paid (including interest towards lease liabilities)	52.64	170.24	236.11	281.26	689.55
Loss/ (Gain) on Property, Plant & Equipment Sold / Scrapped / Written off (Net)	(15.54)	182.61	244.83	36.95	103.28
Liabilities No Longer Required Written Back	(0.16)	(96.86)	(96.86)	-	-
Profit on termination of leases	-	(0.99)	(1.35)	0.43	-
Interest Income from Bank Deposits & Others	(120.42)	(234.99)	(419.78)	(338.11)	(444.95)
Provision for VAT Incentive	-	-	-	-	12.53
Provision for other recievable	-	(34.40)	34.47	-	-
Fair Value Loss/(gain) on deposits	2.70	43.09	-	-	-
Unrealised Exchange Loss / (gain) (net)	(36.26)	(406.19)	40.55	901.48	(1,394.20)
Operating Profit Before Working Capital/Other Changes	**2,429.09**	**1,578.34**	**4,189.17**	**7,871.19**	**(1,522.71)**
Adjustments for decrease/(increase) in operating assets:					
Inventories	6,628.31	(5,179.49)	(2,862.52)	9,066.10	959.83
Trade Receivables	2,665.72	(4,640.23)	1,601.66	(1,758.82)	9,165.91
Other Non Current Fiancial Assets	57.82	136.46	88.52	(131.59)	27.06
Loans (Current Financial Assets)	1.35	0.89	4.30	(71.66)	(2.21)
Other Current Financial Assets	(498.12)	(123.87)	(28.00)	(23.41)	(31.57)
Other Current and Non Current Assets	1,738.97	(3,739.64)	(3,391.24)	(17.00)	3,138.52
Adjustments for (decrease)/ increase in operating liabilities:	-	-	-	-	-
Trade Payables	(628.17)	(2,169.85)	(3,943.37)	(3,069.44)	(16,109.69)
Other Financial Liabilities (Current)	(160.75)	(19.01)	692.41	(816.74)	590.27
Other Liabilities (Current and Non-Current)	(471.64)	4,014.86	2,102.35	(70.65)	(545.63)
Provisions (Current and Non-Current)	2.72	26.36	49.26	69.28	45.61
Cash Used in Operations	**11,765.30**	**(10,115.18)**	**(1,497.46)**	**11,047.26**	**(4,284.61)**
Direct Taxes (Paid)/ Refund (net)	(12.57)	759.16	736.72	(32.17)	(1,044.64)
Net Cash Generated from/ (Used in) Operating Activities	**11,752.73**	**(9,356.02)**	**(760.74)**	**11,015.09**	**(5,329.25)**
II. CASH FLOW FROM INVESTING ACTIVITIES					
Capital Expenditure (including capital advances, net of Payables on	(675.54)	(840.69)	(1,937.99)	(2,054.55)	(5,784.35)
Loans Given	-	-	-	-	(40.00)
Deposit Balances not considered as Cash & Cash equivalents	-	-	(110.00)	-	12.00
Interest Received on Bank Deposits	112.85	163.53	413.48	337.68	443.04
Net Cash Used in Investing Activities	**(562.69)**	**(677.16)**	**(1,634.51)**	**(1,716.87)**	**(5,369.31)**
III. CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of Short Term Borrowings (net)	-	-	-	(10,662.01)	-
Proceeds from issue of equity shares	-	-	-	7,150.00	3,680.25
Proceeds from borrowings (Net)	-	1,178.57	-	-	10,662.01
Payment of Lease Liabilities	(180.05)	(167.75)	(324.81)	(347.67)	(319.92)
Interest and Finance Charges paid	(27.48)	(145.17)	(130.58)	(226.59)	(605.33)
Net Cash (Used in)/ Generated from Financing Activities	**(207.53)**	**865.65**	**(455.39)**	**(4,086.27)**	**13,417.01**
IV. Net Increase in Cash and Cash Equivalents (I + II + III)	10,982.51	(9,167.53)	(2,850.64)	5,211.95	2,718.45
V. Cash and Cash Equivalents at the Beginning of the Year/Period	**8,612.82**	**11,463.46**	**11,463.46**	**6,251.51**	**3,533.06**
VI. Cash and Cash Equivalents at the End of the Year/Period(Refer Note 11A)	**19,595.33**	**2,295.93**	**8,612.82**	**11,463.46**	**6,251.51**
VII. Reconciliation for Cash and Cash Equivalents					
(a) Cash on Hand	0.05	0.05	0.05	0.05	0.05
(b) Balances with Banks					
(i) In Current Accounts	260.82	2,295.88	582.77	313.41	581.46
(ii) In Deposit Accounts	-	-	-	-	-
Original maturity less than 3 months	19,334.46	-	8,030.00	11,150.00	5,670.00
	19,595.33	**2,295.93**	**8,612.82**	**11,463.46**	**6,251.51**

GENERAL INFORMATION

Our Company was incorporated on 1 May 2015 as a private limited company under the Companies Act, 2013, with the name "Rising Stars Mobile India Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Andhra Pradesh. The name of our Company was subsequently changed to "Bharat FIH Private Limited" pursuant to a special resolution passed by our Shareholders at the EGM held on 14 June 2021, and a fresh certificate of incorporation was issued by the RoC on 30 June 2021. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated 22 October 2021, the name of our Company was changed to "Bharat FIH Limited" and the RoC issued a fresh certificate of incorporation on 2 November 2021. For further details, see "***History and Certain Corporate Matters***" on page 190.

Registration Number: 143100

Corporate Identity Number: U31401TN2015PLC143100

Registered and Corporate Office

M-2B, DTA Area, SIPCOT Industrial Park
Phase - II Chennai Bangalore NH- 4
Sunguvarchatram, Sriperumbudur
Kancheepuram 602 106
Tamil Nadu, India

Address of the Registrar of Companies

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

Registrar of Companies, Tamil Nadu at Chennai
Block No.6, B Wing 2nd Floor
Shastri Bhawan 26
Haddows Road
Chennai 600 034
Tamil Nadu, India

Board of Directors

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

Name and Designation	DIN	Address
Yu Yang Chih *Chairman and Non-Executive Director*	09385755	12F, No. 7, Ln. 5, Sec. 3, Ren'ai Road, Da'an District, Taipei City 106 087, Taiwan
Hui-Chung Chen *Non-Executive Director*	09235250	No. 3-5, Aly. 2, Ln. 217, Sec. 3, Zhongxiao E. Road, Da'an District, Taipei City 106 087, Taiwan
Kam Wah Danny Tam *Non-Executive Director*	09229307	Flat G, 36/F, Tower 1, Vision City, 1 Yeung UK Road, Tsuen Wan, NT, Hong Kong
Clement Joshua Foulger *Managing Director*	06991478	Block No. 7, 302 174, Adayar Sea Face, MRC Nagar, R.A. Puram, Chennai 600 028, Tamil Nadu, India
Ramaraj Rajasekar *Independent Director*	00090279	1D, Aum Apartment, No. 32, Kotthari Road, Nungambakkam, Chennai 600 034, Tamil Nadu, India
Venkataramani Sumantran *Independent Director*	02153989	Plot No. 67, 19th Street, Venkateswara Nagar, Kottivakkam, Thiruvanmiyur, Sholinganallur, Kancheepuram 600 041, Tamil Nadu, India
Dipali Hemant Sheth *Independent Director*	07556685	A-2002, Lodha Bellissimo, N.M. Joshi Marg, Apollo Mill Compound, Mahalaxmi, Mumbai 400 011, Maharashtra, India

Name and Designation	DIN	Address
Ananth Narayan Gopalakrishnan *Independent Director*	05250681	801, Golden Peak, Dr. Ambedkar Road, Khar West, Mumbai 400 052, Maharashtra, India

For brief profiles and further details in respect of our Directors, see "***Our Management***" on page 196.

Company Secretary and Compliance Officer

Ramachandran Kunnath is the Chief Financial Officer, Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Ramachandran Kunnath
M-2B, DTA Area, SIPCOT Industrial Park
Phase - II Chennai Bangalore NH- 4
Sunguvarchatram, Sriperumbudur
Kancheepuram 602 106
Tamil Nadu, India
Tel: +91 44 6711 3500; +91 44 4713 5000
E-mail: investor@bfih-foxconn.com

Investor Grievances

Bidders may contact the 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 Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer related grievances, other than those of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of 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 Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form, and the name and address of the relevant Designated Intermediary 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 Offer related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited(1) 1st Floor, 27 BKC Plot No. 27, 'G' Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** bharatfih.ipo@kotak.com **Website:** www.investmentbank.kotak.com **Investor Grievance E-mail:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No.:** INM000008704	**Citigroup Global Markets India Private Limited**(1) 1202, 12th Floor, First International Financial Centre G-Block, C54 & 55, Bandra Kurla Complex, Bandra (East) Mumbai 400 098, Maharashtra, India **Tel:** +91 22 6175 9999 **E-mail:** bharatfih.ipo@citi.com **Website:** www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Investor Grievance E-mail:** investors.cgmib@citi.com **Contact Person:** Mubeen Uttanwala **SEBI Registration No.:** INM000010718

BNP Paribas 1 North Avenue Maker Maxity Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 3370 4000 **E-mail:** dl.ipo.bharatfih@asia.bnpparibas.com **Website:** www.bnpparibas.co.in **Investor Grievance E-mail:** indiainvestors.care@asia.bnpparibas.com **Contact Person:** Soumya Guha **SEBI Registration No.:** INM000011534	**HSBC Securities and Capital Markets (India) Private Limited** 52/60 Mahatma Gandhi Road, Fort Mumbai 400 001 Maharashtra, India **Tel:** +91 22 2268 5555 **E-mail:** bharatfihipo2021@hsbc.co.in **Website:** www.business.hsbc.co.in/engb/in/generic/ipo-open-offer-and-buyback **Investor Grievance E-mail**: investorgrievance@hsbc.co.in **Contact Person:** Sanjana Maniar / Rachit Rajgaria **SEBI Registration No.:** INM000010353

(1) *Kotak and Citi are also acting as the GCBRLMs*

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

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

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Offer, etc.	BRLMs	Kotak
2.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	BRLMs	Kotak
3.	Drafting and approval of statutory advertisements.	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	Citi
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries.	BRLMs	Citi
6.	Preparation of road show presentation and frequently asked questions.	BRLMs	Citi
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	BRLMs	Citi
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	BRLMs	Kotak
9.	Retail and Non-Institutional marketing of the Offer, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc.;	BRLMs	Kotak

Sr. No.	Activity	Responsibility	Coordination
	• Finalising collection centres • Deciding on the quantum of the offer material and follow-up on distribution of publicity and offer material		
10.	Managing the book and finalization of pricing in consultation with the Company and the Promoter Selling Shareholder	BRLMs	Kotak, Citi
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit and release of security deposit post closure of the issue, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	Citi
12.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates dispatch of certificates of demat credit and refunds, payment of STT on behalf of the Promoter Selling Shareholder and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI	BRLMs	Kotak

**Kotak and Citi are also acting as the GCBRLMs.*

Syndicate Members

[●]

Legal Counsel to the Company and the Promoter Selling Shareholder as to Indian Law

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

Legal Counsel to the BRLMs as to Indian Law

S&R Associates
One World Center
1403, Tower 2 B
841, Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000

International Legal Counsel to the Company

Freshfields Bruckhaus Deringer Singapore Pte. Ltd.
Address: 42-01 Ocean Financial Centre
10 Collyer Quay
Singapore 049315
Tel: +65 6636 8000

International Legal Counsel to the BRLMs

Allen & Overy (Asia) Pte Ltd
50 Collyer Quay #09-01 OUE Bayfront

Singapore 049321
Tel: +65 6671 6000

Registrar to the Offer

KFin Technologies Private Limited
Selenium, Tower B, Plot No. 31-32
Financial District, Nanakramguda,
Hyderabad, Rangareddi 500 032
Telangana, India
Tel: + 91 40 6716 2222
E-mail: bharatfih.ipo@kfintech.com
Website: www.kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No: INR000000221

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Banker to our Company

Citibank N.A.
Citibank N.A., No. 163
Anna Salai
Chennai 600 002
Tamil Nadu, India
Tel: +91 44 4222 6506, +91 9600065818
Website: ww.citibank.co.in
Contact Person: Mahesh Rathnam A.
E-mail: a.mahesh.rathnam@citi.com

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs, which offer ASBA related services, is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not Bidding through Syndicate/sub-Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated 28 June 2019 and circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated 26 July 2019 issued by SEBI, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) 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 at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 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 at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Broker Centres/Designated CDP Locations/Designated RTA Locations

In accordance with circular (CIR/CFD/14/2012) dated 4 October 2012 and circular (CIR/CFD/POLICYCELL/11/2015) dated 10 November 2015 issued by SEBI, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as postal address, telephone number and e-mail address, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Statutory Auditors of our Company

Deloitte Haskins & Sells LLP
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai 600 017
Tamil Nadu, India
Tel: +91 44 6688 5000
E-mail: usparvathi@deloitte.com
Firm Registration Number: 117366W/W-100018
Peer Review Number: 013179

Changes in statutory auditors

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

Credit Rating

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

Appraising Entity

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

IPO Grading

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

Green Shoe Option

No green shoe option is contemplated for the Offer.

Debenture Trustees

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

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus, in accordance with Regulation 41 of SEBI ICDR Regulations.

Experts

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

Our Company has received written consent dated 21 December 2021 from Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated 18 December 2021 on our Restated Financial Information; and (ii) the Statement of Special Tax Benefits available to the Company and its Shareholders dated 20 December 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated 20 December 2021 from Multi Engineers Private Limited, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as independent chartered engineers.

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on 27 March 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD", and has also been uploaded on the SEBI intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of SEBI ICDR Regulations and circular (SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated 19 January 2018 issued by SEBI.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office (address of the RoC has been mentioned below):

Registrar of Companies, Tamil Nadu at Chennai

Block No.6, B Wing 2nd Floor
Shastri Bhawan 26
Haddows Road
Chennai 600 034
Tamil Nadu, India

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. The Price Band and the Minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder, 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu where our Registered and Corporate Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. In addition to this, the RIIs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism.

In terms of SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until the Bid/Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For further details on method and process of Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 338 and 341, respectively.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which 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 obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "***Offer Structure***" and "***Offer Procedure***" on pages 338 and 341, respectively.

Underwriting Agreement

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

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

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

Name, address, telephone 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 will be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of SEBI ICDR Regulations. Based on representations made by the Underwriters, our Board of Directors are of the opinion that the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

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 accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORIZED SHARE CAPITAL(1)**		
	2,898,100,000 Equity Shares of face value of ₹ 10 each	28,981,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	2,380,944,980 Equity Shares of face value of ₹ 10 each	23,809,449,800	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares aggregating up to ₹ 50,038 million(2)	[●]	[●]
	Of which:		
	Fresh Issue of [●] Equity Shares aggregating up to ₹ 25,019 million(2)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹ ₹ 25,019 million(2)	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Prior to the Offer (*as on date of this Draft Red Herring Prospectus*)		Nil
	After the Offer		[●]

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

(1) *For details in relation to changes in the authorized share capital of our Company in the last 10 years, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 191.*

(2) *The Offer has been authorized by our Board pursuant to its resolution dated 29 November 2021 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution dated 30 November 2021. The Promoter Selling Shareholder has specifically confirmed that it has authorised its participation in the Offer for Sale. See "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on page 318.*

Notes to Capital Structure

1. 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	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
1 May 2015(1)	999 equity shares to Wonderful Stars and one equity share to Aptech Electronics	Initial subscription to the Memorandum of Association	1,000	100	100	Cash
8 September 2015	Wonderful Stars	Private placement	3,168,498	100	100	Cash
7 November 2015	Wonderful Stars	Private placement	3,313,500	100	100	Cash
12 February 2016	Wonderful Stars	Private placement	13,372,000	100	100	Cash
25 April 2016	Wonderful Stars	Private placement	27,392,000	100	100	Cash
5 October 2017	19,140,000 equity shares to Wonderful Stars and one equity share to Aptech Electronics	Private placement	19,140,001	100	100	Cash
1 March 2018	63,341,595 equity shares to Wonderful Stars and 63,405	Private placement	63,405,000	100	100	Cash

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	equity shares to Aptech Electronics					
10 December 2018	36,802,290 equity shares to Wonderful Stars and 210 equity shares to Aptech Electronics	Private placement	36,802,500	100	100	Cash
16 December 2019	71,499,996 equity shares to Wonderful Stars and 3 equity shares to Aptech Electronics	Private placement	71,499,999	100	100	Cash
29 May 2020	Pursuant to a resolution passed by the Shareholders in the EGM held on 29 May 2020, our Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000. Accordingly, 238,094,498 issued, subscribed and paid-up equity shares of face value of ₹ 100 each were sub-divided into 2,380,944,980 Equity Shares of face value of ₹ 10 each.					

(1) *Our Company was incorporated on 1 May 2015. The date of subscription to the MoA is 1 May 2015 and the allotment of equity shares pursuant to subscription to the MoA was taken on record by the Board on 1 July 2015.*

2. Equity shares issued for consideration other than cash

Our Company has not issued any equity shares for consideration other than cash since its incorporation.

3. Equity shares issued out of revaluation reserves

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

4. Allotment of equity shares pursuant to schemes of arrangement

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

5. Issue of equity shares under employee stock option schemes

Except for ESOS 2021, our Company does not have any employee stock option schemes as on the date of this Draft Red Herring Prospectus. For further details, see "***– Employee stock option scheme***" below on page 77.

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

The Offer Price for the Equity Shares is ₹ [●]. Our Company has not allotted any equity shares in the last one year.

7. History of the share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoter, Wonderful Stars, together with its nominees, holds 2,380,308,780 Equity Shares, constituting 99.97% of the issued, subscribed and paid-up Equity Share capital of our Company.

FIH Mobile does not directly hold any Equity Shares of our Company. FIH Mobile directly holds 100.00% of the share capital of Execustar International Limited, which holds 100.00% of the share capital of Worthy Ray Limited, which in turn holds 100.00% of the share capital of Wonderful Stars. For further details, see "***Our Promoters and Promoter Group***" on page 212.

The details regarding shareholding of our Promoter, Wonderful Stars in our Company is set out below:

S. No.	Name of the Promoter	Pre-Offer		Post-Offer (1)	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
1.	Wonderful Stars	2,380,308,780(2)	99.97	[●]	[●]

(1) *Subject to finalisation of Basis of Allotment*
(2) *Includes one Equity Share held by each of Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, as nominees of our Promoter, Wonderful Stars*

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

The build-up of the equity shareholding of our Promoter, Wonderful Stars, since incorporation of our Company is set forth in the table below.

Date of allotment	Nature of allotment	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price per equity share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
Wonderful Stars Pte. Ltd.							
1 May 2015(1)	Initial subscription to the Memorandum of Association	999	Cash	100	100	Negligible	[●]
8 September 2015	Private placement	3,168,498	Cash	100	100	1.33	[●]
7 November 2015	Private placement	3,313,500	Cash	100	100	1.39	[●]
12 February 2016	Private placement	13,372,000	Cash	100	100	5.62	[●]
25 April 2016	Private placement	27,392,000	Cash	100	100	11.5	[●]
5 October 2017	Private placement	19,140,000	Cash	100	100	8.04	[●]
1 March 2018	Private placement	63,341,595	Cash	100	100	26.6	[●]
10 December 2018	Private placement	36,802,290	Cash	100	100	15.46	[●]
16 December 2019	Private placement	71,499,996	Cash	100	100	30.03	[●]
29 May 2020	Pursuant to a resolution passed by the Shareholders in the EGM held on May 29, 2020, our Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000. Accordingly, 238,030,878 paid-up equity shares of face value of ₹ 100 each held by Wonderful Stars were sub-divided into 2,380,308,780 Equity Shares of face value of ₹ 10 each.						
21 October 2021	Transfer(2)	(1)	N.A.	10	10	Negligible	[●]
21 October 2021	Transfer(3)	(1)	N.A.	10	10	Negligible	[●]
21 October 2021	Transfer(4)	(1)	N.A.	10	10	Negligible	[●]
21 October 2021	Transfer(5)	(1)	N.A.	10	10	Negligible	[●]
21 October 2021	Transfer(6)	(1)	N.A.	10	10	Negligible	[●]
Total		**2,380,308,780(7)**				**99.97**	**[●]**

(1) *Our Company was incorporated on 1 May 2015. The date of subscription to the MoA is 1 May 2015 and the allotment of equity shares pursuant to subscription to the MoA was taken on record by the Board on 1 July 2015.*
(2) *Transfer of one Equity Share held by Wonderful Stars to Yu Yang Chih, holding as a nominee of Wonderful Stars.*
(3) *Transfer of one Equity Share held by Wonderful Stars to Hui-Chung Chen, holding as a nominee of Wonderful Stars.*
(4) *Transfer of one Equity Share held by Wonderful Stars to Clement Joshua Foulger, holding as a nominee of Wonderful Stars.*

(5) *Transfer of one Equity Share held by Wonderful Stars to Meng Hsiao-Yi, holding as a nominee of Wonderful Stars.*
(6) *Transfer of one Equity Share held by Wonderful Stars to Kam Wah Danny Tam, holding as a nominee of Wonderful Stars.*
(7) *Includes one Equity Share held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars.*

(b) Equity shareholding of our Promoter Group (other than our Promoters) and directors of our corporate Promoters

Except as disclosed below, none of the members of the Promoter Group (other than our Promoter, Wonderful Stars) or directors of our corporate Promoters hold any Equity Shares as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
	Promoter Group (other than Promoter)		
1.	Aptech Electronics Pte. Ltd	636,200	0.03
	Directors of our corporate Promoters(1)		
2.	Yu Yang Chih(2)	1	Negligible
3.	Meng Hsiao-Yi(2)	1	Negligible

(1) *Directors of our Promoter, FIH Mobile*
(2)*As a nominee of our Promoter, Wonderful Stars*

(c) Details of Promoters' contribution locked-in for three years

Pursuant to Regulation 14(1) and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, Wonderful Stars, shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

Details of the Equity Shares to be locked-in for three years from the date of Allotment as minimum Promoters' Contribution are set forth in the table below.

Name of Promoter	Date of allotment	Nature of the allotment	Face value Per equity share (₹)	Issue price per equity share (₹)	No. of equity shares Locked-in(1)	Percentage of the pre-Offer paid-up capital on a fully diluted basis (%)	Percentage of the post Offer paid-up capital on a fully diluted basis (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total					**[●]**	**[●]**	**[●]**

(1) *All the equity shares were fully paid-up on the respective dates of allotment of such equity shares.*

Our Promoter, Wonderful Stars, has given consent to include such number of Equity Shares held by it as may constitute 20.00% of the fully diluted post-Offer Equity Share capital of our Company as the Promoters' Contribution. Our Promoter, Wonderful Stars, has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

For details on the build–up of the Equity Share capital held by our Promoter, Wonderful Stars, see "– ***History of the share capital held by our Promoters – Build-up of our Promoters' shareholding in our Company***" above on page 73.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets; or (b) have resulted from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

(ii) The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

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

(iv) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge with any creditor; and

(v) Except for one Equity Share held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars, which are currently in the process of getting dematerialized, all the Equity Shares held by the Promoters are held in dematerialised form.

8. **Lock-in requirements**

(i) In addition to Promoters' Contribution locked in for three years as specified above, pursuant to Regulations 16(1)(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters in excess of Promoters' Contribution will be locked in for a period of one year, and pursuant to Regulation 17, 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, except for the Equity Shares successfully transferred as a part of the Offer for Sale;

(ii) Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by our Promoter, Wonderful Stars, which are locked-in may be transferred to and among the members of our Promoter Group or to any new promoters of our Company, and (b) the Equity Shares held by persons other than our Promoter, Wonderful Stars, and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations;

(iii) Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, Wonderful Stars, which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans;

(iv) Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, Wonderful Stars, which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies 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 such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations; and

(v) Any Equity Shares allotted to Anchor Investors pursuant to the Offer under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

9. Our shareholding pattern

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

Category (I)	Category of the Shareholder (II)	No. of Shareholders[(1)] (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights (X) Total	Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
(A)	**Promoter & Promoter Group**	7[(1)]	2,380,944,980[(2)]	-	-	2,380,944,980	100	2,380,944,980	100	-	2,380,944,980	-	-	-	-	2,380,944,975[(3)]
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by Employee Trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**7[(1)]**	**2,380,944,980[(2)]**	**-**	**-**	**2,380,944,980**	**100**	**2,380,944,980**	**100**	**-**	**2,380,944,980**	**-**	**-**	**-**	**-**	**2,380,944,975**

(1) *Includes Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, who are holding Equity Shares as nominees of our Promoter, Wonderful Stars*

(2) *Includes one Equity Share each held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars*

(3) *Dematerialisation of one Equity Share each held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars is under process and will be completed prior to filing of the Red Herring Prospectus with the RoC.*

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

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

Except for our Managing Director, Clement Joshua Foulger, and our Non-Executive Directors, Yu Yang Chih, Hui-Chung Chen and Kam Wah Danny Tam, who hold one Equity Share each as nominees of our Promoter, Wonderful Stars, none of our Directors hold any Equity Shares in our Company.

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

(a) As on the date of this Draft Red Herring Prospectus, our Company has seven holders of Equity Shares.

(b) Set forth below are details of Shareholders holding 1.00% or more of the paid-up share capital of our Company as on date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Wonderful Stars	2,380,308,780[(1)]	99.97
	Total	**2,380, 308,780[(1)]**	**99.97**

[(1)] *Includes one Equity Share held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars*

(c) Set forth below are details of Shareholders holding 1.00% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Wonderful Stars	2,380,308,780[(1)]	99.97
	Total	**2,380,308,780[(1)]**	**99.97**

[(1)] *Includes one Equity Share held by Yu Yang Chih, Meng Hsiao-Yi, Hui-Chung Chen, Kam Wah Danny Tam and Clement Joshua Foulger, each as nominees of our Promoter, Wonderful Stars*

(d) Set forth below are details of Shareholders holding 1.00% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Wonderful Stars	2,380,308,780	99.97
	Total	**2,380,308,780**	**99.97**

(e) Set forth below are details of Shareholders holding 1.00% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Wonderful Stars	2,380,308,780	99.97
	Total	**2,380,308,780**	**99.97**

13. **Employee stock option scheme**

Our Company, pursuant to the resolutions passed by our Board in its meeting dated 25 March 2021 and our Shareholders in its meeting dated 25 March 2021, adopted ESOS 2021 and subsequently amended ESOS 2021 by way of resolutions of our Board and our Shareholders, each dated 12 November 2021.

As on the date of this Draft Red Herring Prospectus, under ESOS 2021, out of the total 93,110,000 options available for grant, 8,31,10,000 options have been granted and no options have vested or exercised. ESOS 2021 is compliant with the SEBI SBEB Regulations.

The following table sets forth the particulars of the ESOS 2021, including options granted as on the date of this Draft Red Herring Prospectus.

Particulars	Details	
	Financial Year 2019, 2020 and 2021	From 1 April 2021 until 15 December 2021
Total options outstanding as at the beginning of the period	N.A.	Nil
Total options granted	N.A.	831,10,000
Exercise price of options in ₹ (as on the date of grant options)	N.A.	₹ 20
Options forfeited/ lapsed/ cancelled	N.A.	Nil
Variation of terms of options	N.A.	Nil
Money realized by exercise of options in ₹	N.A.	Nil
Total number of options outstanding in force	N.A.	83,110,000
Total options vested (excluding the options that have been exercised)	N.A.	Nil
Options exercised (since implementation of the ESOS 2021)	N.A.	Nil
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	N.A.	83,110,000
Employee wise details of options granted to:		
(i) Key managerial personnel		
Clement Joshua Foulger		10,000,000
Ramachandran Kunnath		5,000,000
Muppala Suresh Reddy		600,000
Kannan K.		2,000,000
Abraham Joseph		1,000,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	.	
Clement Joshua Foulger		10,000,000
Ramachandran Kunnath		5,000,000
Yu Yang Chih		12,500,000
Meng Hsiao-Yi		11,000,000
Hui-Chung Chen		10,000,000
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A.	N.A.
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share'	N.A.	
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation cost calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	N.A.	
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options	Black Scholes valuation methodology	

Particulars	Details	
	Financial Year 2019, 2020 and 2021	From 1 April 2021 until 15 December 2021
granted during the year, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option		
Impact on the profits and on the earnings per share of the last three years if the accounting policies specified in the SEBI SBEB Regulations had been followed, in respect of options granted in the last three years	N.A.	
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer	None, as minimum vesting period is 1 year from date of grant of option	
Intention to sell Equity Shares arising out of the ESOS 2021 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOS 2021, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	None, as minimum vesting period is 1 year from date of grant of option	

14. Except as disclosed below, one of our Promoters, members of the Promoter Group, the directors of our corporate Promoters, our Directors or their relatives have sold or purchased any Equity Shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of transfer	No. of Equity Shares transferred	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)
21 October 2021	1	Transfer(1)	N.A.	10	N.A.	Negligible
21 October 2021	1	Transfer(2)	N.A.	10	N.A.	Negligible
21 October 2021	1	Transfer(3)	N.A.	10	N.A.	Negligible
21 October 2021	1	Transfer(4)	N.A.	10	N.A.	Negligible
21 October 2021	1	Transfer(5)	N.A.	10	N.A.	Negligible

(1) *Transfer of one Equity Share held by Wonderful Stars to Yu Yang Chih, holding as a nominee of Wonderful Stars*
(2) *Transfer of one Equity Share held by Wonderful Stars to Hui-Chung Chen, holding as a nominee of Wonderful Stars*
(3) *Transfer of one Equity Share held by Wonderful Stars to Clement Joshua Foulger, holding as a nominee of Wonderful Stars*
(4) *Transfer of one Equity Share held by Wonderful Stars to Meng Hsiao-Yi, holding as a nominee of Wonderful Stars*
(5) *Transfer of one Equity Share held by Wonderful Stars to Kam Wah Danny Tam, holding as a nominee of Wonderful Stars*

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

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

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

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

19. Except for outstanding options granted pursuant to ESOS 2021, our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into, or which would entitle any person any option to receive, Equity Shares as on the date of this Draft Red Herring Prospectus.

20. Except for issuance of Equity Shares pursuant to (i) exercise of options granted under ESOS 2021, and (ii) the Fresh Issue, there will be no further issuance of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

21. Except for the issuance of any Equity Shares pursuant to exercise of options granted under ESOS 2021 or pursuant to the Fresh Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares or otherwise. However, 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.

22. 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.

23. The BRLMs and any associates of the BRLMs (except for Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs) shall not apply in the Offer under the Anchor Investor Portion. Further, no person related to the Promoters or the Promoter Group shall apply in the Offer under the Anchor Investor Portion.

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

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 25,019 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 25,019 million by the Promoter Selling Shareholder.

The Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting its proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Promoter Selling Shareholder and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

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

1. Funding capital expenditure requirements of our Company towards upgradation and expansion of our existing campuses;

2. Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements;

3. Funding working capital requirements of our Company; and

4. General corporate purposes.

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

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake the activities for which the funds are being raised in the Fresh Issue and the main objects and the objects incidental and ancillary to the main objects of our Subsidiary, RSHTPL's Memorandum of Association enable it to undertake the activities for which the funds are being raised in the Fresh Issue.

Net Proceeds

The details of the net proceeds of the Fresh Issue are summarised in the table below:

Particulars	Estimated Amount
Gross proceeds of the Fresh Issue	Up to ₹ 25,019.00 million
Less: Offer expenses to the extent applicable to the Fresh Issue (only those apportioned to our Company)[1]	₹ [●] million[1][2]
Net Proceeds	₹ [●] million[2]

[1] *See "**- Offer Related 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

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

Particulars	Amount (₹ in million)
Funding capital expenditure requirements of our Company towards upgradation and expansion of our existing campuses	10,581.71
Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements	363.26
Funding working capital requirements of our Company	7,069.00
General corporate purposes[1]	[●]
Total Net Proceeds	[●]

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

Proposed schedule of implementation and utilisation of net proceeds

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

(₹ in million)

S. No	Particulars	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Financial Year 2023	Amount to be deployed from the Net Proceeds in Financial Year 2024
1.	Funding capital expenditure requirements of our Company towards expansion of our existing campuses	10,581.71	4,981.71	5,600.00
2.	Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements	363.26	175.90	187.36
3.	Funding working capital requirements of our Company	7,069.00	3,700.00	3,369.00
4.	General corporate purposes(1)	[●]	[●]	[●]
	Total Net Proceeds	**[●]**	**[●]**	**[●]**

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

Our fund requirements and deployment of the Net Proceeds are based on management estimates as per our business plan based on current market conditions, valid quotations received from third-party vendors and, for the proposed capital expenditure in Sriperumbudur by construction of a ready to occupy main factory building, the cost assessment report dated 17 November 2021 obtained from Axium Valuation Services LLP, which are subject to change in the future. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. These are based on current general economic and market conditions and business needs, and are subject to revisions in light of changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. In the event the Offer is not completed in Financial Year 2023, the deployment schedule will be revised. Further, if the Net Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) economic and market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company and by the Shareholders by way of a special resolution, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law.

In case we require additional capital towards meeting the Objects, our Company or our Subsidiary, RSHTPL, as applicable, may explore a range of options including utilising any existing cash reserves, internal accruals and availing debt from existing and/or future lenders. We believe that such alternate arrangements would be available and sufficient to fund any such shortfalls. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes within the permissible limits under the SEBI ICDR Regulations. Our Company and Subsidiary, RSHTPL, may also utilise any portion of the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. ***Funding capital expenditure requirements of our Company towards upgradation and expansion of our existing campuses***

We are the largest EMS provider in India, with approximately 15% market revenue share in Financial Year 2021 and more than twice the revenue of the second largest EMS provider in the country in Financial Year 2021, according to the F&S Report. Since we commenced operations in 2015, we have focused on the manufacturing of mobile phones. We are the largest EMS provider to the mobile phone industry in India, with 23% market revenue share in Financial Year 2021, according to the F&S Report. We aim to continue investing in equipment and expanding our existing campuses to build and strengthen our core capabilities and to build capacity for manufacturing 5G mobile phones to serve the increasing OEM customers' requirements. We will also invest in automation of certain assembly and test operations to achieve cost efficiency. In these areas, we will need various equipment such as surface mount technology mounters, X-ray machines, test equipment and automation lines. For further details in respect of our mobile phone SBU see "***Our Business – Strategic Business Units – Mobile Phones***" on page 164.

Our Board in its meeting dated 14 December 2021 took note that an amount of ₹ 10,581.71 million is proposed to be funded for capital expenditure from the Net Proceeds towards PCB assembly/testing and final assembly/testing for the mobile phones and component manufacturing and towards expansion of our manufacturing facility in Campus 2, located in Sriperumbudur, Tamil Nadu. Our Company has received quotations from various suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company intends to utilise ₹ 10,581.71 million from the Net Proceeds to purchase certain of such equipment and towards expansion of our manufacturing facility in Campus 2, located in Sriperumbudur, Tamil Nadu.

The breakdown of such estimated costs along with details of the quotations we have received are set forth below:

Sr. No.	Particulars	Total estimated costs (in ₹ million)[(1)]	Quotations received from	Date of quotations
A.	***Mobile***			
1.	Printed circuit board, assembly and testing	1,457.17	A. H. Taher & Co., Amsler India Private Limited, Anritsu India Private Limited, Asahitec Stencils Private Limited, AVIHS Technologies, Ecopmin Technologies Private Limited, iNETest Technologies India Private Limited, Ito Group Holdings Pte. Ltd, Maxim SMT Technologies Private Limited, Maximus Royal Furnitures, Mectronics Marketing Services, Meenakshi Engineering Works, Nextonic SMT Solutions Private Limited, NMTronics (India) Private Limited, Pro-Pack Materials India Private Limited, Qisai Electric (Beijing) Co., Ltd, QodeNext India Private Limited, Quick Intelligent Equipment Co., Ltd, Rainbow Traders, Satchitanand Stencils Private Limited, Sentinel Technologies Private Limited, ShenZhen City Jia Technology Co., Ltd, Shenzhen Ishare Electronic Co., Ltd, Shenzhen JYC Electronics Technology Co., Ltd, Static Systems Private Limited, Sumitron Exports Private Limited, Suzhou LangDian Robot Co., Ltd, Tianjin Zhongce Electronic Technology Co. Ltd, Volume Graphics Pte. Ltd, Yixinmao Electronics Limited and Zhongding Brothers (Tianjin) Technology Co., Ltd.	The quotations from these vendors are dated from 14 September 2021 to 10 December 2021
2.	5G upgrade board level testing equipment	300.39	Anritsu India Private Limited, Essun Limited, Rohde & Schwarz India Private Limited, ShenZhen City Jia Technology Co., Ltd, Suzhou LangDian Robot Co., Ltd and Yixinmao Electronics Limited	The quotations from these vendors are dated from 14 September 2021 to 3 December 2021
3.	5G upgrade final assembly testing equipment	62.96	Anritsu India Private Limited, Beijing East Progress-forever Technology Development Co., Ltd, Shenzhen Aitexun Technology Co., Ltd and Tianjin Zhongce Electronic Technology Co., Ltd	The quotations from these vendors are dated from 4 November 2021 to 3 December 2021
4.	Automation equipment for printed circuit board assembly and final assembly testing	555.34	Mayura Automation & Robotic Systems Private Limited	The quotations from this vendor are dated 11 November 2021
5.	5G upgrade surface mount technology equipment	1,135.04	NMTronics (India) Private Limited, Shenzhen JYC Electronics Technology Co., Ltd and Test & Research India Private Limited	The quotations from these vendors are dated from 11 November 2021 to 9 December 2021
6.	Information technology	90.17	Access Systems and Solutions LLP, AVIHS Technologies, Frontier Business Systems Private Limited, Netroid Solutions, QodeNext India Private Limited and Solaris Computers Private Limited	The quotations from these vendors are dated from 5 November 2021 to 24 November 2021
7.	Final assembly equipment and jigs and fixtures	753.11	Beijing East Progress-forever Technology Development Co., Ltd, D&J Int'l Trading Co., Ltd., Dongguan Yitong Automation Technology Co., Ltd., Microflow Devices India Private Limited, Shanghai Bestandard Test and Control Technology Co., Ltd., Shanghai Miller Supply Chain Management Limited, Shenzhen Aitexun Technology Co., Ltd., Shenzhen City Jia Technology Co., Ltd., ShenZhen Mars	The quotations from these vendors are dated from 5 October 2021 to 14 November 2021

Sr. No.	Particulars	Total estimated costs (in ₹ million)[(1)]	Quotations received from	Date of quotations
			Digital Technology Co., Ltd, Shenzhen Zhihang Precision Technology Co., Ltd., SM DSP Co., Ltd, SuZhou LangDian Robot Co., Ltd. andTianjin Zhongce Electronic Technology Co., Ltd	
8.	Warehouse for receiving / storing of raw materials, storing of finished goods	28.35	Avanti Business Machines Limited, AVIHS Technologies, Essae-Teraoka Private Limited, Lift Tech Engineers, Maximus Royal Furnitures, Meenakshi Engineering Works, Pro-Pack Materials India Private Limited, QodeNext India Private Limited, Rajkamal Barscan Systems Private Limited, RV Corporate Needs, Sentinel Technologies Private Limited and Signode India Limited	The quotations from these vendors are dated from 5 November 2021 to 10 December 2021
B.	***Mechanics and enclosures***			
1.	CNC machines	2,682.73	Fanuc Corporation, Renishaw Metrology Systems Limited, Stitch Overseas Private Limited and Vertex Power Solutions Private Limited	The quotations from these vendors are dated from 1 November 2021 to 8 December 2021
2.	Polishing robot	381.42	Bossry Technology Co., Ltd.	The quotation from this vendor is dated 19 November 2021
3.	Other ancillary machines	1,133.14	Bossry Technology Co., Ltd., Cleantek and UVAT Technology Co., Ltd	The quotations from these vendors are dated from 15 November 2021 to 19 November 2021

(1) *The quotations for certain equipment are in foreign currencies such as Euro, USD and Yen. The conversion rates as of 10 December 2021: (a) EUR 1.00 = ₹ 85.55; (b) USD 1.00 = ₹ 75.72; (c) YEN 1.00 = ₹ 0.67 (Source: www.fbil.org.in). Total estimated costs include GST and customs duty, as applicable. Certain equipment quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable. Wherever applicable, we have calculated a flat 5% as freight charges for foreign goods and 2% for local goods. Any additional costs will be paid from our internal accruals.*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see "***Risk Factors – We have not entered into any definitive arrangements to utilise certain portions of the net proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and a cost assessment report from Axium Valuation Services LLP and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds***" on page 43.

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

Mode of deployment

Our Company will place orders with the relevant vendors and make payments as per the invoices.

Proposed expansion

Our Company currently has one of its manufacturing facility in Campus 2, located in Sriperumbudur in the state of Tamil Nadu, situated on a land leased by FIH India Developer Private Limited, a member of our Promoter Group. There is one main factory building with canteen facility, main utility building and other allied buildings such as scrap yards, ETP plant etc., being currently used for the production of mobile device components. Our Company intends to increase the total installed capacity and expand this facility by constructing a ready to occupy main factory building with other necessary utility buildings and utilities for the purpose of production of mobile devices components. For further details of our mechanics SBU see "***Our Business – Strategic Business Units – Mechanics***" on page 166.

Estimated cost

The total estimated cost of the proposed expansion is ₹ 2,001.90 million, as certified by Axium Valuation Services LLP by way of their cost assessment report dated 17 November 2021. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below:

(₹ million)

Sr. No.	Particulars	Estimated cost
1.	Building and civil work	1,290.05
2.	Utilities	711.85
	Total	**2,001.90**

Building and civil work

Building and civil works for the proposed expansion include site development and construction and engineering related work including construction of production building, office area, pipe rack and cat walk to connect existing buildings, scrap yard, fire tank, pump room, underground tank for pure water system, internal roads, dock area roads, storm water drains, landscaping, rain water harvesting, sewage system, filtered water supply and trenches for services. The total estimated cost for building and civil works for the proposed expansion is ₹ 1,290.05 million, as certified by Axium Valuation Services LLP by way of their cost assessment report dated 17 November 2021.

Utilities

We propose to utilise an amount of ₹ 711.85 million towards utilities including, goods lift, substation and transformer, fire sprinkler system with wet riser, heating, ventilation and air conditioning systems, water treatment plant, effluent treatment area with plant, dock levelers and dock door setups, CCTV cameras, LAN system, integrated building management system, emergency lighting and illuminated signage, automatic fire alarm system, access control systems and electrical, water supply and sanitary services. Such utilities are in addition to the existing utilities used for the purposes of the existing facility.

The proposed break-up for the building and civil work, as certified by Axium Valuation Services LLP by way of their cost assessment report dated 17 November 2021, is as follows:

Sr. No.	Particulars	Floor area (square meter)	Unit cost of construction (₹)	Cost per unit of measure	Net cost of construction (₹ million)
	Civil work costs				
1.	Production building - ground floor 7.8M H	12,350	33,265	per square meter	410.82
2.	Office area - mezzanine floor 3.8M H	2,340	17,640	per square meter	41.28
3.	Production building - first floor- 5.2M H	12,350	30,416	per square meter	375.64
4.	Production building - second floor - 5.2M H (including roof top)	12,350	30,416	per square meter	375.64
5.	Pipe rack to connect existing utility building	87	17,640	per square meter	1.53
6.	Cat walk to connect existing canteen & building A	280	17,640	per square meter	4.93
7.	Cat walk to connect existing canteen & building A	123	17,640	per square meter	2.17
8.	Scrap yard - non hazardous	860	17,640	per square meter	15.17
9.	Fire tank and pump room	200	20,000	per kilo litre	4.00
10.	UG tank for pure water system	1,500	20,000	per kilo litre	30.00
	Site development costs				
1.	Internal roads with WBM and bituminous top	2,504	1,700	per square meter	4.26
2.	Dock area roads with WBM and bituminous top	1,755	1,700	per square meter	2.98
3.	Levelling - main building	19,184	300	per square meter	5.76
4.	Storm water drains	612	8,920	per meter	5.46
5.	Landscaping	4,927	275	per meter	1.35
6.	Rain water harvesting	612	3,350	per meter	2.05
7.	Sewerage system	612	3,350	per meter	2.05
8.	Filtered water supply	612	1,700	per meter	1.04
9.	Trenches for services	612	6,400	per meter	3.92
	Total				**1,290.05**

The proposed break-up for the utilities is as follows:

Sr. No.	Particulars	Units	Unit cost (₹)	Unit of measure	Net cost (₹ million)
	Utilities costs				
1.	Goods lift - 3 ton capacity	6	4,100,000	Numbers	24.60
2.	11KV/415V substation/transformer, panels, cabling	5,000	12,500	Kilovolt ampere	62.50
3.	Fire sprinkler system with wet riser	42,590	1,200	Square meter	51.11
4.	HVAC system (chillers, air conditioning and AHUs)	2,121	85,000	Ton of refrigeration	180.30
5.	Water treatment plant	1,500	10,000	Kilo litres per day	15.00
6.	ETP area with plant	500	53,500	Kilo litres per day	26.75
7.	Dock levellers and dock door setups	8	350,000	Numbers	2.80
8.	CCTV camera setup	42,590	200	Square meter	8.52
9.	LAN system	42,590	500	Square meter	21.30
10.	Integrated building management system	42,590	525	Square meter	22.36
11.	Emergency lighting and illuminated signages	42,590	20	Square meter	0.85
12.	Automatic fire alarm system	42,590	600	Square meter	25.55
13.	Access control systems	42,590	200	Square meter	8.52
14.	Services (electrical, water supply and sanitary)	-	21%		261.70
	Total				**711.85**

Government approvals

In relation to the capital expenditure for the proposed expansion, we are required to obtain routine approvals including building plan approval, consent to establish, electrical drawings approval, no objection certificate for fire safety and labour license for construction, as certified by Axium Valuation Services LLP by way of their cost assessment report dated 17 November 2021. Some of these approvals are required at the time of construction and certain approvals will be required after the completion of the proposed building. These approvals would be in line with approvals already obtained by our Company for the same location which would be adjacent to the new building proposed to be constructed. For more details, see "***Government and Other Approvals***" on page 315. Construction of the proposed building and utilities has not yet commenced as of the date of this Draft Red Herring Prospectus and accordingly, no approvals are required to be obtained as of such date.

Our Company will file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "***Risk Factors – Our proposed expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns***" on page 44.

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

2. *Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements*

Our collaborative relationships with our industry-leading OEM customers are crucial to our success. We intend to further deepen our relationships with our customers by providing them with a wider range of vertically integrated service offerings, and integrating innovative solutions into their design processes and product development. We intend to use our EMS experience and the ODM capabilities we are building to diversify into new high growth industries such as mechanics, electric vehicles, televisions, hearables, telecom and networking products and IT hardware and in April 2021, we incorporated a subsidiary, RSHTPL, for this purpose. We intend to be in a position to offer more diversified products to our customer base. For further details, see "***Our Business – Our Strategies – Deepen our relationship with industry-leading OEMs and diversify our customer base by expanding our business in new, high-growth industries***" on page 155 and "***History and Certain Corporate Matters – Subsidiaries of our Company – Rising Stars Hi-Tech Private Limited***" on page 194.

Our Company proposes to utilize ₹ 363.26 million from the Net Proceeds for investment into RSHTPL for financing capital expenditure requirements towards purchase of equipment as listed below. The majority of our investment would be deployed towards further development of the research and development center at IIT Madras Research Park. We also plan to gradually upgrade capacity in EV and TV segments to meet our growing customer demands. In case RSHTPL requires additional capital towards meeting the capital expenditure, RSHTPL may explore a range of options including utilising internal accruals and availing debt from lenders.

Our Company and RSHTPL have each received quotations from various suppliers for such equipment and have not placed any orders or entered into definitive agreements for purchase of such equipment. RSHTPL intends to utilise ₹ 363.26 million to purchase such equipment.

The breakdown of such estimated costs along with details of the quotations received by RSHTPL are set forth below.

Sr. No.	Particulars	Total estimated costs (in ₹ million)[1]	Quotations received from[2]	Date of quotations
A.	***TV***			
1.	TV shop floor accessories	6.17	AVIHS Technologies, Maximus Royal Furnitures, Meenakshi Engineering Works and Signode India Limited	The quotations from these vendors are dated from 5 November 2021 to 9 December 2021
B.	***EV***			
1.	EV equipment and jigs and fixtures	52.28	Mectronics Marketing Services, Procyon Techsolutions Private Limited and SCH Coating Solutions Private Limited	The quotations from these vendors are dated from 10 November 2021 to 12 November 2021
2.	Warehouse - IT equipment	2.99	AVIHS Technologies, Hi Tec Engineers, Lift Tech Engineers, Maximus Royal Furnitures, Meenakshi Engineering Works and QodeNext India Private Limited	The quotations from these vendors are dated from 5 November 2021 to 9 December 2021
C.	***Research and development***			
1.	Laboratory capability	7.40	Chennailabb and RSTECH (Beijing) Co., Ltd	The quotations from these vendors are dated from 10 November 2021 to 10 December 2021
2.	Software tools	50.97	Adups Technology Co. Ltd, Dell International Services India Private Limited, FTD Automation Private Limited, Solaris Computers Private Limited, Technofirm Solutions LLP and Welan Technologies	The quotations from these vendors are dated from 8 November 2021 to 9 December 2021
3.	IT	13.76	Access Systems and Solutions LLP and Solaris Computers Private Limited	The quotations from these vendors are dated 24 November 2021
4.	Test equipment	229.68	Anritsu India Private Limited, Jay Instruments and Systems Private Limited and Welan Technologies	The quotations from these vendors are dated from 12 November 2021 to 24 November 2021

(1) *The quotations for certain equipment are in foreign currencies such as USD. The conversion rate as of 10 December 2021 for USD 1.00 = ₹ 75.72 (Source: www.fbil.org.in).Total estimated costs include GST and customs duty, as applicable. Certain equipment quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable. Wherever applicable, we have calculated a flat 5% as freight charges for foreign goods and 2% for local goods. Any additional costs will be paid from our internal accruals.*

(2) *Includes quotations obtained by our Company for which orders will be placed by RSHTPL.*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, our Company or RSHTPL have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by RSHTPL from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of RSHTPL's management. RSHTPL shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of its management. For details, see "***Risk Factors – We have not entered into any definitive arrangements to utilise certain portions of the net proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and a cost assessment report from Axium Valuation Services LLP and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds***" on page 43.

Mode of deployment

RSHTPL will place orders with the relevant vendors and make payments as per the invoices. The investment by our Company in RSHTPL is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

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

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the entities from whom we have obtained quotations in relation to such activities.

3. *Funding working capital requirements of our Company*

Historically, our primary liquidity requirements have been to finance the working capital needs for our manufacturing and assembly operations. We have met these requirements through cash flows from operations, equity infusions from our Promoters and, to a small extent, proceeds from borrowings.

We propose to utilise ₹ 3,700.00 million and ₹ 3,369.00 million from the Net Proceeds to fund the working capital for meeting the business requirements of our Company in Financial Year 2023 and Financial Year 2024, respectively.

Since March 2021 we have been expanding our business into industries other than mobile phones, with a focus on high-growth industries that benefit from market tailwinds including mechanics, electric vehicles, televisions and hearables. Our Company requires additional working capital for executing its future orders that may be received, for funding future growth requirements of our Company and for other strategic, business and corporate purposes.

Basis of estimation of working capital requirement and estimated working capital requirement

Set forth below are the working capital requirements of our Company as on 31 March 2019, 31 March 2020, and 31 March 2021, on a standalone basis:

(₹ in million)

S. No.	Particulars(1)	Amount (as at 31 March 2019)	Amount (as at 31 March 2020)	Amount (as at 31 March 2021)
I.	**Current assets**			
1.	Inventories(2)	30,963.99	21,897.88	24,760.40
2.	Financial assets			
a.	Trade receivables	35,930.48	37,689.30	36,087.64
b.	Other assets(3)	5,015.51	5,141.26	8,534.96
	Total current assets (A)	**71,909.98**	**64,728.44**	**69,383.00**
II.	**Current liabilities**			

S. No.	Particulars(1)	Amount (as at 31 March 2019)	Amount (as at 31 March 2020)	Amount (as at 31 March 2021)
1.	Financial liabilities			
a.	Lease liabilities	299.77	99.95	94.17
b.	Trade payables	58,605.71	56,436.62	52,436.95
c.	Other liabilities(4)	3,278.82	2,439.70	5,625.63
	Total current liabilities (B)	**62,184.30**	**58,976.27**	**58,156.75**
III.	**Total working capital requirements (A)-(B)**	**9,725.68**	**5,752.18**	**11,226.25**
IV.	**Funding pattern**			
1.	Working capital facilities	9,725.68	-	-
2.	Internal accruals	-	5,752.17	11,226.25
	Total	**9,725.68**	**5,752.17**	**11,226.25**

(1) *Working capital requirement excludes cash and cash equivalents.*
(2) *Inventories includes raw materials and components, stock-in-transit (raw materials), work-in-progress and finished goods.*
(3) *Other assets include loans, other financial assets and other current assets.*
(4) *Other liabilities include provisions, other financial liabilities and other current liabilities.*

Set forth below are the working capital requirements as on 31 March 2022, 31 March 2023 and 31 March 2024, on a standalone basis:

(₹ in million)

S. No.	Particulars(1)	Amount (as at 31 March 2022)	Amount (as at 31 March 2023)	Amount (as at 31 March 2024)
I.	**Current assets**			
1.	Inventories(2)	18,569.27	24,247.88	27,478.89
2.	Financial assets			
a.	Trade receivables	34,064.38	44,457.66	50,714.77
b.	Other assets(3)	5,707.41	7,362.26	8,305.45
	Total current assets (A)	**58,341.06**	**76,067.80**	**86,499.11**
II.	**Current liabilities**			
1.	Financial liabilities			
a.	Lease liabilities	103.61	135.23	154.26
b.	Trade payables	47,749.56	62,351.69	70,660.01
c.	Other liabilities(4)	5,877.40	8,014.42	9,125.83
	Total current liabilities (B)	**53,730.57**	**70,501.34**	**79,940.10**
III.	**Total working capital requirements (A)-(B)**	**4,610.49**	**5,566.46**	**6,559.01**
IV.	**Funding pattern**			
1.	Working capital facilities	-	-	-
2.	Internal accruals	4,610.49	1,866.46	3,190.01
3.	Net Proceeds from the Fresh Issue	-	3,700.00	3,369.00
	Total	**4,610.49**	**5,566.46**	**6,559.01**

(1) *Working capital requirement excludes cash and cash equivalents.*
(2) *Inventories includes raw materials and components, stock-in-transit (raw materials), work-in-progress and finished goods.*
(3) *Other assets include loans, other financial assets and other current assets.*
(4) *Other liabilities include provisions, other financial liabilities and other current liabilities.*

Pursuant to the certificate dated 21 December 2021, V. Narayanan & Co, Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated 14 December 2021. See "***Material Contracts and Documents for Inspection – Material Documents***" on page 380.

Assumptions for working capital requirements of our Company

The following table sets forth the details of the holding period considered:

S No.	Particulars	Actuals			Estimated		
		31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024
1.	Inventory days	35	39	58	35	35	35
2.	Trade receivables days	43	50	85	60	60	60
3.	Trade payables days	75	84	135	90	90	90

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

S. No.	Particulars	Assumptions made and the Justifications
1.	Inventory days	Our inventory days (calculated as average inventory as on balance sheet date divided by COGS* over 365 days), was 35 days as on 31 March 2019, 39 days as on 31 March 2020 and 58 days as on 31 March 2021. We have anticipated that our inventory days will be 35 days as on 31 March 2022, 31, March 2023 and 31 March 2024, for maintaining required level of inventory to meet the future requirements. We expect our inventory days to improve further back to pre-COVID-19 levels and partial improvement of global integrated chipset shortage.
2.	Trade receivables	Our current receivables days (calculated as average trade receivables as on balance sheet date divided by revenue from operations over 365 days) was 43 days as on 31 March 2019, 50 days as on 31 March 2020 and 85 days as on 31 March 2021. We have considered 60 days as receivable days for 31 March 2022, 31 March 2023 and 31 March 2024, , due to easing of COVID-19 situation and with gradual normalization of payment cycle.
3.	Other assets	Other assets majorly comprise loans, other financial assets and other current assets (which includes input tax credit, GST refund amongst others. We expect the growth in other assets to be in line with the expected growth in business.
4.	Lease liabilities	Lease liability pertains to leases taken for facilities and dorms availed by the Company for the employees. Due to increase in revenue, more labour force will be required and accordingly, more dorms to accommodate labour force.
5.	Trade payables	Our trade payables days (calculated as average trade payable as on balance sheet date divided by COGS* over 365 days), was 75 days as on 31 March 2019, 84 days as on 31 March 2020 and 135 days as on 31 March 2021. We have considered trade payable days to be 90 days as on 31 March 2022, 31 March 2023 and 31 March 2024, for future working capital requirements. We will be able to maintain 90 days of trade payables because of recovery from the effects of pandemic and the gradual normalisation of payment cycle.
6.	Other liabilities	Other liabilities primarily include provisions for expenses, other financial liabilities current tax liabilities, statutory dues. We expect the growth in other liabilities to be in line with the expected growth in business.

* *COGS includes cost of material consumed and changes in inventories*

The Board of Directors of our Company pursuant to its resolution dated 14 December 2021 has approved the working capital requirements of our Company. See "***Material Contracts and Documents for Inspection – Material Documents***" on page 380.

4. *General corporate purposes*

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities; (ii) servicing our repayment obligations (principal and interest) under our future financing arrangements; (iii) capital expenditure, including towards development/refurbishment/renovation of our assets; (iv) meeting ongoing general corporate purposes or contingencies; (v) strategic initiatives; (vi) process improvements; and/or (vii) strengthening of our manufacturing and R&D capabilities.

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

Means of finance

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

Offer related expenses

Our Company and the Promoter Selling Shareholder will share the costs, charges, fees and expenses (including all applicable taxes, except STT, which shall be borne by the Promoter Selling Shareholder, and listing fees, audit fees of the statutory auditors, and corporate advertisements which shall be borne by our Company) directly attributable to the Offer, severally and not jointly, based on the proportion of the Equity Shares issued by the Company in the Fresh Issue and the Offered Shares transferred by the Promoter Selling Shareholder in the Offer for Sale, to the aggregate Equity Shares sold in the Offer, subject to applicable law. Any cost and expenses of the Offer advanced by our Company shall be reimbursed by the Promoter Selling Shareholder for such costs and expenses upon the successful consummation of the sale of its Offered Shares in the Offer, except for such costs and expenses in relation to the Offer which are paid for directly by the Promoter Selling Shareholder. In the event that the Offer is postponed, withdrawn, or abandoned for any reason, or the Offer is not successful or consummated, all costs, charges, fees and expenses in relation to the Offer will be shared on a pro rata basis between the Company and the Promoter Selling Shareholder in the Offer.

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

The estimated Offer expenses are as follows:

(*₹ in million*)

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

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

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

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

(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 Investors using the UPI Mechanism would be as follows:

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

The processing fees for applications made by Retail Individual Investors 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 2 June 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021.

Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only in deposits 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 bank or financial institution as of the date of this Draft Red Herring Prospectus which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus, as the Fresh Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. 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 the utilisation 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 utilised. 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 utilised, if any, of such currently unutilised Net Proceeds.

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

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, read with Regulation 59 and Schedule XX of the SEBI ICDR Regulations, 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. Pursuant to Section 13(8) of the Companies Act 2013, our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act 2013 and the SEBI ICDR Regulations.

Appraising entity

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

Other confirmations

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. The land on which expansion of our manufacturing facility in Campus 2, located in Sriperumbudur, Tamil Nadu will be undertaken, has been leased to the Company by FIH India Developer Private Limited, a member of our Promoter Group. No part of the Net Proceeds will be paid to our Promoters, members of the Prmoter Group, Directors, our Group Companies or our Key Managerial Personnel.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, 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.

Bidders should also refer to the sections titled "***Other Financial Information***", "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", and "***Financial Information***" on pages 280, 25, 148, 283 and 222, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Largest EMS provider in India by revenue market share, with the size, scale and competencies to pursue substantial growth opportunities in the EMS market;
- Availability of PLIs;
- Long-term, strategic relationships with industry leading OEM customers;
- Large-scale, high quality and state-of-the-art manufacturing and assembly capabilities;
- In-house capabilities across the ODM value chain, enabling vertical integration;
- Ability to drive innovation through advanced research and development capabilities;
- Resilient, capital efficient business with stable working capital cycle;
- Experienced management with a demonstrated track record of delivering profitable growth; and
- Strong parentage with global leadership, backed by experienced management.

For further details, see "***Risk Factors***" and "***Our Business – Our Competitive Strengths***" on pages 25 and 150, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on or derived from the Restated Financial Information. For details, see "***Financial Information***" on page 222.

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

1. Basic and Diluted Earnings per Share ("EPS") at face value of ₹ 10 each:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
31 March 2021	0.68	0.68	3
31 March 2020	2.08	2.08	2
31 March 2019	(1.57)	(1.57)	1
Weighted Average	0.77	0.77	
Six month period ended 30 September 2021*	0.37	0.37	

* *Not annualised*

Notes:

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

(2) The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.

(3) Pursuant to a resolution passed by the Shareholders in the EGM held on 29 May 2020, our Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000. Basic and diluted EPS are considered post subdivision.

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

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Financial Year 2021	[●]	[●]

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on diluted EPS for Financial Year 2021	[●]	[●]

Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 206.62, the lowest P/E ratio is 131.02 and the average P/E ratio is 168.82.

	P/E Ratio	Name of the company	Face value of equity shares (₹)
Highest	206.62	Dixon Technologies (India) Limited	2.00
Lowest	131.02	Amber Enterprise India Limited	10.00
Industry Composite	168.82		

Notes:

(1) *The highest and lowest industry P/E shown above is based on the peer set provided below under "–* ***Comparison with listed industry peers****" below on page 97. The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "–* ***Comparison with listed industry peers****" below on page 97.*

(2) *P/E figures for the peer are computed based on closing market price as at December 10 2021 on BSE, divided by Dilluted EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2021.*

3. Return on Net Worth ("RoNW")

Year ended	RONW (%)**	Weight
31 March 2021	5.71%	3
31 March 2020	14.57%	2
31 March 2019	(14.22)%	1
Weighted Average	5.34 %	
Six month period ended 30 September 2021*	3.05%	

* *Not annualised*

***RoNW = Restated Profit or (loss) for the year/ period divided by Net worth*

Please see "***Other Financial Information***" on page 280.

Notes:

(1) Net worth = Total equity

4. Net Asset Value per Equity Share (Face Value of ₹ 10 each)

NAV	(₹)
As at 30 September 2021	12.29
As at 31 March 2021	11.91
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Please see "***Other Financial Information***" on page 280.

Notes:

(1) Net asset value per Equity Share= (Total assets- Total liabilities)/Weighted average number of Equity Shares

5. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India:

Name of the Company	Revenue from operations (₹ in million)	Face Value (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Bharat FIH Limited*	158,548.58	10	[●]	0.68	5.71%	11.91
Listed Peers						
Dixon Technologies (India) Limited	64,481.70	2.00	206.62	27.49	21.67%	126.84
Amber Enterprises India Limited	30,305.20	10.00	131.02	24.96	5.19%	490.71

* *Based on Restated Financial Information as at and for the Financial Year 2021*

Please see "***Other Financial Information***" on page 280 and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures***" on page 296.

Notes:

(1) Diluted EPS refers to the Diluted EPS sourced from the annual report of the peers for the year ended 31 March 2021
(2) P/E Ratio has been computed based on the closing market price of equity shares on BSE on 10 December 2021, divided by the Diluted EPS provided under Note 1 above.
*(3) RoNW is computed as restated profit or (loss) for the year / period divided by Net worth. Net worthis equal to total equity (see the note to "– **Return on Net worth ("RoNW")**"above on page 97).*
(4) NAV is computed as the (Total assets- Total liabilities)/Weighted average number of Equity Shares.

6. The Offer Price is [●] times of the Face Value of the Equity Shares

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

Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Financial Information***" on pages 25, 148, 283 and 222, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "***Risk Factors***" on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

(*The remainder of this page is intentionally left bank*)

Deloitte
Haskins & Sells LLP

Chartered Accountants
ASV N Ramana Tower,
52, Venkatnarayana Road,
T. Nagar,
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Tamil Nadu, India

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STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHARAT FIH LIMITED ("THE COMPANY"), AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Date: 20 December 2021

To
The Board of Directors
Bharat FIH Limited
Plot No. M-2B, SIPCOT Industrial Park,
Phase II, Hi-Tech SEZ, DTA
Sriperumbudur Taluk,
Kancheepuram
Tamil Nadu - 602106

Subject: Statement of Possible Special Tax Benefits available to the Company, and the shareholders of the Company under the direct and indirect tax laws

Dear Sirs,

We Deloitte Haskins & Sells LLP, the statutory auditors of Bharat FIH Limited refer to the proposed initial public offering of equity shares of **Bharat FIH Ltd** ("the Company" and such offering the "Offer"). We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of the Indian direct and indirect tax laws, including the Income Tax Act 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, the Customs Tariff Act, 1975 and the Foreign Trade Policy 2015-2020 (which has been extended now i.e., up to 31st March 2022 vide Notification no. 33/2015-2020 dated 28th September 2021 (collectively the "Taxation Laws"), including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed Offer, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations")

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws, including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising any investor to invest money or not to invest money based on this statement.

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

- The Company or its shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;

We hereby give our consent to include this report and the enclosed Annexure regarding the special tax benefits available to the Company, and the shareholders of the Company in the DRHP for the Offer, which the Company intends to submit to the Securities and Exchange Board of India and the stock exchanges (National Stock Exchange of India Limited and BSE Limited) where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the DRHP.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investorsand third parties who may or may not invest in the proposed Offer relying on the Annexure.

This statement has been prepared solely in connection with the Offer under the ICDR Regulations.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Chandraprakash Surana R
Partner
Membership No. 215526
UDIN:

Place: Chennai
Date: 20 December 2021

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHARAT FIH LIMITED ("THE COMPANY") AND THE COMPANY'S SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company, and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement. The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

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

Under the Income Tax Act, 1961 (the Act)

I. Special tax benefits available to the Company

A. Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set–off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set –off. The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The company has represented to us that they have opted for section 115BAA of the Act for the Assessment Year 2021-22.

B. Deductions from Gross Total Income

Deduction in respect of employment of new employees:

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

Deduction in respect of inter-corporate dividends – Section 80M of the Act

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid. The company is required to deduct Tax at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Income-tax Act, 1961, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. Special direct tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the Income-tax Act, 1961.

Notes:

1. The benefits in I and II above are as per the current tax law as amended by the Finance Act, 2021.

2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.

4. We understand that the Company has opted for concessional income tax rate under section 115BAA of the Act. Accordingly, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.

5. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.

6. We understand that the Company has opted for concessional tax rate under section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions:

   - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
   - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
   - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
   - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
   - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
   - Deduction under section 35CCD (Expenditure on skill development)
   - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
   - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
   - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

7. Further, it is also clarified in section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

8. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY

I. Special tax benefits available to the Company

- The company has export of goods. However, refund under zero rated supply is not applied as the corresponding input tax credit is fully utilized against GST liability on domestic supplies.

- The company is importing materials from unrelated suppliers; however, the Company has represented to us that they are not availing any Free Trade Agreement (FTA) benefits on imports.

- The company has represented to us that they are not availing any benefits under Foreign Trade Policy (FTP) viz. Rebate of State & Central Taxes and Levies (RoSCTL) or Merchandise Exports from India Scheme (MEIS), Duty Drawback & Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme. Service Exports from India Scheme (SEIS) is not applicable for the exports made by the company.

- The Company avails benefit under Customs Act, 1962 by way of exemption notification for the following parts and components imported subject to fulfilment of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR Rules).

Parts and Components	Notification and Serial Number reference
Display Assembly	057/2017 Sl.no.5D(a)
Camera Module	057/2017 Sl.no.5A
Connector	057/2017 Sl.no.5B
Vibrator	057/2017 Sl.no.5C(a)
Rubber	057/2017 Sl.no.1
Adhesive Gel	057/2017 Sl.no. 6A
MIC Mesh	057/2017 Sl.no. 6A
Inductor	057/2017 Sl.no. 6A
LP Sensor	057/2017 Sl.no. 6A
Open Cell	050/2017 Sl.no.515A
Plate Diffuser	050/2017 Sl.no.516
Back Cover Sheet	050/2017 Sl.no.516
Bazel	050/2017 Sl.no.516
Bar Led	050/2017 Sl.no.516
Reflector Sheet	050/2017 Sl.no.516

- The Company avails benefit under Customs Act, 1962 by way of exemption notification for the following parts and components imported without any conditions attached to it.

Parts and Components	Notification and Serial Number reference
Capacitor	24/2005 Sl.no.20
Diode	24/2005 Sl.no.23
Light Emitting Diode (LED)	24/2005 Sl.no.23
Printed Circuit Board (PCB)	24/2005 Sl.no.22
Resistor	24/2005 Sl.no.21
Integrated Circuit (IC)	24/2005 Sl.no.24
Battery	050/2017 Sl.no.528B
Screw	050/2017 Sl.no.377B
Sim Tray	050/2017 Sl.no.377B
Metal Shield	050/2017 Sl.no.377B
Black Ear Cap	050/2017 Sl.no.284
Coin Batteries	050/2017 Sl.no.528C

- The Company avails State Incentive benefits in the state of Andhra Pradesh and Tamil Nadu subject to satisfaction of threshold criteria achieved as per the Memorandum of Understanding (MoU) signed with the respective States.

II. Special tax benefits available to Shareholders

- There are no special tax benefits available to the shareholders under the provisions of the GST Act, 2017.

Notes:

The above statement of possible indirect tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

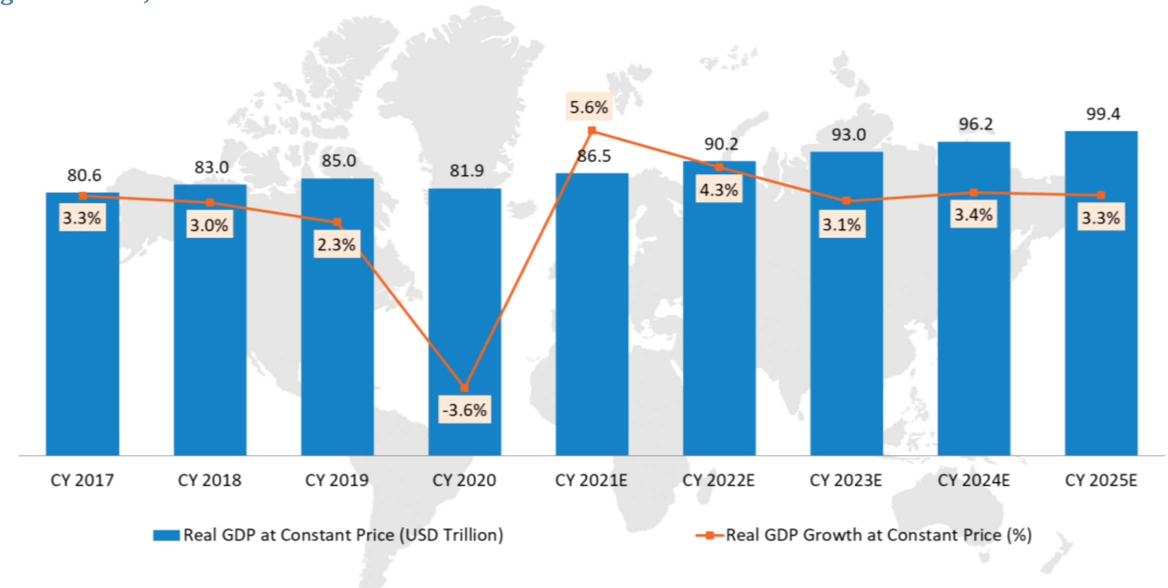
*The information in this section includes extracts from publicly available information, data and statistics and has been derived from the report titled "Market Assessment for India EMS / ODM Industry" dated 14 December 2021 (the "**F&S Report**") prepared and issued by Frost and Sullivan (India) Private Limited which has been commissioned, and paid for, by us exclusively in connection with the Offer for the purposes of confirming our understanding of the industry we operate in. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance, or base their investment decision, on this information.*

GLOBAL MACROECONOMIC OVERVIEW

Global[1] real GDP and growth outlook

The global economy on a real GDP basis is now on the path of steady recovery, having undergone significant stress in the last few years due to extended trade conflicts, slowdown in investments across the world and a novel virus. The global economy, which was showing signs of slowdown since 2018, entered into a recession in 2020 owing to the unprecedented crisis caused by the COVID-19 pandemic. The pandemic started from China around December 2019 and then spread across the world with alarming speed, infecting millions and bringing economic activity to a near standstill in Q2 and Q3 of CY2020 as many countries had to impose strict restrictions to curb the spread of the virus. The world now has vaccines to fight the virus and companies have developed innovative business models including adoption of digital measures to continue with their businesses. Pent up demand caused by economic stagnation and improvement in the supply situation are now fuelling the recovery of the global economy which is poised to stage its most robust post-recession recovery in 80 years in CY2021. Global GDP is expected to grow at a CAGR of 3.9% by CY2025.

Chart 1.1: Real GDP and real GDP growth (annual percentage change), Global, value in USD trillion, growth in %, CY2017-CY2025E



Note: E refers to Estimate

Source: IMF, World Economic Outlook, 2021; World Bank; Frost & Sullivan Analysis

[1] *Global includes various market regions such as North America, Latin America, Europe, Middle East and Africa, Asia Pacific and South East Asia.*

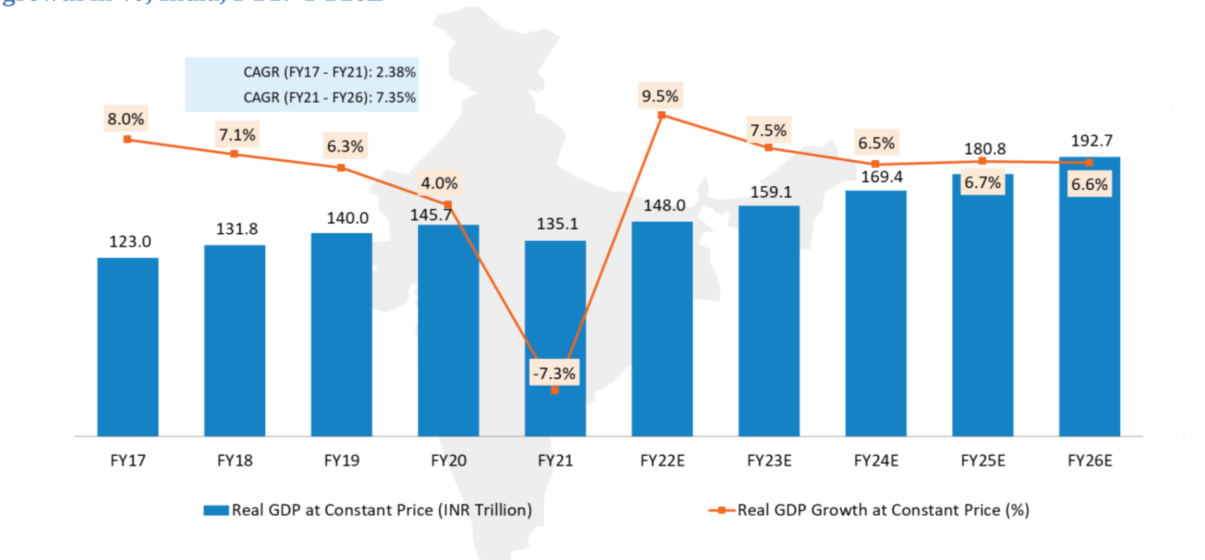
The pandemic, in its peak, had created several issues for the manufacturing industry such as supply chain disruptions, labour issues, sluggish demand and fall in exports. In order to survive, companies across the globe had to adopt drastic measures such as employment and wage cuts. This had a circular effect on the global economy. Job losses coupled with salary reductions and delayed payments resulted in significant decline in consumer spending which in turn affected the economy and caused further job losses. Travel, hospitality, banking, construction and manufacturing were among the worst-affected industries. Impact of the pandemic was severe among the weaker economies in 2020. Most of the African countries faced severe economic downturn especially those with large energy exports such as Algeria, Angola and Nigeria. Fluctuations in the oil prices, cold war among major oil and gas producers coupled with the impact of the global economic slowdown had affected the Middle Eastern economies adversely. The socio-economic issues in the Latin American region such as poverty, inequality, debt crisis and low economic growth have been worsened by the COVID-19 pandemic. Latin America has also been one of the worst hit regions during the COVID-19 pandemic.

INDIAN MACROECONOMIC OVERVIEW

India real GDP and nominal GDP

The last decade was a mix bag for the Indian economy and the country has seen see-saw movement in the GDP growth between 2010 and 2020. Indian real GDP growth has steadily increased from 5.5% in FY13 to 8.3% in FY17. The growth was robust, and fundamentals were strong. However, the growth started slowing down since FY18 and reaching a low of 4.0% in FY20.

Chart 2.1: Annual real GDP and real GDP growth (annual percentage change), value in INR trillion, growth in %, India, FY17-FY26E



Note: E refers to Estimate *Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series), RBI, IMF; Frost & Sullivan Analysis*

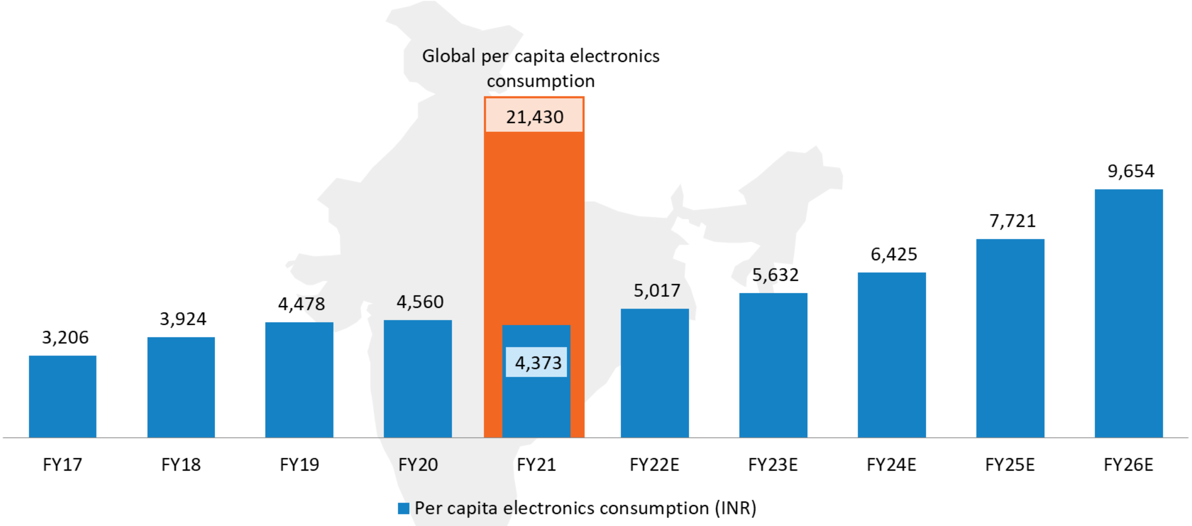
While the Indian government was taking corrective measures, the economy received a jolt from the COVID-19 pandemic in the beginning of FY21. During the first wave (March 2020 onwards), the Indian government had to enforce a four-phase countrywide lockdown until May 2020 in order to curb the spread of the virus. The economy has started to bounce back from Q3 FY21 on the back of huge pent-up demand and festive season. While industries such as travel and tourism, aviation, hospitality and construction were impacted heavily, some of the industries such as healthcare, pharmaceuticals, e-commerce and electronics products experienced phenomenal growth during this period.

Per capita income

The per capita income is a broad indicator of prosperity of an economy. India's per capita income, calculated in correlation to real GDP, was INR 99,694 during FY21 compared to INR 108,645 in FY20, an approximate decline of 8.2%. As the economy is reviving, it is expected that the per capita income will increase by around 8.4% during FY22 to reach INR 108,085. Post FY22, the growth is likely to be stable at approximately 5.5% CAGR over the medium term.

Per capita electronics consumption

Chart 2.2: Per capita Electronics consumption, value in INR, India, FY17-FY26E



**Per capital electronics consumption = Total electronics consumption / Total population*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

At a global level, the per capita electronics consumption is increasing. India's per capita electronic usage is lower compared to the worldwide average. Global per capita electronics consumption is 4.7 times that of India. Long term growth outlook for the industry is extremely positive, primarily because market penetration for many electronics products is currently very low compared to the global average. Factors including stable growth outlook for the economy, Digital India programme, rising disposable incomes (proportion of mid and high income earners expected to increase from 64% in FY21 to 85% in FY30), changing lifestyles, emerging work from home culture, expansion of organised retails to tier 2 and tier 3 cities[2], improving electricity and internet infrastructure, and better logistics infrastructure will provide additional impetus to the global electronics industry.

GLOBAL ELECTRONICS INDUSTRY OVERVIEW

Global electronics industry

The global electronics industry has evolved tremendously over the last 60 years. Global demand for electronics is created by multiple emerging disruptive technologies. The overall electronics market includes electronics products, electronics design, electronics components and electronics manufacturing services. The global electronics industry has been valued at USD 2,288 billion in 2020. As per Frost & Sullivan analysis, the industry is expected to grow at a CAGR of 5.2% to reach USD 2,955 billion by 2025. Some of the critical factors driving this growth are increasing disposable income, improved acceptability of audio and video broadcasting, higher internet penetration, inclination of the youth towards next generation technologies, emergence of e-commerce, etc.

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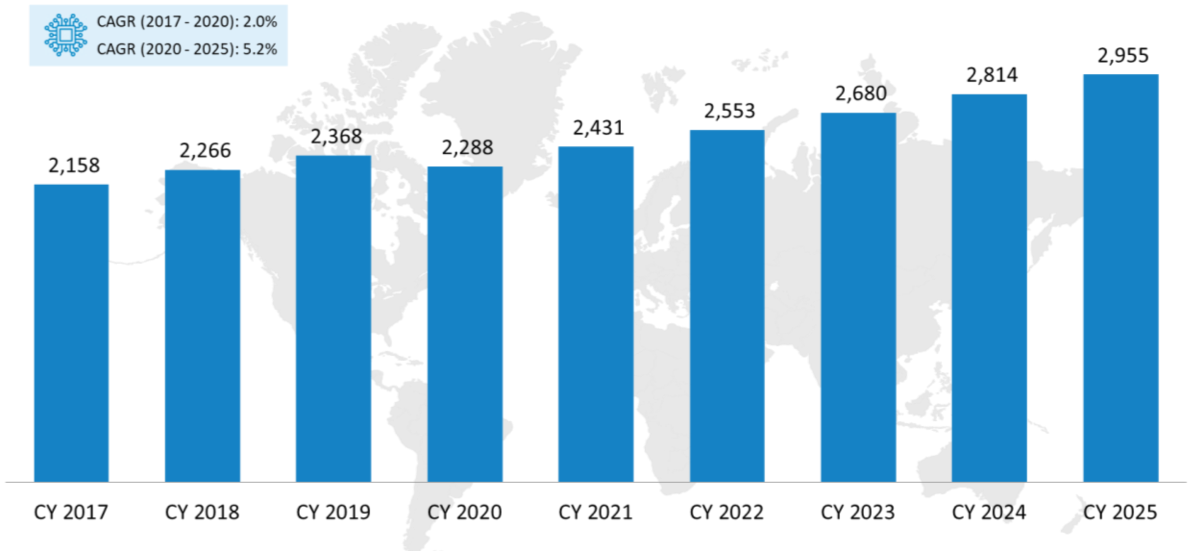
[2] *Tier classification of cities - As per RBI, Indian cities are classified as tier 1,2 and 3 based on the size of population. Tier 1 (> 100,000); Tier 2 (50,000-100,000); Tier 3(20,000-50,000).*

Chart 3.1: Overall Electronics industry, global, value in USD billion, growth in %, CY2017-CY2025E

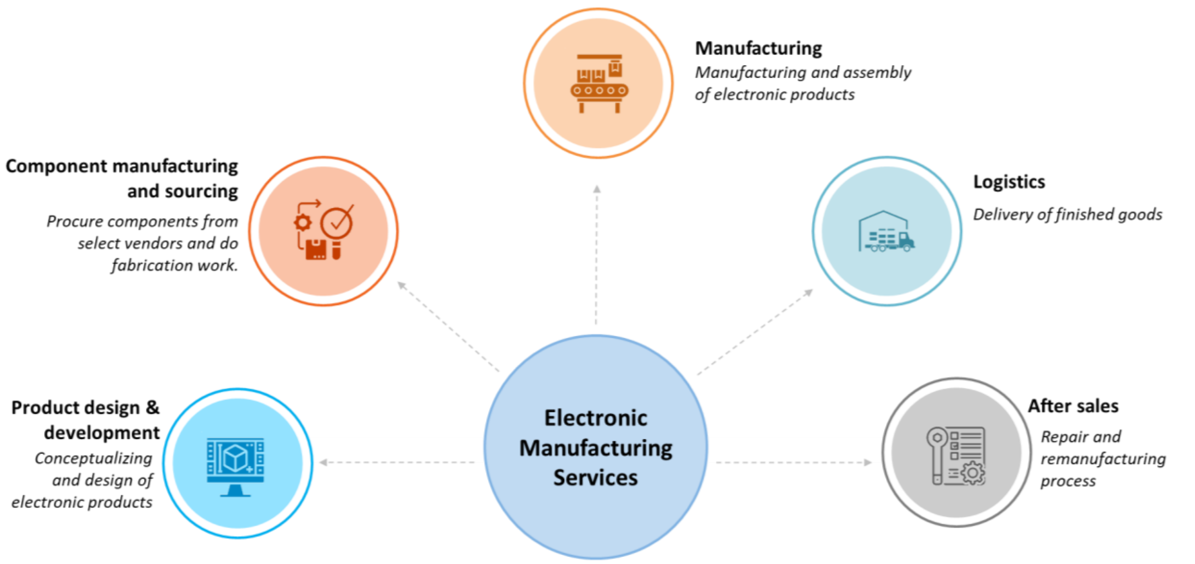


Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

Introduction to the Electronics Manufacturing Services (EMS) Industry

The global electronics manufacturing services market traditionally comprised companies that manufacture electronic products, predominantly assembling components on printed circuit boards (PCBs) and box builds for major brands. Brands are now seeing more value from EMS companies, leading to involvement beyond manufacturing services to product design and development, testing, and aftersales services such as repair, remanufacturing, marketing and product lifecycle management.

Chart 3.2 Range of services offered by EMS companies, Global, CY2020



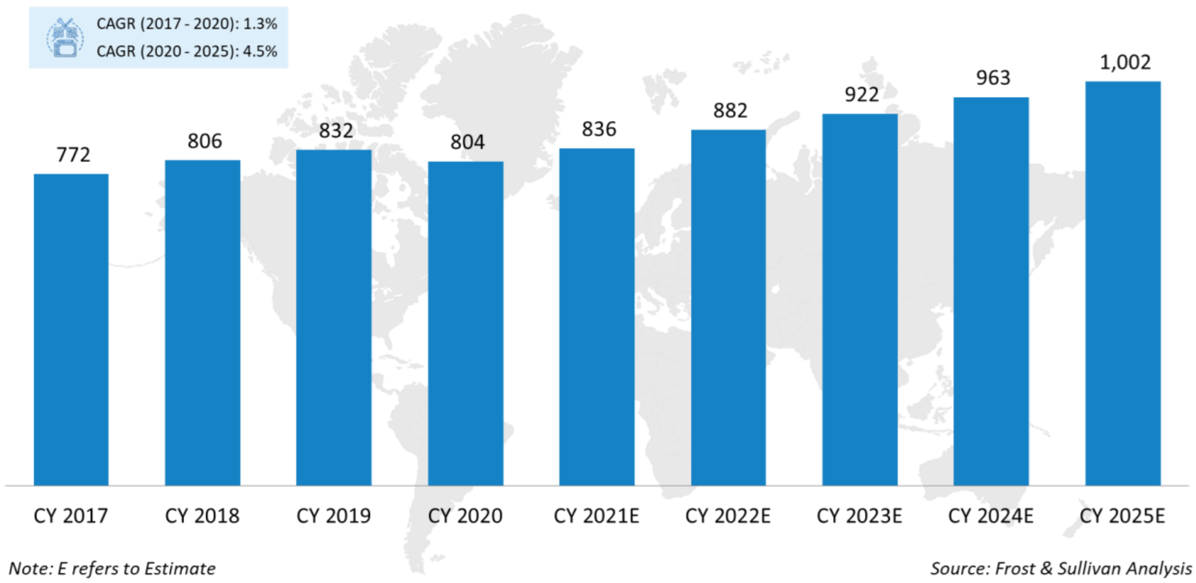
Source: Frost & Sullivan Analysis

Size of Global EMS industry and outlook

The global EMS market witnessed a period of steady growth until 2018, riding on the wave of increased outsourcing activities from brand manufacturers and increasing electronics content. However, in 2019, the opportunities started stagnating due to (i) the decline of global automotive sales and saturation of consumer electronic sale; and (ii) supply chain restrictions due to heightened trade tensions between US and China.

While the industry was still grappling with the above setbacks, the COVID-19 pandemic further impacted the industry. The pandemic-induced lockdown affected demand, supply, and manufacturing activities. Despite growing demand in the Q4, the EMS industry recorded a 3.4% decline in 2020. Impact on the industry was expected to be higher, however certain factors worked in favour of the industry. These are (i) the pent-up demand created by the need for life-sustaining medical devices; (ii) the work-from-home economy which created demand for smartphones, tablets, and laptops; and (iii) the push for climate change which created demand for digitalization or digital software/products/solutions that can track, monitor, measure and verify sustainability initiatives.

Chart 3.3: EMS Industry, Global, value in USD billion, CY2017-CY2025E



Looking ahead, the EMS industry is anticipated to grow rapidly over the next few years, surpassing pre-COVID-19 revenues by 2021 or 2022. According to Frost & Sullivan analysis, the EMS market will face challenges with supply chain in 2021, which will have a medium restraining effect. The issue is expected to be resolved by the end of 2021 through various measures including part localisation.

Global EMS market dynamics

A. By geography

China leads the global EMS business with almost 45.5% market share. Its dominance in the global market is attributed to a blend of cost effectiveness and technological leadership in electronics manufacturing. However, post COVID-19, many global electronics manufacturers are contemplating the ‘China + 1’ strategy and looking for alternative manufacturing locations for exports business. This is creating tremendous investment potential for countries like Vietnam, India, Philippines, etc. India contributed to approximately 1.8% of the global EMS market in 2020. However, there is a strong push from the Indian government to make India an ideal location for electronics manufacturing in the region. Under the National Policy on Electronics (NPE), the Indian government announced various programmes in 2019, including EMC 2.0, to enhance the infrastructure of electronics manufacturing and offer incentives to manufacture more products that promote EMS in India. The PLI programme, which benefits EMS firms, was introduced in 2020. In the southern state of Tamil Nadu, Chennai, an EMS corridor is being built. The EMC Smart City investment in Greater Noida is planned at USD 162.7 million.

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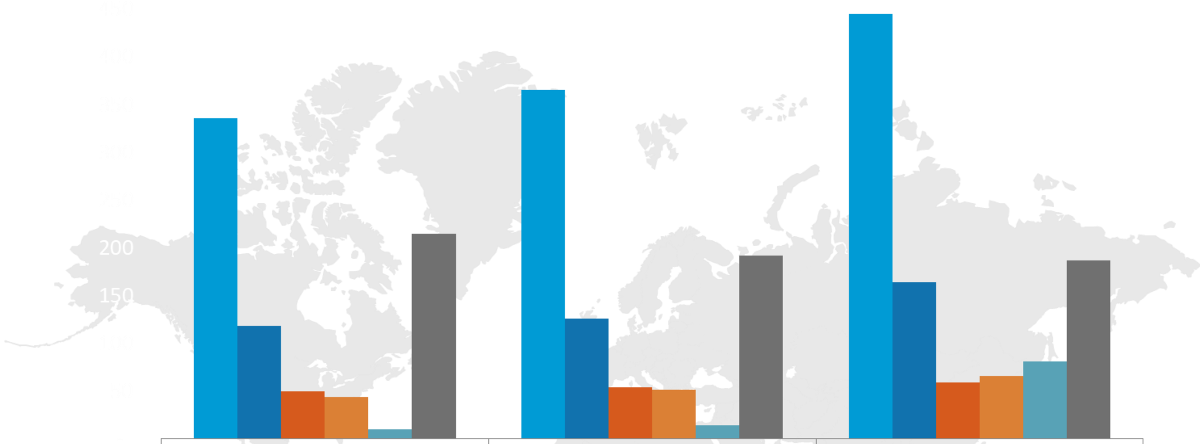
Chart 3.4: EMS market break-up by select countries, Global, value in USD billion, CY2017, CY2020 and CY2025



	CY2017	Market share	CY2020	Market share	CY2025E	Market share
China	336	43.5%	366	45.5%	445	44.4%
USA	118	15.3%	126	15.7%	164	16.4%
Europe	49	6.4%	54	6.7%	59	5.9%
SEA	44	5.7%	52	6.4%	66	6.6%
India	10	1.3%	14	1.8%	81	8.1%
Others	215	27.8%	192	23.9%	187	18.6%

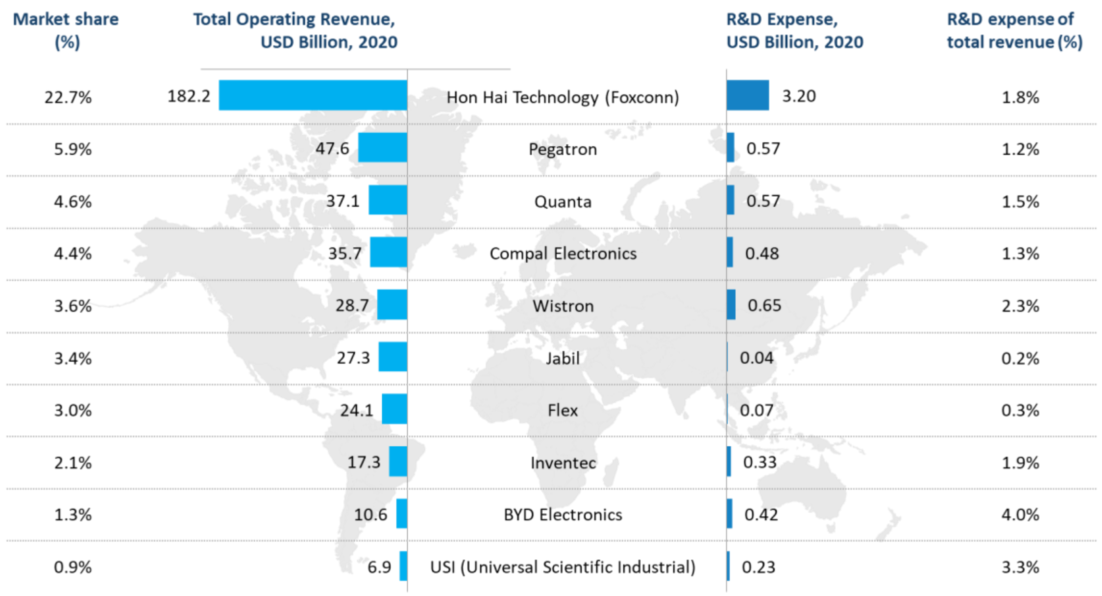
** Others include: Rest of Asia, Latin America (LATAM), Middle East & Africa (MEA)*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

B. Competitive landscape of top 10 Global EMS companies

The global EMS market, which accounts for 35% of the total electronics industry, has developed into a significant market for electronics manufacturing. The EMS market has grown steadily over the last few years, owing to increased sales of mobile phones, consumer electronics and IT products. The widespread use of contractual services by OEMs is fuelling this growth.

Chart 3.5: Operating revenue and R&D expense of top 10 EMS companies, Global, value in USD billion, CY2020



Market share (%)	Total Operating Revenue, USD Billion, 2020		R&D Expense, USD Billion, 2020	R&D expense of total revenue (%)
22.7%	182.2	Hon Hai Technology (Foxconn)	3.20	1.8%
5.9%	47.6	Pegatron	0.57	1.2%
4.6%	37.1	Quanta	0.57	1.5%
4.4%	35.7	Compal Electronics	0.48	1.3%
3.6%	28.7	Wistron	0.65	2.3%
3.4%	27.3	Jabil	0.04	0.2%
3.0%	24.1	Flex	0.07	0.3%
2.1%	17.3	Inventec	0.33	1.9%
1.3%	10.6	BYD Electronics	0.42	4.0%
0.9%	6.9	USI (Universal Scientific Industrial)	0.23	3.3%

Source: Annual Reports (Company websites), Frost & Sullivan Analysis

The global EMS market includes more than 1,000 players. However, the top 10 players contribute to 52% of the market. Hon Hai Technology (Foxconn Group) is the market leader accounting for nearly 23% of the market in 2020. Pegatron, Quanta, Compal Wistron, Jabil and Flex are some of the leading players in the EMS market. Foxconn group has enhanced its focus on design services which is evident from its R&D activities, and it has the highest R&D expenditure among its competitors.

Drivers and challenges for the growth of Global EMS industry

A. Key drivers for the growth of Global EMS industry

Technological advancements and acceptance of smart home devices: The development of new manufacturing technologies and the emerging end-use sectors, such as the Internet of Things (IoTs), are expected to boost demand for the EMS industry.

Greater emphasis on vehicle electrification: The electric vehicle market will be the most lucrative in the automotive industry over the next decade. The increased electronic content in each vehicle, energy-related modules and sub-assemblies, as well as charging infrastructure will require an overall electronic ecosystem.

Technological upgrade of facilities: Most of the large manufacturing companies are investing heavily in upgrading the technology of their facilities by adopting digitisation and industry 4.0 concepts.

Product development activities: The dependence created by electronics in product development activities across all verticals will turn out to be a significant driver for EMS, especially in consumer electronics and automotive segments where new devices and systems are being developed.

Accelerated demand post COVID-19: The COVID-19 pandemic has currently increased the requirement for EMS services. This will subdue in the mid to long-term once inventory is created. Furthermore, the growing demand for wearables and smart medical devices increases the need for smaller, flexible and light-weight products in the healthcare business.

B. Challenges / market restraints hindering the growth of Global EMS industry

Presence of market participants is high: A high number of market participants in all areas results in competitive pricing which reduces market revenue potential.

Shrinking operating margin: A majority of the market participants face challenges with respect to the operating margin. In the EMS industry, profit margins are relatively low. As component prices are based on an average, the key focus is the labour costs.

Complex structure and delay in supply chain: Supply chain delays causing shortage of components are likely to impact the revenue in the short term. Overall, the impact of transformation is very low in the mid and long term.

Shortened product lifecycles and uncertain demand: The EMS sector should be able to handle the rise in demand if it reaches exceptional heights. If demand falls, EMS companies must have a strategy in place for the idle raw materials or machinery.

Regulations and violations of IP: Stringent local laws and trade pricing influence the EMS sector, driving OEMs to build in-house manufacturing capabilities.

Skilled labour shortage: There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers, and the attrition rate is rising in the EMS industry.

Geopolitical situation

US-China Trade War: In early 2017, the Trump administration began making threats of tariffs on the Chinese imports. In March 2018, the administration endorsed its first of three rounds of tariffs which ultimately covered a varied range of Chinese exports comprising many products manufactured by the country's 4,500+ EMS companies. The imports are diverted to other countries due to the trade war. Asian countries especially India, Vietnam and Indonesia, are likely to benefit more than the rest of the world due to lower wages and their geographical proximity to China.

Rising labour cost in China: The aspirations of Chinese workers has increased, and they are focusing on high-tech jobs, leaving gaps in the lower end of manufacturing value chain.

COVID-19 driven disruption in supply chain: The COVID-19 pandemic has disrupted the manufacturing supply chain and curtailed the commodity demand. Although manufacturing of mobile phones is boosted through the 'Make in India' initiative, India is heavily dependent on China for supply of raw materials, components and accessories. OEMs based out of India are planning to develop local supply chain in order to follow the 'China + 1' strategy and become 'Atmanirbhar (Self Reliant)'.

Impact of global chipset shortage on the EMS industry: The global chipset supply shortage has intensified in 2021 after the COVID-19 pandemic, as major companies across industries have failed to meet the rising demand for electronic goods and components. Supply chain disruption due to the pandemic, rising demand for electronic products due to work from home arrangements, and a lack of investment in chipset production capacity have contributed to the global chipset shortage. As a result, the price of household appliances and electronics have increased. The supply of finished electronic products and components necessary for local manufacturing has been delayed due to prolonged congestion at Chinese ports and a lack of containers. Analysts predict the chipset shortage may not end until 2022, since supply delays caused by current COVID-19 limitations are expected to last at least another year.

Global vendor diversification: Global EMS players have presence in a number of countries and have a diverse range of products and services. Given the magnitude of manufacturing, global companies are expanding their product offerings across countries, through partnerships with multiple vendors rather than depending on a single vendor for EMS services. As a result, there is tremendous potential for market expansion and the entry of new players into this industry. Manufacturers have the opportunity to diversify their production bases in order to tap into the domestic market, given the rising population. Furthermore, manufacturers would benefit from rising domestic demand for consumer electronics. Several large brands have announced capacity diversification in India with an aim to expand their manufacturing operations. This helps to upscale their benefits and maintain a level of control over production quality.

INDIAN ELECTRONICS INDUSTRY OVERVIEW

Indian electronics market – historical trends and outlook

Electronics is one of the fastest growing industries in the country. The total electronics market in India, which includes domestic electronics production and imports of electronic finished goods, is valued at INR 6,711 billion (USD 91 billion) in FY21, which is expected to grow at a CAGR of 25.5% to reach INR 20,873 billion (USD 282 billion) in FY26. Domestic production accounts for approximately 74% of the total electronics market in FY21, valued at INR 4,975 billion (USD 67 billion), and is expected to grow to approximately 96% by FY26, valued at INR 20,133 billion (USD 272 billion), owing to various government initiatives and the development of India's electronic ecosystem. In addition, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. At present, the Indian government is attempting to enhance manufacturing capabilities across multiple electronics sectors and to establish the missing links in order to make the Indian electronics sector globally competitive. India is positioned as a destination for high-quality design work as well as a cost-competitive alternative. Many multinational corporations have established or expanded captive centres in India. Increasing penetration of consumer electronics in semi-urban and rural markets, a shift in lifestyle among the Gen Y population, and the adoption of smart devices are some of the key drivers that are assisting the rapid expansion of this industry.

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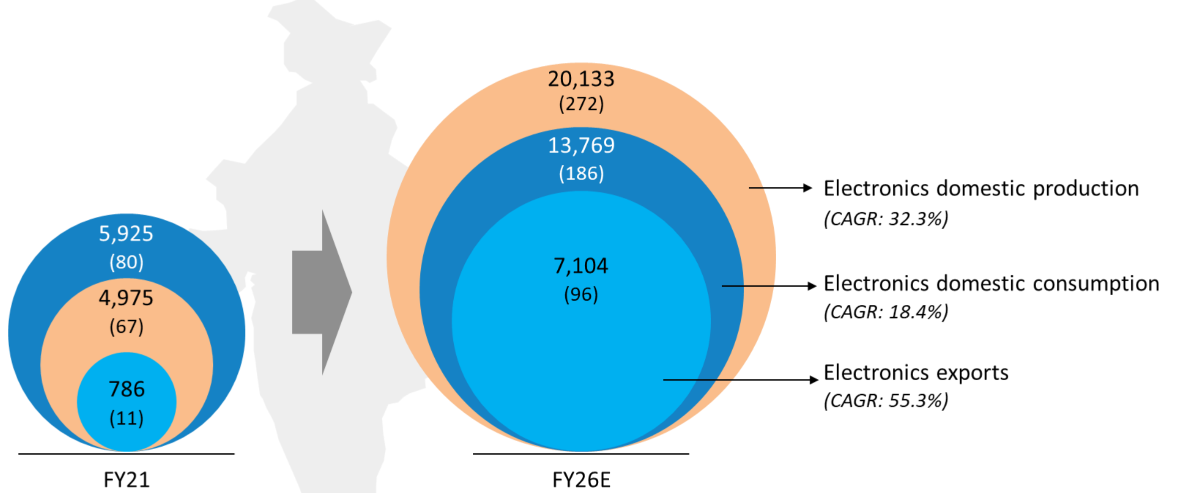
Trends in electronics consumption vs. share of domestic production

Chart 4.1: Overview of Electronics industry - domestic production vs. consumption vs. exports, value in INR billion, USD billion, India, FY21 and FY26E



**Values in brackets are in USD Billion*

Note: E refers to Estimate

Source: Frost & Sullivan Analysis, MeitY

A. Consumption of electronics products in India

Electronics consumption market in India is estimated at INR 5,925 billion (USD 80 billion) in FY21 and is expected to grow at the rate of 18.4% to reach INR 13,796 billion (USD 186 billion) by FY26. India's consumer base is one of the largest in the Asia-Pacific region, and the country's electronics industry is one of the fastest growing in the world.

- **Mobile phones**: In this segment, the introduction of new smartphone models along with better availability, declining prices and increased customer spending across tier 1/2/3 cities are increasing mobile phone penetration in India.
- **Consumer electronics**: This is one of the largest segments which have a broad category of electronic products that includes televisions, cameras, audio players and a range of other household items. Growing awareness, greater access, changing lifestyles, higher discretionary incomes and reduction in per unit prices are the key drivers.
- **Telecom and Networking Products**: The government's push for the availability of broadband in remote areas of the country is a key demand driver for the telecom segment. In addition, the increasing focus on the 5G sector is also driving this segment. 3G/4G will remain strong over the coming years and 5G will start creating an impact.
- **IT Hardware**: Availability of broadband in remote areas of the country is a key demand driver for entry level notebooks and desktops. Due to the pandemic, the work-from-home lifestyle for office workers and online education for school children have created opportunities for the IT hardware market in India.
- **Automotive (including EV):** Customer preferences for an in-vehicle digital experience, along with an increase in embedded connected services, will continue to revolutionise the sector. Digitalisation would be at the centre of this evolution and this would drive higher usage of electronics components in the automotive sector.

B. Indian electronics domestic production

Electronics production in India is estimated at INR 4,975 billion (USD 67 billion) in FY21 and is expected to grow at a CAGR of 32.3% to reach INR 20,133 billion (USD 272 billion) by FY26. India has the potential to be one of the most attractive manufacturing destinations and support the objective of "Make in India for the World". The Indian government and the electronics industry need to collaborate to help India to become among the top 5 countries in electronics production and among the top 3 in electronics consumption. To improve the manufacturing capability of the electronics industry, the Indian government has taken several initiatives and developed a series of policies that will be implemented in the short to medium term. In FY21, the electronics production in India contributed to 2.5% of the nominal GDP (at current prices), which is expected to increase to around 6.8% by FY26.

C. Import of electronic products in India

The total import value of electronics products was INR 2,296 billion (USD 38 billion) in FY15 and INR 3,851 billion (USD 54 billion) in FY20.The import value decreased by 4.1 percent in FY20 compared to FY19, when it was valued at INR 4,015 billion. In FY20, China and Hong Kong accounted for approximately 70 percent of India's total electronic imports. The majority of semiconductor demand is now fulfilled by imports from the United States, Japan and Taiwan. The electronics industry relies extensively on Chinese suppliers, especially consumer electronics, industrial electronics, computer and IT hardware, strategic electronics, light-emitting diodes, etc. The top three imported products are laptops and desktops, Flat Panel Display (FPD) televisions and storage devices. In the laptops and notebooks segment, almost all the components used in building notebooks are imported or as semi-knocked down units from China and Thailand.

D. Export of electronic products in India

The total export value of electronic products was INR 383 billion (USD 6 billion) in FY15 and INR 829 billion (USD 12 billion) in FY20. The value of exports increased by 33.9% in FY20 compared to FY19, which was worth INR 619 billion (USD 9 billion). The export market is expected to grow substantially in next five years at a CAGR of 55.3%, owing to various government initiatives such as the PLI scheme, Atmanirbhar Bharat, which facilitates the domestic manufacturing.

The top three products in the export category are mobile phones, engine control units and industrial machinery. India holds superior design competence and the availability of a talented workforce at lower wages compared to China, which fortifies its position as the futuristic, domestic-cum-export-oriented manufacturing destination for the globe. Cost-effectiveness, a talented and affordable workforce, a burgeoning domestic electronics market, and export opportunities will drive the market for EMS/ODM in India. Globally, India ranks second in mobile phone manufacturing, which involves design of the handset, assembly of components, and manufacturing of the device. With more than 270 mobile handset and accessory manufacturing units in India, only top players have fully integrated manufacturing capabilities.

INDIAN EMS INDUSTRY OVERVIEW

Overview of EMS industry in India

The Indian EMS industry is relatively young, with nearly three decades of experience. The EMS industry has grown in prominence over the last decade, particularly in the last five years. The period of 2005-07 saw the first big ticket investment in EMS operations in India with entry of Jabil Circuits and Nokia. This triggered a series of large / medium scale investments in the Indian EMS sector. The period of 2013-14 was a dampener as Nokia wound up its India operation, however this was short-lived. By 2015, global EMS giants have started showing interest in India. Indian EMS industry has since then embarked on an upward journey. With most of the global mobile phone manufacturers and their supply chain partners investing in manufacturing, the Indian EMS industry is well poised to unlock its true potential in the coming years.

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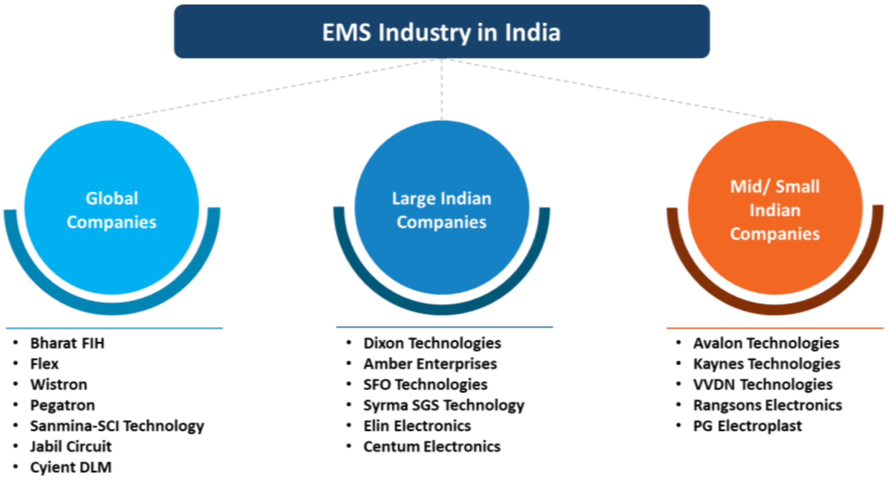
Chart 5.1: Industry structure of EMS market in India

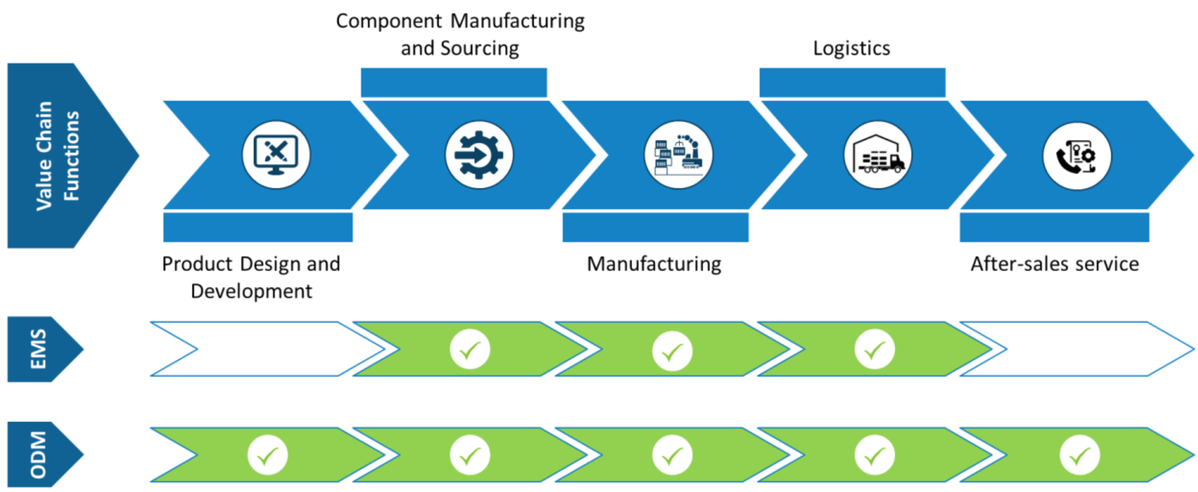


Source: Frost & Sullivan

There are nearly 700 EMS companies in the Indian market, ranging from large, medium-sized, to small players. Mobile phones, consumer electronics and industrial electronics contribute to more than 75% of the total EMS market in India. A few EMS providers are slowly evolving to offer complete design services on top of contract manufacturing. This acts as a win-win situation for both EMS players as well as OEMs; EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other expansion activities. Embracing the ODM model of partnership coupled with venturing into new product segments is propelling OEMs to pursue this engagement. High volumes will influence EMS companies to bring in the component ecosystem locally and enhance domestic capabilities for component sourcing, making the electronics ecosystem stronger.

Business models of Indian EMS Companies

Chart 5.2: Business models of Indian EMS companies, FY21



Source: Frost & Sullivan

Business models of Indian EMS companies can be broadly classified under four categories[3].

1. ODM model

Under this model, EMS companies design products as per the specifications provided by the OEMs. EMS companies then source components, carry out fabrication and assembly, test the final product, and undertake

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[3] *Source: ELCINA EMS Task Force report, Frost & Sullivan analysis.*

logistics and after sales services. ODM model helps the EMS companies to forge deeper and long-term business relations with the OEMs. This is a high margin business and comes at a premium for good designs.

Activities performed by the EMS companies are as follows:

- **Products design and development:** This activity refers to designing of an electronics product as per OEM's requirement / specifications. This includes sub-activities such as product development, DFM / DFA analysis, prototyping, test development, etc. EMS providers are increasingly providing end-to-end new product introduction services to the OEMs.
- **Component manufacturing and sourcing:** Component sourcing refers to the purchasing of the electronic components to be assembled onto the printed circuit board. Brands/EMS providers purchase these components directly from manufacturers or authorised distributors, either through import or local sourcing.
- **Manufacturing:** This activity refers to manufacturing and assembly of the electronics products. This could either be PCBA or box build assembly.
- **Logistics:** The activity refers to logistics involved in sourcing of components or delivery of the finished goods.
- **Aftersales:** Globally, EMS companies also offer after sales support such as repair and maintenance of products. This is however a new trend in India.

2. EMS model

At present, this model is widely followed in India. Under this model, OEM provides designs and specifications to the EMS companies. EMS companies source components, manufacture and/or assemble components and supply the finished product to the OEMs. EMS companies are gradually adding capabilities to offer ODM or JDM (Joint Design Manufacturers) services. Increasingly, OEMs are preferring to engage on ODM / JDM basis.

3. Job Work

This business model is mostly followed by small and micro EMS companies. Under this model, OEMs provide design and source components while EMS companies perform only assembly activities. This is a very low margin business.

4. After-sales service

After-sales service is an important activity which helps the companies to build long-term brand image and brand loyalty. Globally, EMS companies are offering end-to-end services including after-sales service. This is a nascent business for Indian EMS companies, however gaining traction in the recent times.

Manufacturers in India lack mature R&D set-ups due to large capex investments and long gestation periods. However, India has a competitive edge in design services, since most such work is outsourced to cost-effective destinations. In terms of manufacture/ system assembly, India has an established set-up. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This acts as a win-win situation for both EMS players as well as OEMs; EMS players obtain higher margins through this model and OEMs benefit by outsourcing manufacturing and design activities enabling them to focus on other expansion activities.

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Chart 5.3: Advantages and Disadvantages of EMS and ODM

Original Design Manufacturing (ODM)

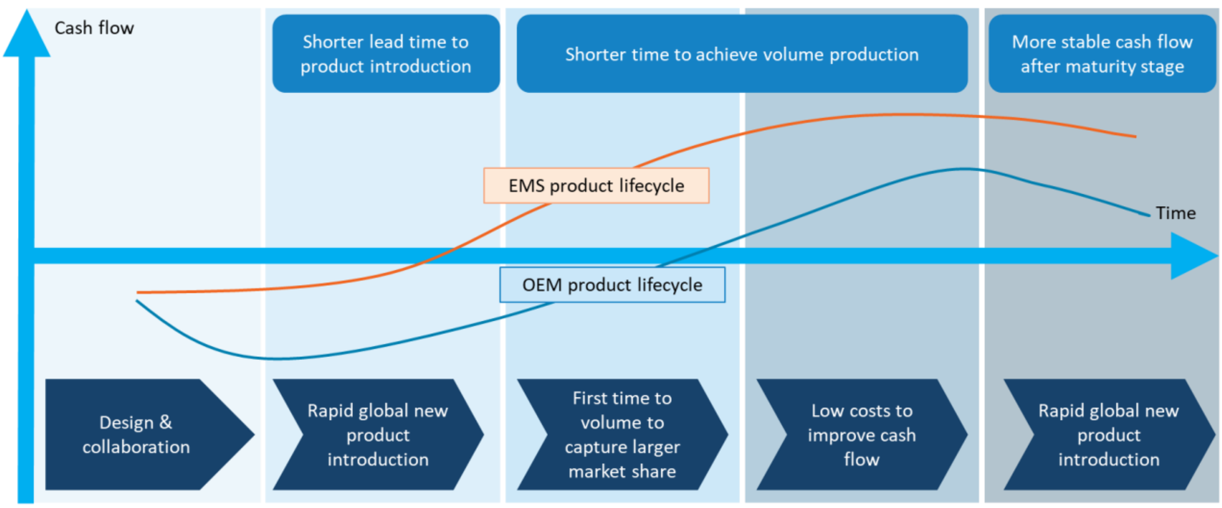
- ✓ ODM retains IP rights to their design, giving them better negotiating power.
- ✓ ODMs may produce client products themselves or through subcontract; also into final assembly of products.
- ✓ ODMs will manage the technical resources required for the successful completion of the production process.
- ✓ It is difficult for OEMs to switch suppliers since ODM players hold the rights for the design.
- ✗ Product development costs will be high
- ✗ Minimum order quantity requirements are quite high.

Electronic Manufacturing Service (EMS)

- ✓ EMS helps in quicker production time
- ✓ OEMS save on their capital costs by involving EMS providers
- ✓ Better economies of scale when the business grows, when contract manufacturers produce for multiple customers.
- ✗ OEMs gain complete ownership of all IP rights, including product specifications. EMS providers do not have negotiating power.
- ✗ Lack expertise in producing their own set of products, development starts from the scratch.
- ✗ OEMs can easily move to other providers, as they own rights for the design.

Source: Frost & Sullivan Analysis

Chart 5.4: Time and cashflow of OEM vs EMS product lifecylce, India, FY21



Source: Foxconn

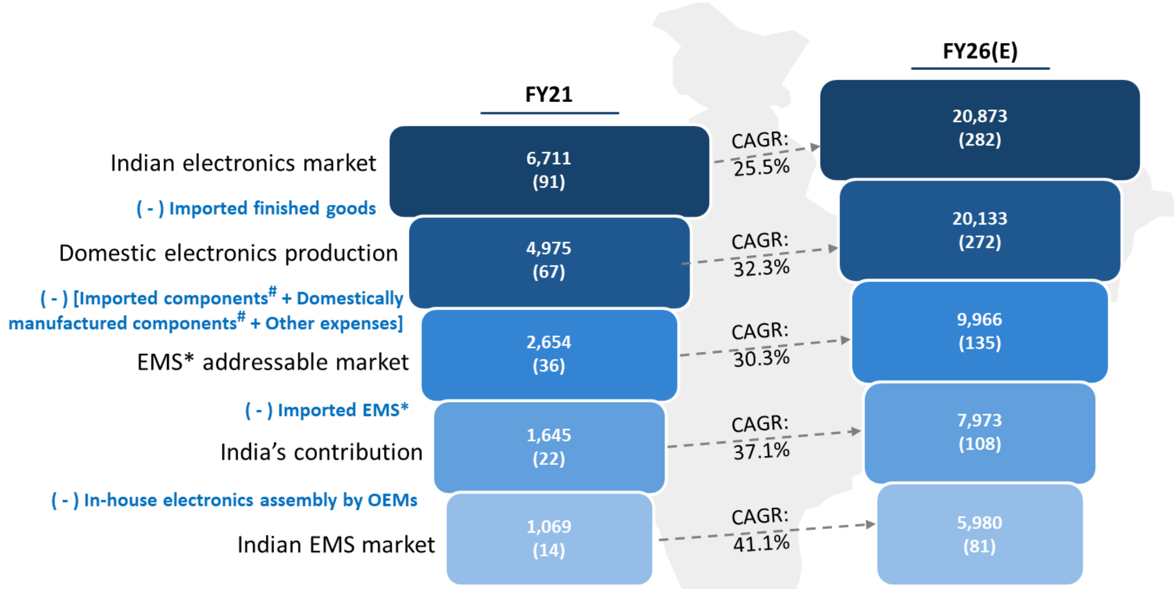
Indian EMS market size and growth outlook

Indian EMS industry is part of the larger electronics ecosystem of the country. A systematic approach has been followed to separate various components of the Indian electronics market and derive size and potential for EMS businesses in India. The chart below depicts the size of Indian electronics market, various segments of the market and their respective sizes, including Indian EMS market. The chart also shows how each of these segments are likely to grow over medium term until FY26.

In FY21, domestic electronics production is estimated to be USD 67 billion which includes domestically manufactured electronics components worth USD 8 billion and imported components worth USD 15 billion. The remaining market, after subtracting the cost of the components and other expenses (logistics, packaging, administrative expenses, etc.), represents the addressable business opportunities for EMS companies in India. This EMS addressable market with a size of USD 36 billion consists of three components:

(a) Contribution of Indian EMS companies or Indian EMS market worth USD 14 billion;
(b) In-house electronics assembly by OEMs worth USD 8 billion; and
(c) Imported EMS worth USD 14 billion (this is a direct loss to the EMS companies in India).

Chart 5.5: EMS addressable market vs. contribution of EMS companies for goods made in India, value in INR billion, FY21 and FY26E



** Box-builds assembly, PCB assembly and various finished sub-assemblies (touch panel assembly, display module, camera module, TFT panel, LED module etc.)*

 # Active, Wound, Electro-mechanical, Passive, LED lighting components, Bare PCB and other components

Values in brackets are in USD billion *Source: MeitY, ELCINA, Frost & Sullivan Estimates*

The total addressable EMS market in India was valued at INR 2,654 billion (USD 36 billion) in FY21 and is expected to grow to INR 9,966 billion (USD 135 billion) in FY26 with a CAGR of 30.3%. Contribution of Indian EMS companies is around 40% with a value of INR 1,069 billion (USD 14 billion) in FY21. This is expected to grow at 41.1% CAGR to reach INR 5,980 billion (USD 81 billion) by FY26.

India is positioned as a destination for high-quality design work, not only as a low-cost alternative. Many multi-national companies have established and expanded captive centres in the country. Most brands prefer engaging EMS partners for contract manufacturing, but the ODM model is slowly gaining traction in India, where brands collaborate with ODMs on product development. Many EMS players are gradually expanding to provide complete design services in addition to contract manufacturing/ original equipment manufacturing.

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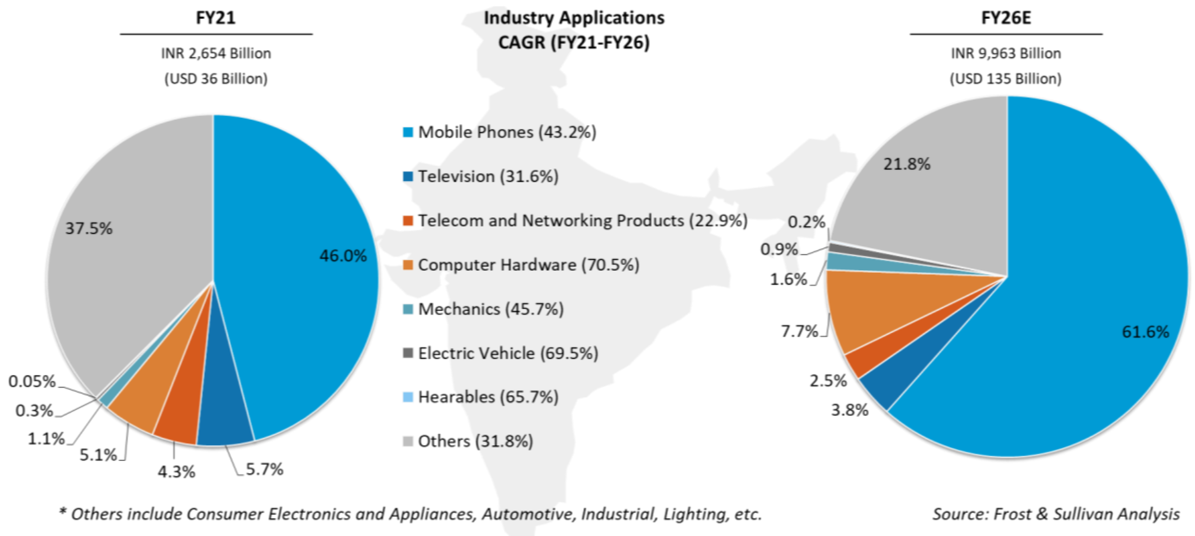
A. Indian EMS market break-up by industry applications

Chart 5.6: EMS addressable market: Break-up by industry applications (segments of interest for Bharat FIH), India, by value in %, FY21 and FY26E



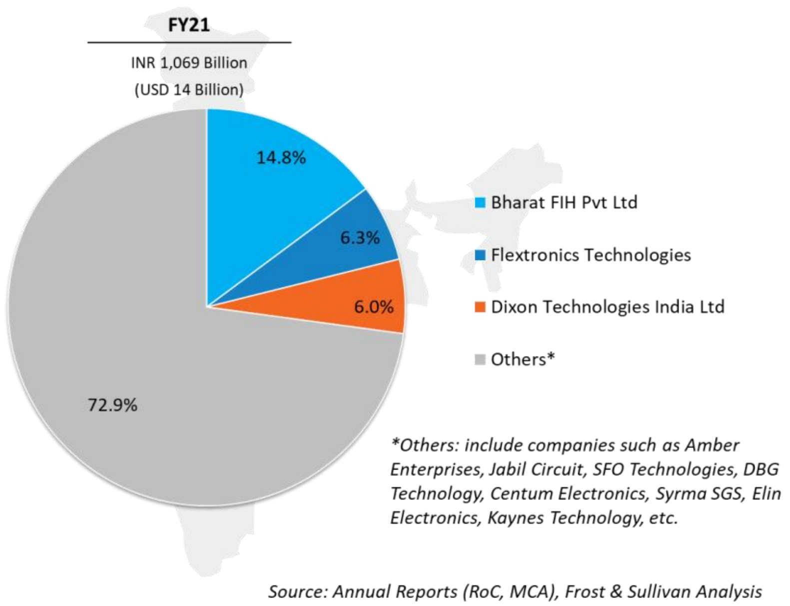
B. Contribution of ODM in EMS market

Involvement in an OEM customer's product design and development process provides the ability to offer, or coordinate the sourcing of, the components required to manufacture the product, giving a greater share of the revenues, and higher margins, in the ODM value chain. As the products moves towards maturity phase, more products are likely to become standard and fall within the purview of ODMs. As a result, in the long term, ODM firms will become an essential component in the success plans of OEMs of both tiers.

C. Competitive landscape of EMS market in India

More than 700 global and domestic companies operate in the Indian EMS/ODM market (Source: ELCINA). The top three players account for around 27% of the market. Bharat FIH is the market leader, accounting for approximately 15% of the market and outpacing the nearest competitor by 2.3x times by value in FY21. Flextronics, Dixon, Amber and Jabil are some of the leading players in the market.

Chart 5.7: EMS market split by major companies, India, by value in %, FY21



Emerging trends in electronics manufacturing in India

Faster replacement cycle and high demand for emerging technologies and emerging applications in electronics industry: Electronic products have shorter life cycles as a result of rapid technological improvement and newer products with enhanced technology. Emerging technologies, such as IoT, AI and the introduction of robotics and analytics in the industrial and strategic electronics segment, have led to the overall development of numerous electronic products, which has boosted local demand. Utilisation of IoT/sensors, 5G, artificial intelligence and machine learning are providing stimulus for the creation of advanced multi-utility electronic products. The EV market is gaining traction, owing to the government's various initiatives to promote EV sales in India. As the EV segment is reliant on the electronic sector for a range of components, the EMS market is projected to gain impetus in the near future. The electronics market in Telecom and Networking Products segment is increasingly adopting 5G technology for enhanced mobile broadband and ultra-reliable low latency connectivity. Wearable technology and flexible displays (TV segment) are two emerging electronic applications that are gaining wide acceptance globally.

EMS companies offering design services: EMS companies are moving up in the value chain and Indian design companies work on end-to-end product development, from concept design to development to prototype testing.

Localisation of supply chain: High domestic volumes and consumption, and higher outsourcing volumes will influence EMS/ODM to bring in the component ecosystem locally and enhance local capabilities of component sourcing, thus making the ecosystem stronger and closer. Tier-2 players (companies supplying products to tier 1 companies/ OEMs) are increasingly focusing on product localisation, innovative product design and R&D. However, the extensive financial costs involved in setting-up manufacturing, capacity additions/expansions, R&D, manpower, etc influence them to leverage EMS/ODM services. The number of companies in India manufacturing mobile phone has increased from around two in 2014 to more than 270 in 2020.

Component miniaturisation: Manufacturing equipment is very essential for guaranteeing the quality of any electronic device or electronic component. During the production cycle, an electronic device is handled by a variety of manufacturing equipment. The choice of component is dictated by three major factors from the product perspective – complexity of operation, form factor and level of miniaturisation. Technological advancements required to meet the high-performance expectations in the field of electronics, combined with today's high-speed production, comprehensive process automation, and rigorous quality control standards, are driving the demand for manufacturing equipment.

After sales service as part of offerings of the EMS companies: Repair and rework are no longer seen as non-value-added services in EMS industry. It is increasingly becoming a part of OEM and EMS/ODM service offerings. The high value of today's electronics assemblies justifies the purchase of rework equipment. Repairing and reworking equipment allows electronic manufacturers to save valuable electronic components and semiconductors instead of discarding them. It is also accepted in the electronics industry due to the development of precise SMT repair and rework equipment.

Key growth drivers for Indian EMS industry

Improvement in demand and supply scenario: India has witnessed 13% growth in electronics consumption between FY17 and FY20. Long term growth outlook for the industry is positive, primarily because market penetration for many electronics products remains very low compared to the global average. Factors such as stable growth outlook for the economy, Digital India programme, rising disposable incomes, changing lifestyles, emerging work from home culture, expansion of organized retails to tier 2 and tier 3 cities, improving electricity and internet infrastructure, and better logistics infrastructure will provide additional impetus to the industry. It is with these strong fundamentals, many global electronics brands along with their supply chain partners have invested in electronics manufacturing infrastructure in India in recent years and India is ready to become an important electronics manufacturing hub globally.

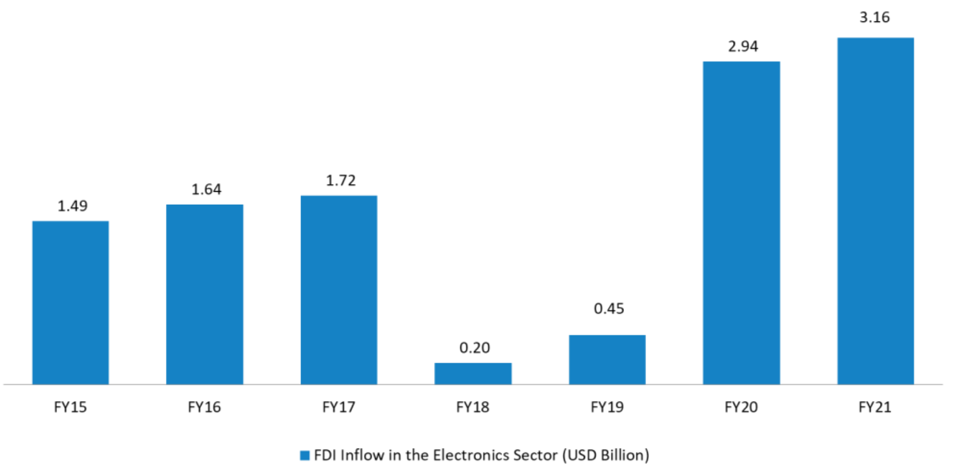
Ease of doing business in India: To position India as an attractive business destination, various incentives such as reducing the burden of additional taxes on start-ups and strengthening the IP protection framework are being provided. India is evolving as an innovation-driven R&D destination for global companies. The government, academia, industry players and industry associations are making concerted and coordinated efforts to help the industry reach its potential. Investment-based incentives are offered to industries in order to attract investment and enhance exports. The opportunities in India surpass the challenges, which is evident from the World Bank's report on the ease of doing business in India, which has risen from 142nd rank in 2015 to 63rd rank in 2020.

China + 1 Strategy: As the Chinese electronics contract manufacturing cost structure continues to be on the rise, along with changing geo-political landscape, so has the OEM customer interest amplified in moving the electronics production to the other countries having similar price, quality and receptiveness. There is currently a new urgency to examine practical alternatives to manufacturing in China given the tariff conflicts and the COVID-19 pandemic. However, transferring production is not straightforward. Sub-tier vendor incorporation of metal fabrication, plastics and other mechanical components in China improve the product cost, efficiency and the time-to-market. Due to the above factors, OEMs are considering adding another country for additional production rather than completely replacing China. OEMs are considering India, Vietnam, Indonesia and other South East Asian countries as potential manufacturing locations. India, as a developing economy that provides infrastructure as well as a platform for cost-cutting, has a distinct advantage.

Atmanirbhar Bharat (Make in India initiative): Atmanirbhar Bharat Abhiyaan, or Self-reliant India campaign, launched in May 2020, is the government's vision of New India. With larger focus on the CAPEX and R&D, Budget 2021 has given a strong push to the domestic marketplace, which is very significant to India's economic growth. In the next two-three years, high real GDP growth rates will be rare in majority of the economies as they gradually recover from the impact of the COVID-19 pandemic.

Government incentives and scheme: The government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports and promoted the exports. India's electronics production has more than doubled in the past five years from INR 3.2 trillion in FY16 to INR 7.8 trillion in FY21 depending on favourable incentive schemes. Some of the key schemes/ policies include (a) PLI Scheme (at a value of INR 2,000 billion); (b) Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (providing financial incentive of 25% on capital expenditure); (c) Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) (provides financial assistance for setting up of EMC projects); and (d) Merchandise Exports from India Scheme (MEIS) (the incentives under the schemes are calculated as a percentage, which is 2%, 3% or 5% of the realised FOB (free-on-board).

Chart 5.8: FDI inflow in the Electronics sector, value in USD billion, FY15-FY21



Source: Department for Promotion of Industry and Internal Trade, Frost & Sullivan

The increased demand for electronic goods such as mobile phones and consumer electronics has resulted in the segment attracting a large amount of foreign direct investment (FDI) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the Indian government's approval of 100% FDI. However, the introduction of the new Goods and Services Tax regime in India in FY17 resulted in many manufacturers and foreign companies delaying their investments in India between FY18 and FY19 in order to prepare for this new tax regime. As a result, FDI was low during this period, and it gradually increased from the end of FY19.

Development of electronics ecosystem by global and domestic players: The higher growth rate in India vis-à-vis the global market is because of multiple factors: consistent local demand for electronic products, the government's focus on domestic manufacturing and programmes like Make in India and Digital India, which have led to increasing manufacturing investment in the country. Dixon Technologies, a provider of electronic manufacturing services, is investing more than INR 6 billion in new capacity in India. European Telecom and Networking Products dealers Ericsson and Nokia have conveyed their intention to increase existing manufacturing operations in India to support their worldwide supply chain. Local telecom component manufacturers VVDN Technologies, HFCL, Dixon, Coral Telecom and Sterlite Technologies have also expressed interest in the PLI scheme. Nokia and Ericsson are also going to target the BSNL big ticket 4G contract expansions after the government of India removed some clauses which previously prohibited them from participating.

BIS certification: Importing electronics and IT products without the BIS registration is currently prohibited in India. India is tightening the quality controls for the electronic products to restrain the rising import of the cheap electronic items and boost the local manufacturing under its Make in India initiative. According to the DGFT (Directorate General of Foreign Trade) notification, every business importing and selling the electronic products such as mobile phones, LED lights, etc in India is required to register with the BIS for government clearance.

QSTC (Quality, Services, Timeliness and Cost): Building complex products in very small quantities can be a major challenge for OEMs. As such, many choose to outsource their high-mix, low-volume production to service providers with more experience or expertise in the particular field. Outsourcing production can result in fewer costly errors, free up the internal engineering and R&D resources and enable greater control of the finances.

Import substitution: As per MeiTY, electronic imports account for INR 3.8 Trillion (USD 55 Billion) in FY20, which is 22% of the total electronics market in India. It is the third largest import item by value. The top products contributing to the highest electronics imports are the engine control unit, FPD tv, refrigerator, set top box, machine tools, CCTV cameras, notebooks, servers, storage devices, home automation modules, mobile phones, media gateways, enterprise routers, defence, medical devices, and smart cards and readers. To reduce dependence on imports in the long run in line with the mission of Atmanirbhar Bharat, sourcing of electronic components should be met through local manufacturers with the help of various incentives and policies.

Supply chain realignment: Local availability of components and chipset fabrication are primary activities that determine the strength of a country's electronics manufacturing ecosystem. India has a very limited component supplier base; a majority of the high-value and critical components are imported. Components that are predominantly imported include ICs, PCBs and other active components. As supply-chain resilience and localisation become more significant, India has to take necessary steps to improve the domestic value chain capability for long-term benefits. The introduction of the PLI scheme to promote component sourcing, FDI policies relaxing companies' ability to set up bases in India, allowing them to drive product development, R&D and other knowledge-intensive activities in collaboration with Indian companies, and the establishment of dedicated freight corridors to advance transportation technology and increase productivity are some of the key initiatives undertaken by the government of India.

Component manufacturing/ lead time: India's PCB manufacturing capacity is restricted, particularly for flexible, HDI and multilayer PCBs. Currently, OEMs import pre-designed and pre-built PCBA from third parties. However, in-house PCBA design and assembly is required. Demand for PCBs is projected to be driven by EMS/ODM investments in high-value-added production. Reduction in lead times from four weeks to one week by discrete local sourcing of PCB is a significant driver for PCBAs to source their bread boards locally than import.

Indian Government policy/incentives driving domestic production and push for exports

The government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties, and favourable steps like GST that reduce complexity of operations are pull factors for MNCs to invest in India.

Make in India: In 2014, the government of India announced the initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set-up manufacturing bases in India. As per the scheme, government released special funds to boost the local manufacturing of mobile phones and electronic components. It has also introduced multiple new initiatives including promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector.

Production Linked Incentive (PLI) Scheme:

Chart 5.9: PLI scheme in 13 key sectors for enhancing India's manufacturing capabilities and enhancing exports, Atmanirbhar Bharat, FY21-FY22

Sectors	Implementing Ministry/Department	Approved financial outlay over a five year period (INR billion)
Mobile manufacturing and specified electronic components	Ministry of Electronics and Information Technology	409.5
Critical key starting materials/ drugs intermediaries, APIs	Department of Pharmaceuticals	69.4
Manufacturing of medical devices	Department of Pharmaceuticals	34.2
Advance Chemistry Cell ACC Battery	NITI Aayog and Department of Heavy Industries	181.0
Electronic/Technology Products	Ministry of Electronics and Information Technology	50.0
Automobiles & Auto Components#	Department of Heavy Industries	259.4
Pharmaceuticals drugs	Department of Pharmaceuticals	150.0
Telecom & Networking Products	Department of Telecom	122.0
Textile Products	Ministry of Textiles	106.8
Food Products	Ministry of Food Processing Industries	109.0
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	45.0
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	62.4
Speciality Steel	Ministry of Steel	63.2
Total		**1,661.9**

 # Financial outlay for Automobiles & auto components was revised on September 2021 from INR 570.4 billion to INR 259.4 billion

Source: MeitY (Ministry of Electronics and Information Technology), Invest India

As per the 2021-22 budgets, under the PLI scheme, the Indian government has allotted INR 1,970 billion for 13 sectors. However, the financial outlay for the auto sector was revised in September 2021, bringing the total allotment down to around INR 1,661.9 billion. The allocation for Mobile Manufacturing and Specified Electronic Components is around INR 409 billion, which is significantly higher than any other scheme. It has different thresholds of investments required for domestic and international companies. Fully integrated manufacturers are going to be the biggest beneficiary of this scheme. This scheme will help India Inc. to be an integral part of the global supply chain.

Chart 5.10: PLI Scheme: Scheme 1 (Round 1) - for large scale Electronics manufacturing, india, April 2020

Target Segments Eligible under PLIC Scheme

- Mobile Phones
- Specified Electronic Components
    - SMT components
    - Discrete semiconductor devices including transistors, diodes, thyristors, etc.
    - Passive components including resistors, capacitors, etc. for electronic applications
    - Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
    - Sensors, transducers, actuators, crystals for electronic applications
    - System in Package (SIP)
    - Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
    - Assembly, Testing, Marking and Packaging (ATMP) units

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Segment	Proposed Incentive Rate (%)	Incremental Investment Over Base Year (INR Billion)	Incremental Sales of Manufactured Goods Over Base Year
Mobile Phones (Invoice Value of INR 15,000 and above)	Year 1: 6% Year 2: 6% Year 3: 5% Year 4: 5% Year 5: 4%	INR 10 Billion over 4 years Cumulative minimum: Year 1: INR 2.5 Billion Year 2: INR 5.0 Billion Year 3: INR 7.5 Billion Year 4: INR 10.0 Billion	Year 1: INR 40.0 Billion Year 2: INR 80.0 Billion Year 3: INR 150.0 Billion Year 4: INR 200.0 Billion Year 5: INR 250.0 Billion
Mobile Phones (Domestic Companies)		INR 2 Billion over 4 years Cumulative minimum: Year 1: INR 0.5 Billion Year 2: INR 1.0 Billion Year 3: INR 1.5 Billion Year 4: INR 2.0 Billion	Year 1: INR 5.0 Billion Year 2: INR 10.0 Billion Year 3: INR 20.0 Billion Year 4: INR 35.0 Billion Year 5: INR 50.0 Billion
Specified Electronic Components		INR 1 Billion over 4 years Cumulative minimum: Year 1: INR 0.25 Billion Year 2: INR 0.50 Billion Year 3: INR 0.75 Billion Year 4: INR 1.0 Billion	Year 1: INR 1.0 Billion Year 2: INR 2.0 Billion Year 3: INR 3.0 Billion Year 4: INR 4.5 Billion Year 5: INR 6.0 Billion

**Year 1 (FY2020-21); Year 2 (FY2021-22); Year 3 (FY2022-23); Year 4 (FY2023-24); Year 5 (2024-25)*

Source: MeitY (Ministry of Electronics and Information Technology)

Chart 5.11: PLI Scheme: Scheme 1 (Round 2) - for Large Scale Electronics Manufacturing, India, March 2021

Segment	Incentive Rate (on Incremental Sale of Manufactured Goods) (%)	Incremental Investment Over Base Year (INR Billion)	Incremental Sales of Manufactured Goods Over Base Year
Specified Electronic Components	Year 1: 5% Year 2: 4% Year 3: 4% Year 4: 3%	INR 0.25 Billion over 4 years Cumulative minimum: Year 1: INR 0.05 Billion Year 2: INR 0.11 Billion Year 3: INR 0.18 Billion Year 4: INR 0.25 Billion	Year 1: INR 0.15 Billion Year 2: INR 0.35 Billion Year 3: INR 0.60 Billion Year 4: INR 1.00 Billion

**Year 1 (FY2021-22); Year 2 (FY2022-23); Year 3 (FY2023-24); Year 4 (FY2024-25)*

Source: MeitY (Ministry of Electronics and Information Technology)

The Production Linked Incentive Scheme for IT Hardware proposes a financial incentive to boost domestic manufacturing and attract large investments in the value chain. The scheme seeks to incentivise companies to utilise the existing installed capacity to fulfil the increasing domestic demand. Product Linked Incentives of up to INR 73 billion will be awarded over a period of 4 years.

Chart 5.12: PLI Scheme for IT Hardware, India, March 2021

Target Segments Eligible under PLIC Scheme

- Laptops
- Tablets
- All-in-one PCs
- Servers

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Segment	Proposed Incentive Rate (%)	Incremental Investment Over Base Year (INR Billion)	Incremental Sales of Manufactured Goods Over Base Year
IT Hardware Companies (I) Laptops (Invoice value of INR 30,000 and above) (II) Tablets (Invoice value of INR 15,000 and above) (III) All-in-one PCs (IV) Servers	Year 1: 4% Year 2: 3% Year 3: 2% Year 4: 2% / 1%	INR 5 Billion over 4 years Cumulative minimum: Year 1: INR 0.5 Billion Year 2: INR 1.0 Billion Year 3: INR 3.0 Billion Year 4: INR 5.0 Billion	Year 1: INR 10.0 Billion Year 2: INR 25.0 Billion Year 3: INR 50.0 Billion Year 4: INR 100.0 Billion
Domestic Companies (I) Laptops (II) Tablets (III) All-in-one PCs (IV) Servers		INR 0.20 Billion over 4 years Cumulative minimum: Year 1: INR 0.04 Billion Year 2: INR 0.08 Billion Year 3: INR 0.14 Billion Year 4: INR 0.20 Billion	Year 1: INR 0.5 Billion Year 2: INR 1.0 Billion Year 3: INR 2.0 Billion Year 4: INR 3.0 Billion

**Year 1 (FY2021-22); Year 2 (FY2022-23); Year 3 (FY2023-24); Year 4 (FY2024-25)*

Source: MeitY (Ministry of Electronics and Information Technology)

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS): The aim is to strengthen the manufacturing ecosystem of electronic components and semiconductors. Targeted manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition and promote employment opportunities in this sector. Incentives of up to INR 32.85 billion will be awarded under SPECS over a period of 8 years.

Merchandise Exports from India Scheme (MEIS): The scheme falls under foreign trade policy of India, replacing five other similar incentive schemes in the past. As per the MEIS, the government of India provides benefits up to 4% depending on the country of exports and the products. Rewards under the scheme are payable as a percentage of realised free-on-board value and MEIS duty credit scrip can be transferred to the company for working capital needs or used for payment of various duties such as basic customs duty.

Modified Electronics Manufacturing Clusters Scheme (EMC 2.0): The scheme aims to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The scheme provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial incentives of up to INR 37.62 billion will be disbursed over a period of eight years.

All of the abovementioned policies and initiatives, ‘Make in India’ programme, PLI, SPECS, MEIS and EMC, have provided the necessary impetus to the domestic electronics manufacturing industry and India is now on the path to becoming a global manufacturing hub for electronics products.

Comparative Analysis of industry in India, China and Vietnam

Chart 5.14: Economic comparison on favourable manufacturing parameters, India, China & Vietnam, 2020

PARAMETERS		INDIA	CHINA	VIETNAM
Population (Million)		1,379.0	1,414.0	97.40
Annual GDP (USD Trillion)		2.66	14.86	0.34
GDP Growth (%)	2020	-7.3	2.3	2.9
	2025	6.6	5.1	7.0
Inflation (%)		6.2	2.4	3.2
Manufacturing Value Added (% of GDP)		13.0	26.1	16.7
Export (USD Trillion)		0.47	2.73	0.28
Imports (USD Trillion)		0.48	2.35	0.27
Manufacturing Risk Index (Rank)		3	1	4
FDI Investments (USD Billion)		64	163	17

Source: World Bank, IMF, Frost & Sullivan

India has the potential to become a global manufacturing powerhouse, competing with China, which now produces one-fifth of the world's commodities. With a relatively young population, India boasts the world's second largest population. India's median age is 28.7 years which is lower than China's median age of 37.4 years and Vietnam's median age of 31.9 years (CIA's World Fact book, 2020).

Chart 5.15: Labour market comparison, India, China & Vietnam, 2020

PARAMETERS	INDIA	CHINA	VIETNAM
Total Labour Force (Million)	471.68	750.6	56.54
Total Labour Force, Female (% of Total population)	26.2	63.7	62.2
Labour force participation rate (% of total population)	51.1	71	68.6
Employment in Industry (% of Total Employment)	26.18	28.18	28.36
Wage and salaried workers (% of Total Employment)	23.9	53.5	44.38
Average Daily Wages - Manufacturing (USD)	~6	~35.5	~10.48

Source: World Bank, IMF, Frost & Sullivan

Disability Analysis

According to ELCINA's 'EMS Task Force Report on Market & Industry Analysis on EMS Sector in India', the EMS Task Force along with Invest India have undertaken a detailed disability analysis of the Indian EMS industry in comparison with China. The disability analysis was undertaken for both the Professional / Industrial / Strategic sectors (HMLV) and the Consumer Products industry (Mobile & others – HVLM). The analysis suggests that disability is 8.53% in the HMLV segment which is largely catered by the domestic EMS firms. On the other hand, disability is comparatively lower at 6.97% in the HVLM segment as this segment is dominated by global EMS firms and has established supply chain networks. The analysis was later used to introduce various policies and incentive schemes for the industry.

MARKET DISCUSSION FOR SELECT SEGMENTS

There are multiple factors which contributed to the popularity of EMS among electronics OEMs globally in the last four decades:

- Outsourcing helps the OEMs to focus on their core activities (product innovation, marketing and sales). EMS companies in India are evolving to provide design services as well.
- It helps OEMs to reduce operational costs as they no longer need to invest in expensive capital equipment for electronics assembly and testing.
- It helps OEMs to de-bottleneck their capacities and scale up at a faster rate.
- It increases the purchasing power of the OEMs as large EMS companies have experience across a breadth of products and industries and have access to a wider range of suppliers.

Summary of opportunities from select business segments for Bharat FIH's EMS business in India

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Industry	Market dynamics	EMS market size (INR billion)			BFIH Share (FY21)
		FY21	FY26	CAGR	
Mobile Phones	▪ Fastest growing electronics segment in India and second largest market globally ▪ Account for approximately two-third of EMS business in India ▪ Strong growth outlook backed by favourable government policy ▪ EMS companies offer end-to-end manufacturing services for mobile phones including designing for select models	688	4,150	43.2%	23.0%
Electric Vehicles	▪ Themes such as Connected, Autonomous, Shared and Electric are driving digitalization and requirement for EMS in this space ▪ Significantly higher usage of electronics and controls in EV compared to ICEV ▪ Infotainment electronics is a fast emerging segment ▪ Critical electronics components such as infotainment, battery management system, engine control systems, hands-free communication system etc. are supplied by the EMS companies	5	70	69.5%	-
Television	▪ A key segment under consumer durables ▪ Current penetration is approximately 70% ▪ Increasing access to electricity and higher disposable income driving penetration ▪ Introduction of next-gen technologies driving demand among urban population ▪ Designing, PCB Assembly for smart TVs and final TV assembly are some of the key offerings of EMS companies in this space	43	170	31.6%	-
Hearables	▪ India is currently world's third largest wearable market ▪ Gaining popularity due to features such as internet connectivity and data exchange between a network and a device ▪ EMS companies offer end-to-end manufacturing services for hearables including electro-mechanical components	1	15	65.7%	-
Telecom and Networking Products	▪ India is one of the largest exporters of telecom equipment and this trend is expected to increase ▪ Increased outsourcing to companies with design, logistics and after-sales support services ▪ Data centre storage solutions, racks and enclosures, GPON, IP PBX, media gateway, router, modems and 5G infra-related solutions etc. are some of the current and future offerings of the EMS companies in this space	42	118	22.9%	-
IT Hardware	▪ EMS activity significantly lower compared to other segments	25	360	70.5%	-

Industry	Market dynamics	EMS market size (INR billion)			BFIH Share (FY21)
		FY21	FY26	CAGR	
	▪ Starting from basic PCB assembly to manufacturing of final products such as desktop PCs, notebook PCs, tablets, adaptors and workstations are offered by EMS companies in this space ▪ Strong growth potential considering Indian can service 15 – 20% of global demand in next 5 – 6 years				
Mechanics	▪ Mechanics business includes injection moulding, paint mechanics, metal stamping, CNC and electro mechanics assembly ▪ Strong growth outlook	16	105	45.7%	-

Mobile Phone

Mobile phones manufacturing value chain in India

Manufacturing of a mobile phone is dependent on various inter-linked factors such as product design, component sourcing and partnership with stakeholders across the value chain segments. The ecosystem is complex and the value chain of mobile phone manufacturing includes OS vendors, chipset manufacturers, mobile application developers, OEMs/EMS/ODM and distribution channels. The application ecosystem is expected to act as a key differentiator, and telecom service providers are opening application stores to attract end-customers.

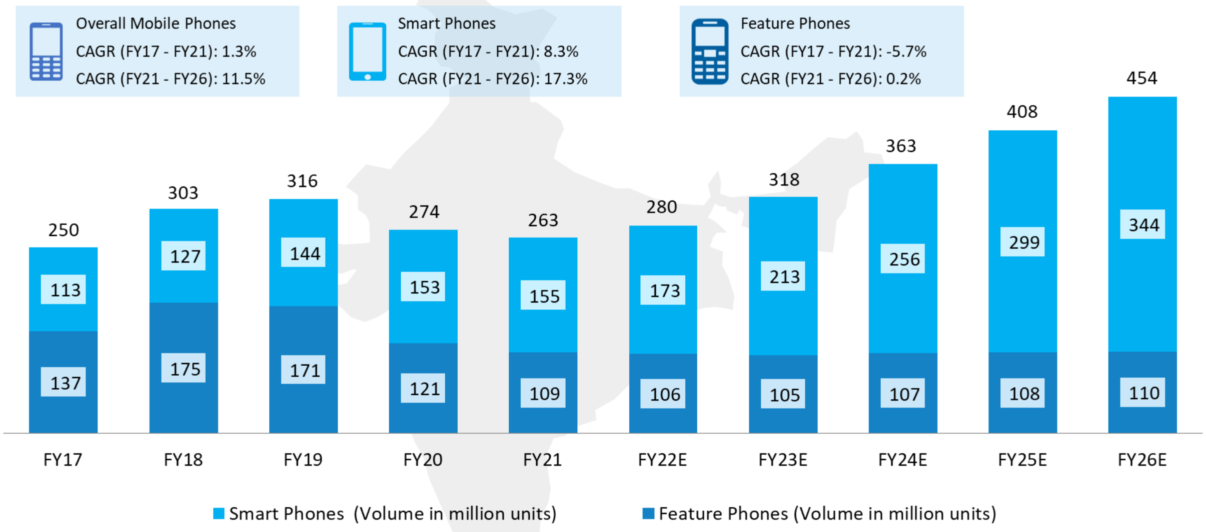
Industry overview of mobile phones in India

The mobile phone network user base in India is one of the largest in the world, with 1.19 billion subscriptions as of August 2021 (Source: TRAI). Subscriptions in urban areas contribute to 55% while those in rural areas contribute to 45%. Current mobile phone penetration in India is around 54%, compared to the global average of 78% (Source: News articles), indicating that the market is underpenetrated and there is significant opportunity for every player in the mobile phone value chain. Smart phones gained market acceptance rapidly with a CAGR of 10% by volume from FY15 to FY20, compared to feature phones which experienced a decline of (-)5% during the same period. Similarly, India's overall mobile tele-density (defined as number of mobile phone connections per 100 people) has declined from more than 91% in March 2018 to around 86% in August 2021 (Source: TRAI). With the availability of dual SIM options and mobile number portability, few are keen on having more than one mobile phone.

Market size and outlook of mobile phones in India

In FY21, the size of the Indian mobile phone market was estimated to be 263 million units by sales volume. The market is expected to grow at a CAGR of 11.5%, from FY21 to FY26 to reach 454 million units by sales volume. Smartphone market share is expected to increase by 5-7% year-on-year and to command 76% of the total market by FY26, up from 58% in FY21 by sales volume. One of the key factors driving the growth of smart phones is the shrinking price difference between feature phones and smart phones. In the rural market, smartphone penetration will be slower than in the urban market. Aside from aesthetics, the increasing popularity of smartphones can be attributed to advancements in higher RAM, high-quality cameras, processors for faster mobile phone operation, as well as other functions such as longer battery life, better applications and larger screens.

Chart 6.1: Mobile phone market, volume in million units, India, FY17-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan Analysis, Industry quarterly trackers

With the majority of suppliers using the Android operating system, product differentiation in terms of new application development, user interface and built-in features remains challenging. As a result, marketing will become increasingly important for brand recognition, resulting in increased spending and consolidation among small suppliers who cannot afford as much advertising as large, well-established brands. The OEMs' requirements in the mobile phone industry are ramp-up capabilities with scalability, cost efficiency and supply chain management.

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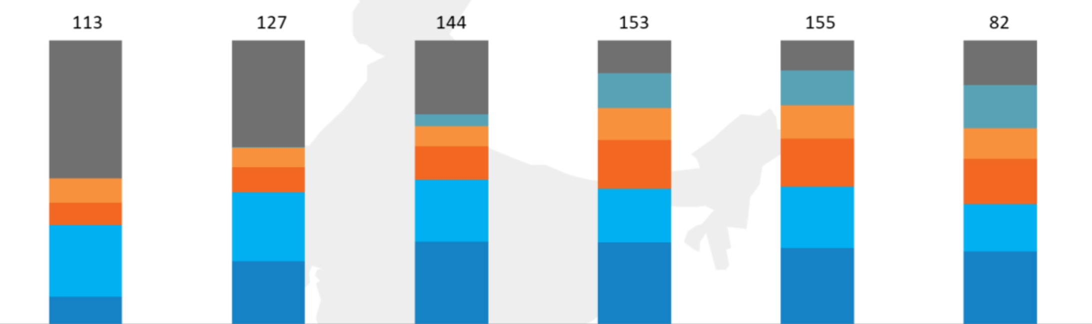
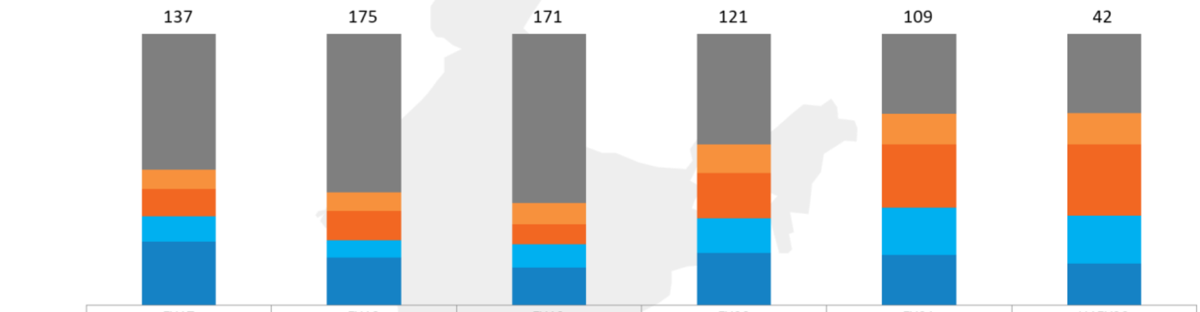
Chart 6.2 (a): Market share of Smart phones by key players, volume in million units, in %, India, FY17 – H1FY22



	FY17	FY18	FY19	FY20	FY21	H1FY22
Others	49%	38%	26%	12%	11%	16%
Realme	0%	0%	4%	12%	12%	15%
Oppo	8%	7%	7%	11%	12%	11%
Vivo	8%	9%	12%	17%	17%	16%
Samsung	25%	24%	22%	19%	22%	17%
Xiaomi	10%	22%	29%	29%	27%	26%

Source: Frost & Sullivan Analysis, Industry quarterly trackers

Chart 6.2 (b): Market share of Feature phones by key players, volume in million units, in %, India, FY17 – H1FY22



	FY17	FY18	FY19	FY20	FY21	H1FY22
Others	50%	59%	63%	41%	30%	29%
HMD	7%	7%	8%	10%	11%	12%
Itel	10%	11%	7%	17%	24%	26%
Lava	9%	7%	9%	13%	17%	18%
Samsung	23%	17%	14%	19%	18%	15%

Source: Frost & Sullivan Analysis, Industry quarterly trackers

Mobile phones are the largest EMS segment in India today and Bharat FIH is the largest player operating in the space. Bharat FIH, Dixon, Foxconn, Wistron and Pegatron are the prominent EMS companies in India. The mobile phone category is currently India's largest EMS segment, with Bharat FIH dominating the market with 23% market share. Cost-effectiveness and burgeoning domestic electronics market coupled with favourable government policy support is expected to have a positive impact on the EMS/ODM market in India. The contribution by EMS/ODM in the mobile phone segment is expected to increase tremendously in the coming years with the influx of many global companies setting-up local manufacturing capabilities. Companies like Bharat FIH, Flextronics and Dixon have already started EMS for some leading companies like Xiaomi, Apple, Motorola, Lenovo and others. Local EMS capabilities in terms of product assembly, packaging and some companies like Dixon offering reverse logistics for mobile phones is an attractive proposition for OEMs to consider EMS/ODM for local assembly. Increasing logistics and raw material costs raises production costs which affects OEMs. This will lead OEMs to turn to EMS/ODM providers, which offers complete end-to-end solution.

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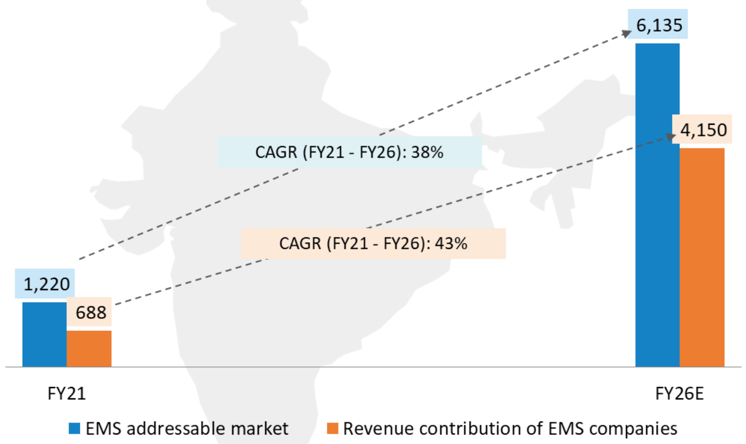
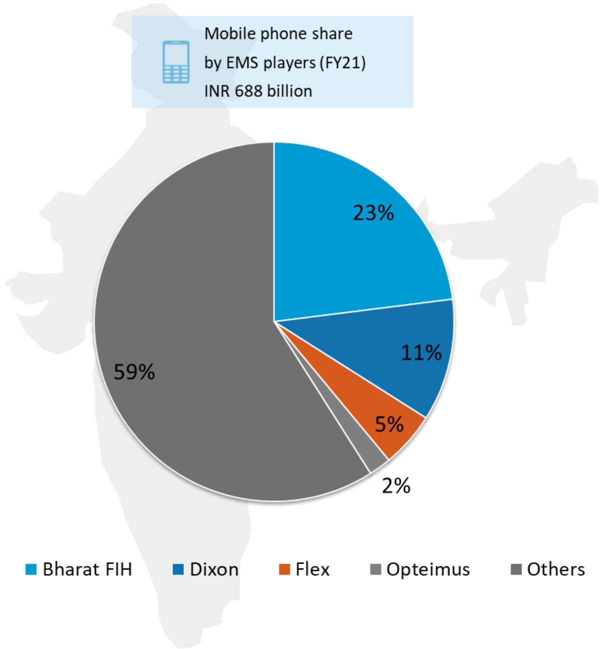
Chart 6.3: EMS addressable market and revenue contribution of EMS companies for mobile phone segment, value in INR billion, India, FY21-FY26E



** Products considered for analysis: Smart phones and Feature phones*

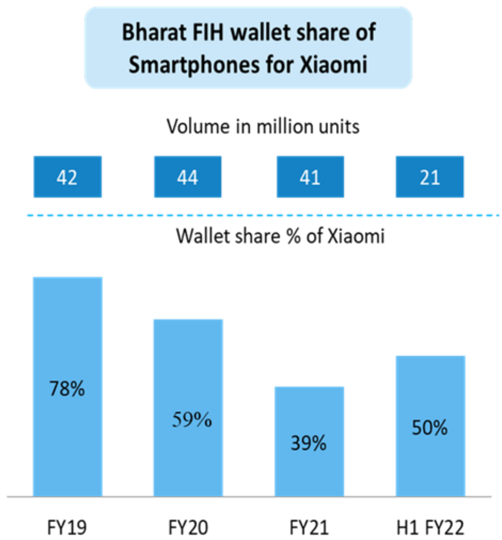
Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

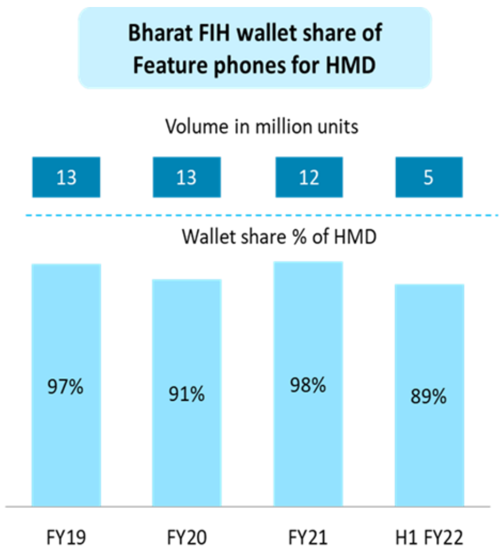
Chart 6.4: Mobile phone market share by EMS companies, by value, in %, India, FY21



Source: Frost & Sullivan analysis

Bharat FIH share of wallet[4] for Xiaomi and HMD[5]
Chart 6.5: Bharat FIH wallet share for Xiaomi and HMD, India, FY19 – H1FY22





Source: Frost & Sullivan analysis

Apart from Bharat FIH, Xioami has also partnered with other EMS players such as Flex and DBG India, and it has plans to expand its operations with the addition of more facilities. When evaluated in terms of volume, Bharat FIH accounts for around 50% of total sales in H1 FY22. Around 1% of the total Xiaomi mobile phones are imported, according to industry estimates. Bharat FIH is the major manufacturer of feature phones for HMD in India having wallet share of around 89% by sales volume in H1 FY22.

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[4] *Share of wallet / Wallet share of mobile phones refer to the percentage of OEMs' mobile phone volume sales contributed by EMS companies. It helps to understand the amount of business an OEM receives from an EMS company.*
[5] *HMD Global OY is the exclusive licensee of Nokia brand for phones and tablets. Nokia is the registered trademark of Nokia Corporation.*

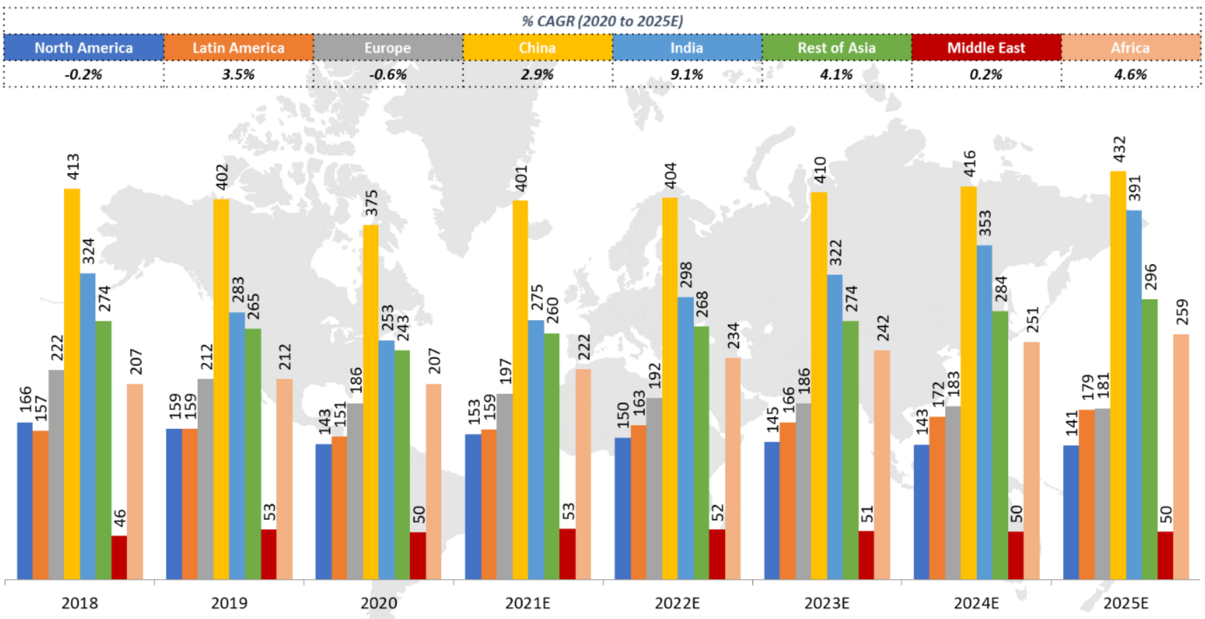
EMS capability of competitors

Name of the EMS company	Product design & development	Component manufacturing & sourcing	Manufacturing	Logistics	Aftersales
Bharat FIH	✓	✓	✓	✓	✓
Dixon		✓	✓	✓	✓
Flex		✓	✓	✓	✓
Opteimus			✓	✓	
Bhagwati			✓	✓	

Growth drivers

- **The low-cost 4G network has increased the sale of smartphones:** India has one of the lowest mobile data prices in the world, with INR 50 (USD 0.68)/GB compared to the global average of USD 4.07/GB (Source: cable.co.uk).
- **India is becoming a manufacturing hub for mobile phones:** Currently, India is the world's second largest manufacturer of mobile phones, trailing only behind China. India is expected to become a net exporter of mobile phones by 2025, a trend that is expected to continue.
- **Market growth is being driven by entry-level mobile phone segments and higher sales in tier 2 cities:** Increased internet and smartphone penetration aided the expansion of entry-level smartphones, and e-commerce website support encouraged the introduction of players such as Xiaomi, Samsung and RealMe, even in Tier-2 cities.
- **EMI option as a key growth driver:** EMI options have encouraged the adoption of smartphones as the average selling price of smartphones with advanced features is higher than that of feature phones.

Chart 6.6: Mobile phone market by region, volume in million units, Global, 2018-2025E



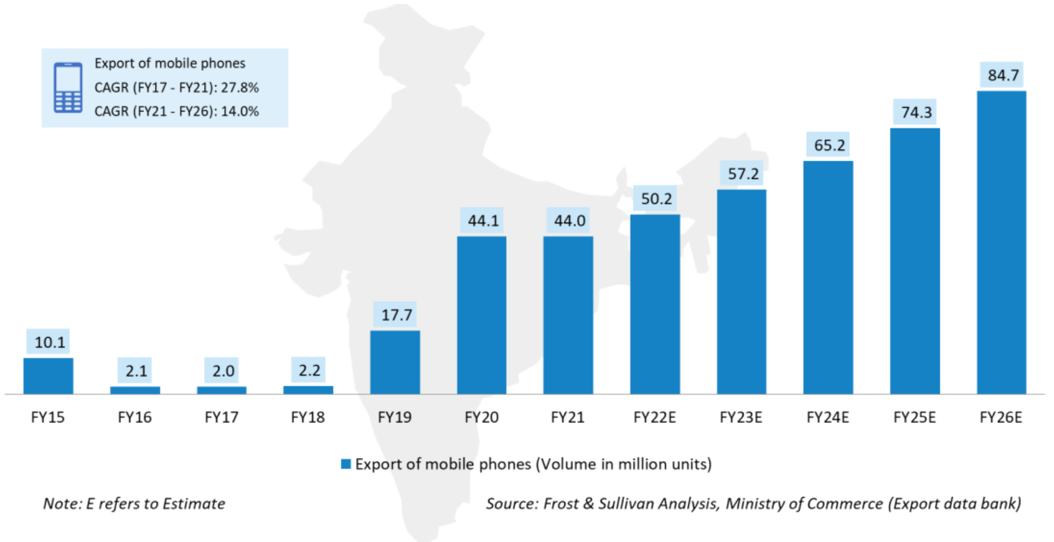
Note: E refers to Estimate

Source: Frost & Sullivan Analysis

Overall export sales globally and key countries contributing to exports

China is the world's leading mobile phone manufacturer, followed by India, Vietnam, Indonesia, the United States and Brazil. These top five nations account for 68% of all mobile phone production worldwide. With over 200 mobile phone and component manufacturing plants, India produced over 320 million units in 2019. In 2020, this decreased to around 280 million units due to the COVID-19 pandemic. More than 90% of the mobile phones manufactured are for the domestic market. The production of mobile phones is projected to increase in the near future as a result of numerous government initiatives in India.

Chart 6.7: Mobile phone export market, volume in million units, India, FY15-FY26E



Electric Vehicle

Industry Overview

The Indian electric vehicle (EV) market is still in a nascent stage, but there are recent developments from both the government and OEMs. The market includes electric two-wheelers (e2Ws), electric four-wheelers (e4Ws) (BEV, PHEV, and HEV), eRickshaws, eCarts and electric buses. Start-ups like Ather, Ola and Tork, as well as fleet services like Vogo and eBike, are driving the growth of the e2W segment. Most of the growth is in the e2W segment and eRickshaws. e4Ws are picking up pace and are expected to occupy a significant share by FY26. Battery swapping is witnessing success in the country and, in turn, is driving the EV market especially in smaller vehicle segments such as e2Ws and e-rickshaws. Charging infrastructure has also grown in recent years, reaching over 400 public charging stations.

Market size and outlook of EVs in India

Chart 6.8: Domestic market size of Electric Vehicles, volume in million units, India, FY19-FY26E

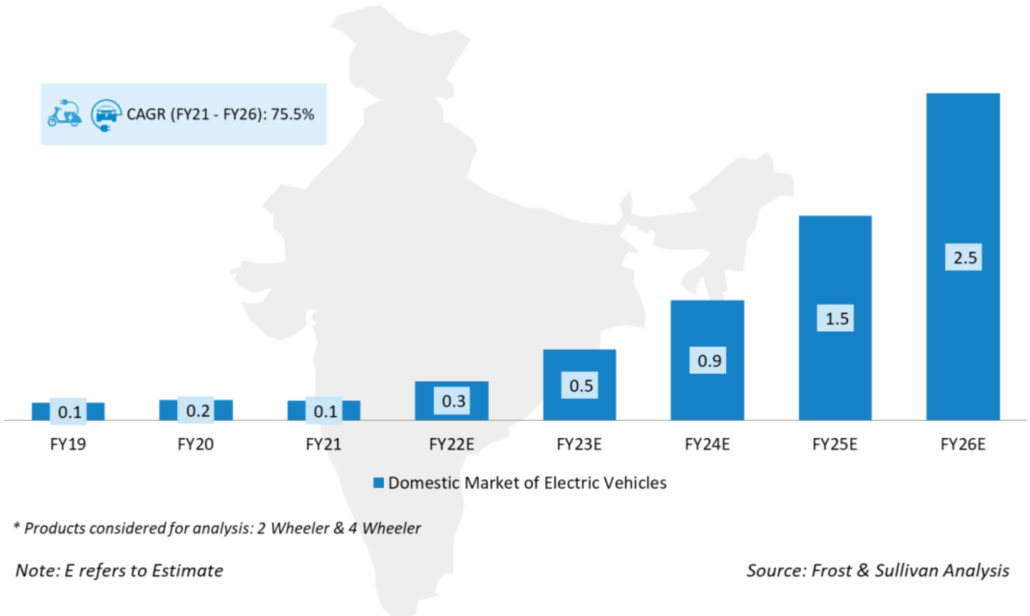
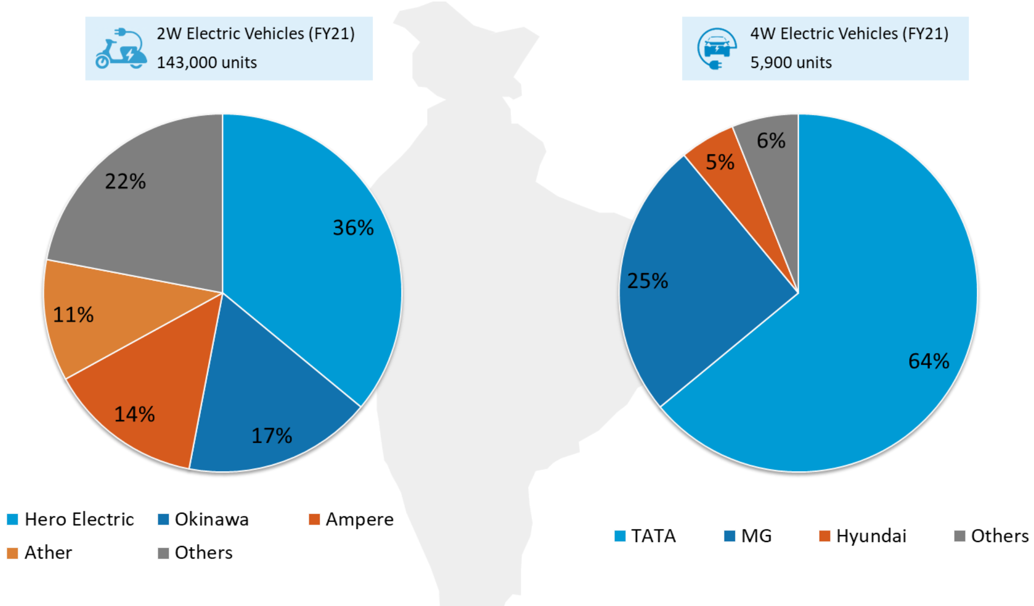


Chart 6.9: Electric vehicle market share of 2 wheeler and 4 wheeler by key players, by volume, in %, India, FY21



Source: Frost & Sullivan analysis, Auto industry trackers

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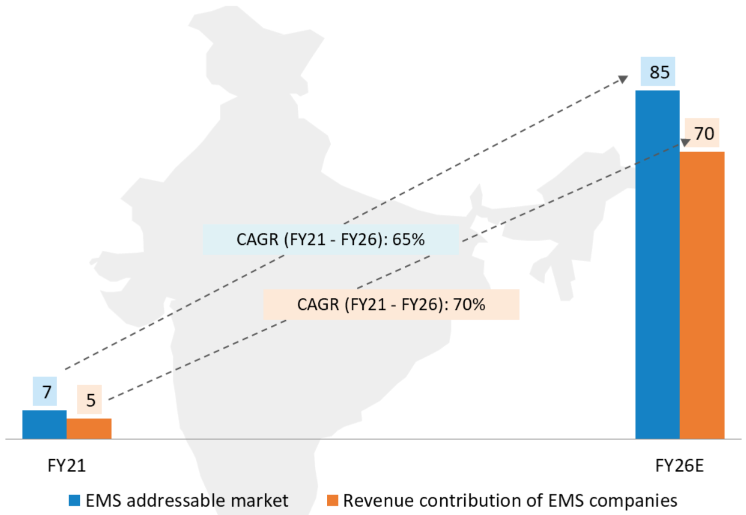
EMS/ODM market landscape

Chart 6.10: EMS addressable market and revenue contribution of EMS companies for EV segment, value in INR billion, India, FY21-FY26E



** Products considered for analysis: Vehicle control unit / Power control unit, Battery management system, Head unit and others*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

The EV segment is in a growth phase and India is competing equally with the global leaders. The electric mobility market, specifically for products such as carry and static chargers, controllers and battery management systems, has very good potential. India is on a continuous growth path in the EMS market in the EV / Electric mobility segment. The OEMs' requirements in this industry are speedy and high-quality manufacturing, supply chain management and prototype development.

EMS capability of competitors

Name of the EMS company	Product design & development	Component manufacturing & sourcing	Manufacturing	Logistics	Aftersales
Bharat FIH	✓	✓	✓	✓	✓
Kaynes	✓	✓	✓	✓	
Syrma SGS		✓	✓	✓	

Growth Drivers

- **Incentives and subsidies for the EV market:** As part of the Make in India initiative, the government is providing incentive schemes and subsidies (FAME I and II) for domestic companies, which they can use to partner with global companies and establish manufacturing facilities, thereby increasing local market growth and lowering the final cost of the vehicle.
- **Reducing carbon emission:** Increased fuel costs will play a significant role in increasing the adoption of electric vehicles, beginning with e2Ws in India. The electric vehicle, with its zero-emission assurance, is the transportation mode of the future. Transportation in India accounts for approximately 10% of the country's carbon emissions. India is poised to pioneer a new sustainable mode of transportation via the electric vehicle.
- **Emission norms:** Stringent emissions norms to improve the air quality and reduce carbon emissions are forcing OEMs to launch more electric vehicles. The government has committed to reducing the air pollution concentration.
- **Government Incentives**
  - Tax exemption under Section 35 AD of the Income Tax Act and other indirect tax benefits to the EV component manufacturers.
  - Cost subsidies ranging from INR 7,500 to INR 6,100,000 on 2W, 3W, buses and cars to the OEMs.
  - Incentives between 50% to 100% of costs and state government subsidies on tariff on power supplied to charging stations.
  - Interest paid on EV loan to act as income tax rebates with a total exemption benefit of INR 2.5 lakh.

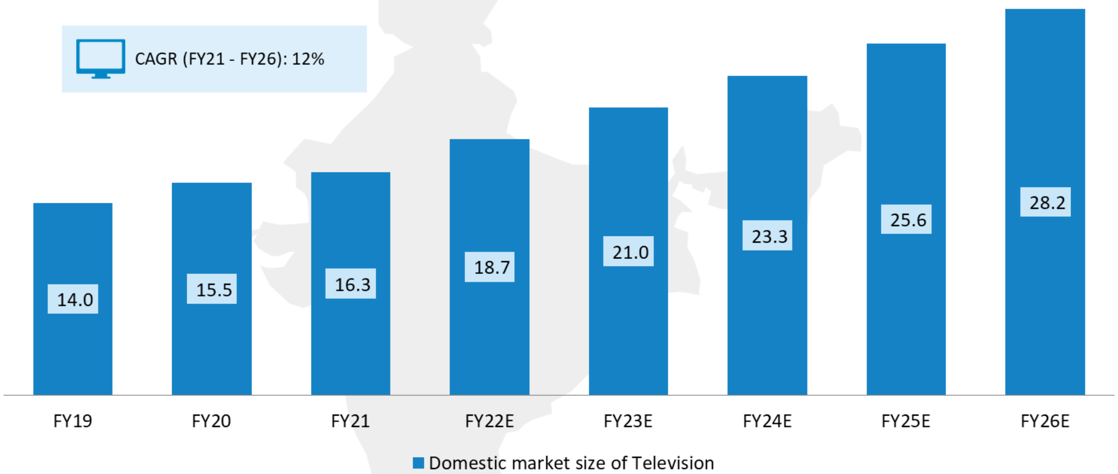
Television

Industry Overview

TV penetration in India is approximately 65%, which is the highest among the consumer electronics. Television is one of India's fastest growing consumer electronics products. This is demonstrated by the fact that while the total number of houses in the country increased by 3% in FY20, the TV market expanded by 8% during the same period. Television's increasing penetration in Indian households can be due to lower manufacturing costs and increased customer affordability. Households in India are on the verge of a transformation, with a shift in choice away from conventional television sets toward smart television sets. The middle-class population's lifestyle is changing as a result of rising income levels, increased awareness, acceptance of new technology and increased internet coverage.

Market size and outlook of TV industry in India

Chart 6.11: Domestic market size of Television, volume in million units, India, FY19-FY26E



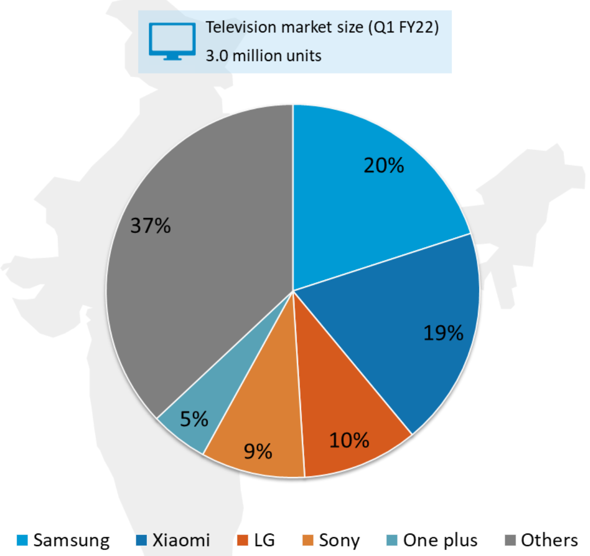
** Products considered for analysis: FPD - LED, LCD, OLED; Smart & Non-smart TV*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

The Indian television market comprises sets equipped with light-emitting diode (LED), liquid crystal display (LCD), high definition (HD) and ultra-high definition (UHD) technologies. Smart TVs are gaining market share over non-smart TVs. Between 2019 and 2021, the Indian smart TV market grew by 55-65% year-on-year. Consumers in the TV segment are being driven by the availability of HD content, high speed broadband and declining prices. Domestic manufacturing is a low-value-added activity as panels are imported and final assembly is performed locally. The lack of a supportive ecosystem, high panel manufacturing costs and the technology-intensive nature of panel manufacturing contribute to an assembly-intensive industry.

Competitive landscape of OEMs

Chart 6.12: Market share of Television by key players, by volume, in %, India, Q1 FY22

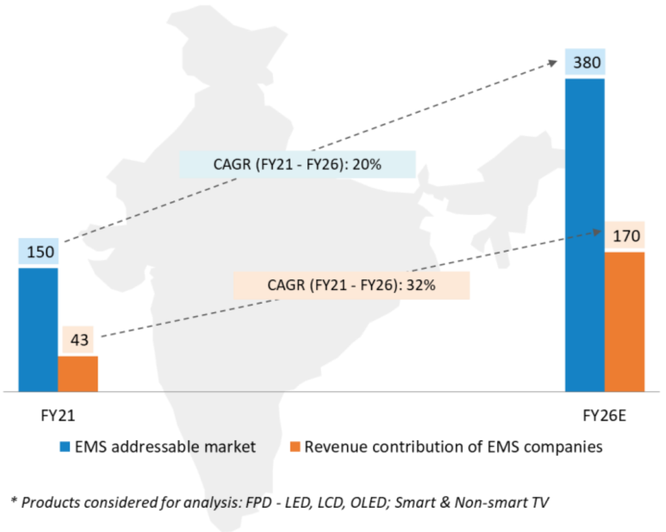


Source: Frost & Sullivan analysis, Industry quarterly trackers

The smart TV market continued to grab share from the non-smart TV market since last 3-4 quarters. Contribution from smart TV market is around 80% by volume. Xiaomi, Samsung, LG and Sony held the lion's share in the smart TV market in Q2 2021. Non-smart TVs from Samsung and LG has some traction in the market. The smart TV market in India recorded an extraordinary 60%+ year-on-year growth in Q2 2021. Due to the increasing smart TV demand, OEMs are increasing new models in their product portfolios rapidly. The OEMs' requirements in this industry are dedicated capacity, high-speed and high-quality manufacturing, cost-effective solutions, as well as a stable supply of finished products and reliable manufacturing.

EMS/ODM market landscape

Chart 6.13: EMS addressable market and revenue contribution of EMS companies for Television segment, value in INR billion, India, FY21-FY26E



Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

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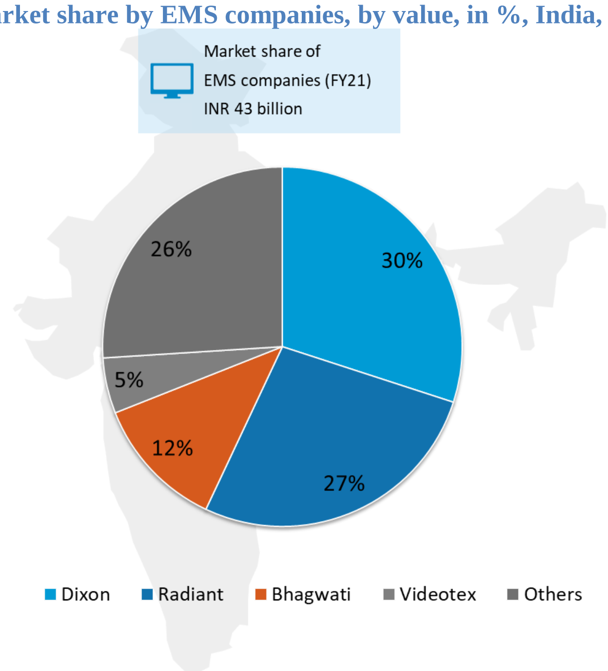
Chart 6.14: Television market share by EMS companies, by value, in %, India, FY21



Source: Frost & Sullivan analysis

EMS capability of competitors

Name of the EMS company	Product design & development	Component manufacturing & sourcing	Manufacturing	Logistics	Aftersales	Key customers
Bharat FIH		✓	✓	✓		VU
Dixon	✓	✓	✓	✓	✓	Haier, Panasonic,
Radiant		✓	✓	✓	✓	Oneplus
Bhagwati			✓			Realme
Videtex		✓	✓			Realme

Growth Drivers

- **Advanced Smart TV models in varied price ranges:** Sale of smart TV is sparked by the availability of advanced smart TV models at varied range of pricing points. The rising resolution of televisions (from HD to 4K and beyond) increases average sales prices of TV. Customers have also shown interest in UHD models which has also boosted the TV unit sales.
- **Penetration in rural market:** Due to the sheer rising penetration of television across the country, having a television set at home is no longer restricted to urban households.
- **Growth in Television broadcast content:** Smart television market is predicted to rise across segments as a result of the increasing broadcasting material from over-the-top platforms such as Netflix, Amazon Prime and others.
- **Rise in disposable income and easy financing schemes:** Increased discretionary income and easy financing have resulted in shorter product replacement cycles and evolving lifestyles in which consumer electronics, such as televisions, are viewed as utility items rather than luxury items. In comparison to metro cities, non-metro markets have grown rapidly in terms of consumption, establishing themselves as key target markets and posing a massive opportunity to transform themselves into new business hubs.

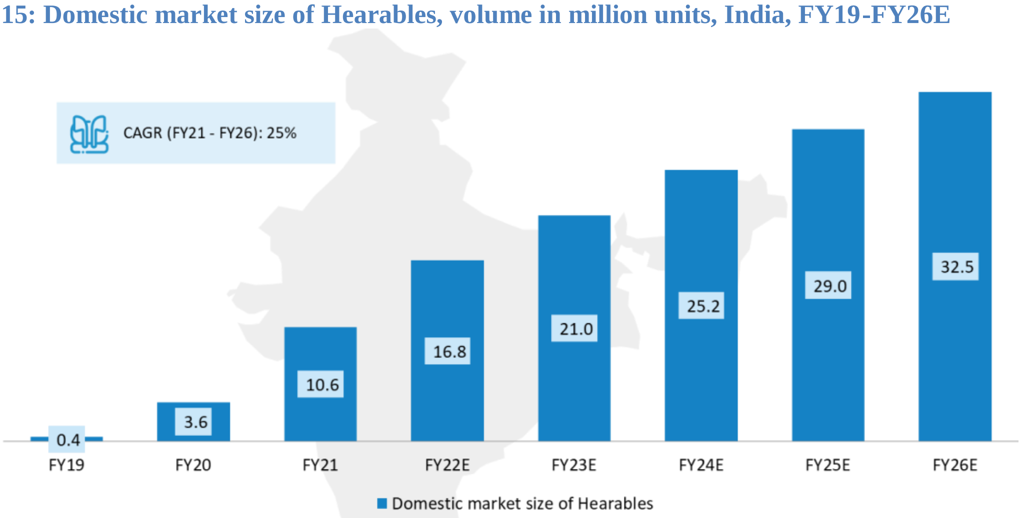
Hearables

Industry Overview

Wearable technology is an emerging trend that integrates electronics into daily activities and addresses changing lifestyles. Wearable technology is gaining popularity due to features such as internet connectivity and data exchange between a network and a device. India is currently the world's third largest wearable market. In 2020, India's wearables market grew more than 100% year-on-year. This increase was driven by an increase in number of people purchasing earphones as a result of the need to work from home during lockdown.

Market size and outlook of Hearables industry in India

Chart 6.15: Domestic market size of Hearables, volume in million units, India, FY19-FY26E

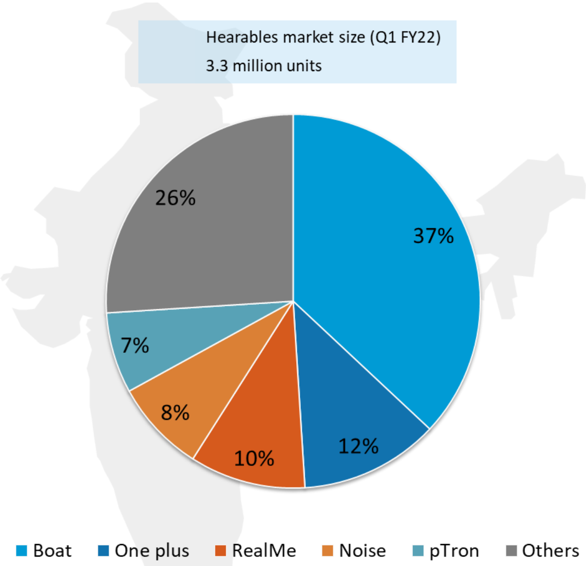


** Products considered for analysis: Hearables TWS (True Wireless Stereo)*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

Competitive landscape of OEMs

Chart 6.16: Market share of Hearables by key players, by volume, in %, India, Q1 FY22



Source: Frost & Sullivan analysis, Industry quarterly trackers

Affordability has been the key for Indian brands, and these brands have been immensely successful in gaining a significant portion of the market. The earwear market grew more than threefold in 2020 compared to the previous year. This was mainly due to affordable options becoming available, as well as increase in demand for such devices due to virtual meetings and e-learning during the COVID-19 pandemic. OEMs' requirements in this industry are localised/domestic manufacturing, speedy and high-quality manufacturing, as well as cost-effective solutions.

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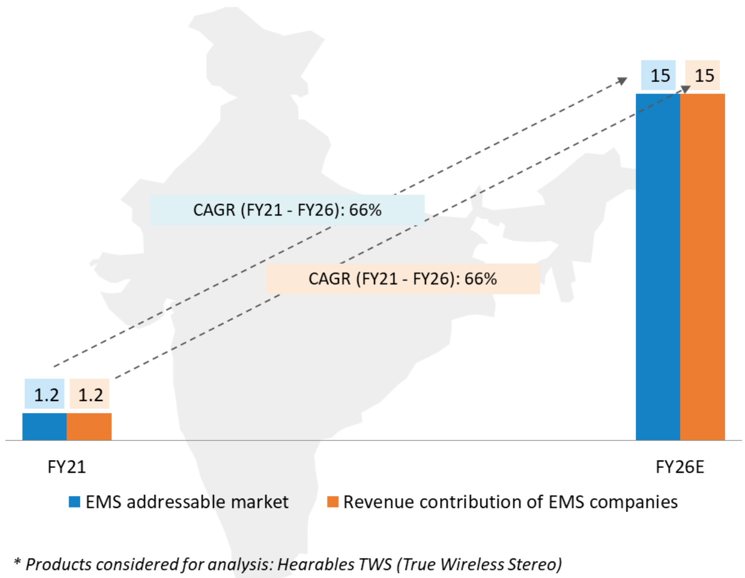
Chart 6.17: EMS addressable market and revenue contribution of EMS companies for Hearables segment, value in INR billion, India, FY21-FY26E



** Products considered for analysis: Hearables TWS (True Wireless Stereo)*

Note: E refers to Estimate

Source: Frost & Sullivan Analysis

EMS capability of competitors

Name of the EMS company	Product design & development	Component manufacturing & sourcing	Manufacturing	Logistics	Aftersales	Key customers
Bharat FIH		✓	✓	✓		Boat
Opteimus		✓	✓	✓	✓	Noise

Growth Drivers

- **Income growth and rising purchasing power** has led to an increase in sales of consumer electronics. With aesthetic design, improved battery life and better connectivity, hearables are evolving from a nice-to-have device to one that positively impacts the lifestyle.
- **Favourable demography with a large young population base** has resulted in the adoption of hearables. The growing trend towards the adoption of technology gadgets by the tech-savvy Indian youth population will drive the wearables market during the forecast period.
- **Increasing internet penetration and sales through eCommerce will augur well for market growth:** Wearables are preferably purchased online by consumers due to the high discounts provided by e-commerce platforms. High discounts and festive sales will boost the growth of wearables market in India.

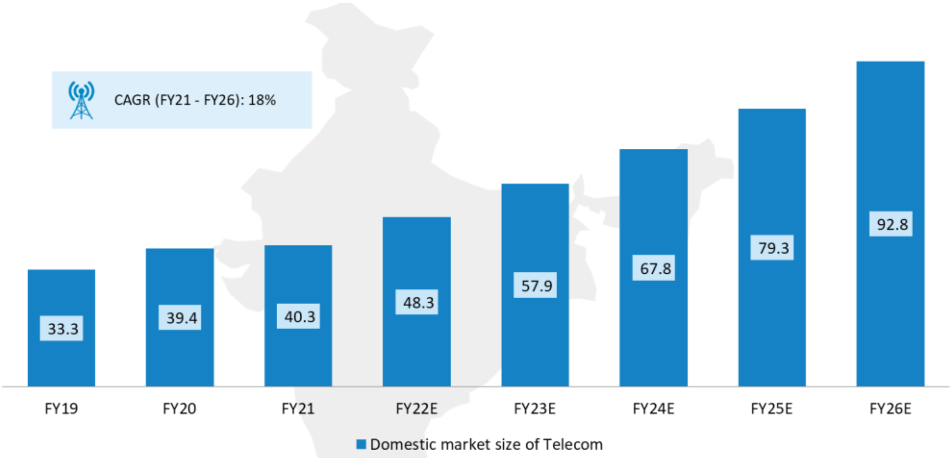
Telecom and networking products

Industry Overview

The Telecom and Networking Products industry primarily comprises telecom service providers, telecom equipment manufacturers and suppliers and passive infrastructure providers. India is currently the world's second largest telecommunications market with a subscriber base of around 1.16 billion. Over the next five years, increased mobile phone penetration and reduced data prices will add 500 million additional internet users in India. The government has eased market access for telecom equipment and provided a fair and proactive regulatory environment to ensure consumer access to affordable telecom services. The growth of direct and indirect competition in the telecommunications market has impacted revenue growth and profit margins. While telecommunications penetration is high, IT and VAS infrastructure is still developing. Long-term growth requires a shift from traditional revenue streams to cloud alternatives.

Market size and outlook of Telecom and Networking Products industry in India

Chart 6.18: Domestic market size of Telecom and Networking Products, Volume in million units, India, FY19-FY26E

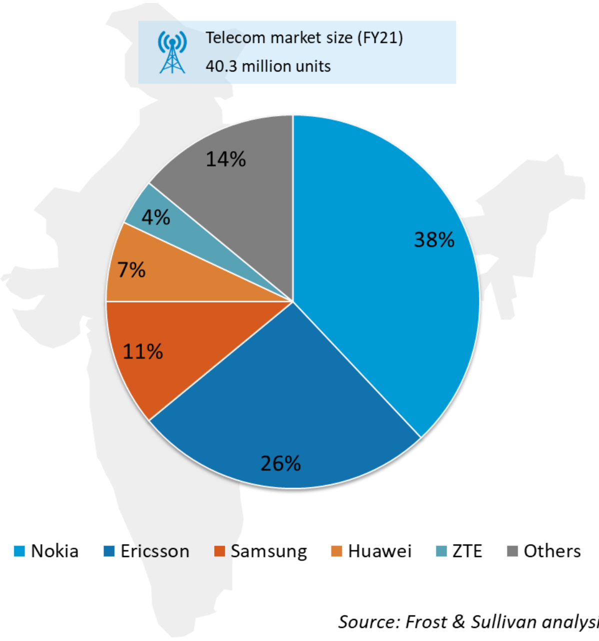


** Products considered for analysis: Base Transceiver Station (BTS); Digital Subscriber Line Access Multiplexer (DSLAM); Gigabit Passive Optical Networks (GPON); Internet Protocol Private Branch Exchange (IP PBX); Media gateways; Modems; Enterprise routers; Synchronous Transport Module (STM)*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

Competitive landscape of OEMs

Chart 6.19: Market share of Telecom and Networking Products by key players, by volume, in %, India, FY21



Source: Frost & Sullivan analysis

Global players like Ericsson, Nokia, Samsung, ZTE and Huawei dominate the telecom equipment market. Other players may be trying to build their capabilities and do some trials with the operators, so it will be interesting to see how that eco-system develops in the country over time. To maintain a competitive Telecom and Networking Products market, the Telecom Regulatory Authority of India and the government must encourage new entrants and prevent unnecessary exits. Syrotech, Netlink,Tejas, Alcatel Lucent, Bharat FIH, Syrma SGS, Tejas Networks, Speech & Software Technologies, HFCL, Coral Telecom and Alphion India are key telecom and EMS players. The OEMs' requirements in this industry are technical expertise in the manufacturing of large and complex PCBAs and quick ramp-up capabilities.

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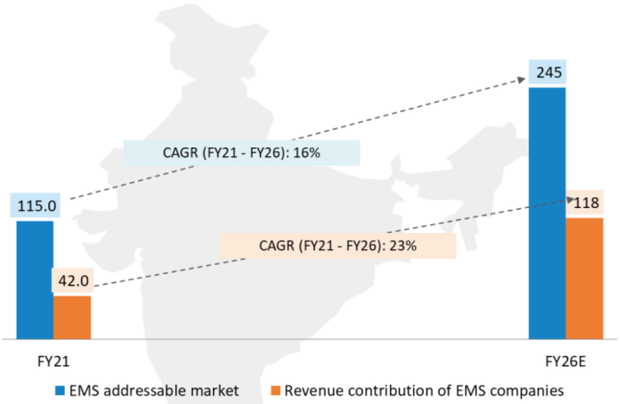
Indian firms need direct help to compete globally. This could include low-cost capital, land and intellectual property support. Self-sufficiency or 'Atmanirbhar' is desirable and possible. The government's recent announcement of an INR 33.45 billion PLI scheme, in which 31 proposals were approved, is expected to boost telecom equipment production. In addition, this is the first PLI scheme which included MSMEs.

Chart 6.20: EMS addressable market and revenue contribution of EMS companies for Telecom and Networking Products segment, Value in INR Billion, India, FY21-FY26E



** Products considered for analysis: Base Transceiver Station (BTS); Digital Subscriber Line Access Multiplexer (DSLAM); Gigabit Passive Optical Networks (GPON); Internet Protocol Private Branch Exchange (IP PBX); Media gateways; Modems; Enterprise routers; Synchronous Transport Module (STM)*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

The incentive scheme such as the PLI scheme for Telecom and Networking Products will boost manufacturing in the midst of the 5G construct. Akashastha Technologies, Dixon Electro Appliances, HFCL Technologies, ITI, Neolync Tele Communications, Syrma Technology, Tejas Networks and VVDN Technologies are some of the winners of the PLI scheme. The MeitY has approved Indian companies in the telecom segment, including Lava, Bhagwati (Micromax), Padget Electronics, UTL Neolync and Optiemus Electronics (MeitY). AT & S, Ascent Circuits, Visicon, Walsin, Sahasra and Neolync were among six other companies approved under the Specified Electronic Components Segment.

EMS capability of competitors

Name of the EMS company	Product design & development	Component manufacturing & sourcing	Manufacturing	Logistics	Aftersales
Bharat FIH		✓	✓	✓	
HFCL		✓	✓		
Syrma SGS	✓	✓	✓	✓	✓

Growth Drivers

- **Removal of duty exemption on imported products:** In line with the 'Make in India' initiative, exemption from the basic customs duty, special additional duty and countervailing duty has been removed on select components. This is intended to benefit domestic manufacturers by increasing the cost of imports. Import tariffs on inputs that contribute to the manufacture of such parts and components have also been removed to encourage local production.
- **Capex Optimization:** Spend on capex in the Telecom and Networking Products industry is very high. Nearly 40% to 60% of the capex is being utilised for setting up and managing the telecom infrastructure. As revenue per tower and average revenue per user is declining over a period of time, sharing of the telecom tower and other types of infrastructure is imminent. By sharing the infrastructure, operators can optimise their capex and focus on providing advanced services to their subscribers.
- **4G and 5G Infrastructure in India**: While Airtel, Vodafone and Jio have concluded the roll out of its 4G services on pan-India basis, service providers are gearing up for 5G roll out in India which will boost the customer utilization of high-end data products. 5G is required to create new economic value in India and globally. The business opportunity for 5G in India is huge and it will encourage investors to participate, manufacture, sell and export to the global market.
- **Increased telecom coverage and capacity:** Having innovation at its core, Indian telecom tower business has carved a world-wide niche in terms of infrastructure sharing. By focusing on right mix of competencies and business opportunities, the tower industry is expected to drive the next infrastructure revolution and recognise the vision of broadband for all in India. The telecom tower business has

remained a pivotal force in routing the connectivity revolution in India. Between 2007 and 2020, total number of towers has grown over two-fold having a CAGR of more than 7% to reach 606,000 in 2020.

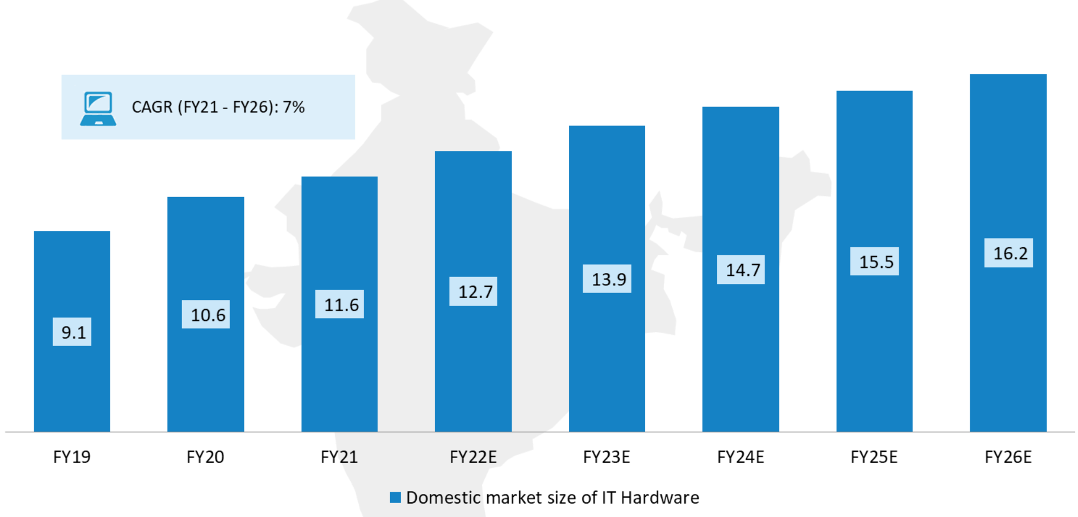
IT Hardware

Industry Overview

The IT hardware market encompasses all physical components that includes computing hardware (desktop PCs, notebook PCs, tablets, adaptors and workstations), all of which are produced by global companies such as Samsung, Apple, Acer and Lenovo, with the majority produced in China. Challenging macro-economic outlooks, along with the rising demand for PCs has slowed down the PC sales in India. Notebook PCs saw a high level of shipments in 2019 to 2021. Desktop PCs also witnessed more than 5% growth year-on-year mainly driven by the refreshed purchases from the banking and financial institutions. The Indian tablet PC market is being driven by features such as portability, lightweight, quick start-up and easy online browsing. Furthermore, government digital education initiative requiring the use of tablets in schools and colleges for educational purposes, as well as the growing use of hybrid-tablets in business will provide significant growth prospects for the industry in the future. With an emphasis on innovation and customer centricity, the sector will continue to move toward providing better technologies. Supporting the government's Digital India programme, educational transformation, fast-moving consumer goods, delivery network, travel and tourism and hospitality are all major priority areas for the IT hardware sector.

Market size and outlook of IT Hardware industry in India

Chart 6.21: Domestic market size of IT Hardware, Volume in million units, India, FY19-FY26E



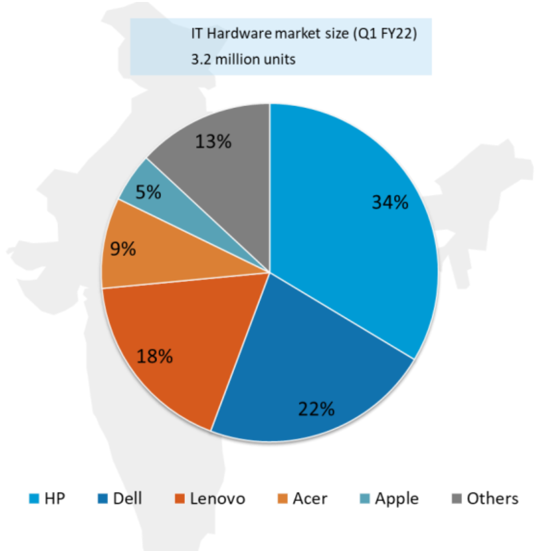
** Products considered for analysis: Desktops, Notebooks and Workstations*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis, Industry trackers*

In FY21, the Indian IT Hardware market was estimated to be 11.6 million units by sales volume. The market is expected to grow at a CAGR of 7%, from FY21 to FY26 to reach 16.2 million units by sales volume. The second wave of the COVID-19 pandemic and the resulting long term closure of educational institutions has led to an increase in shipments of desktops, laptops and tablets by 40-50% year-on-year in FY21. The enormous demand in the consumer category is mostly driven by online education which has resulted in the laptop/notebook PCs' better performance. Similarly, gaming laptop PCs were one of the fastest-growing categories, demonstrating the country's growing popularity with gaming. The OEMs' requirements in this industry are PCBA, testing and packaging and box build capabilities, as well as supply chain management.

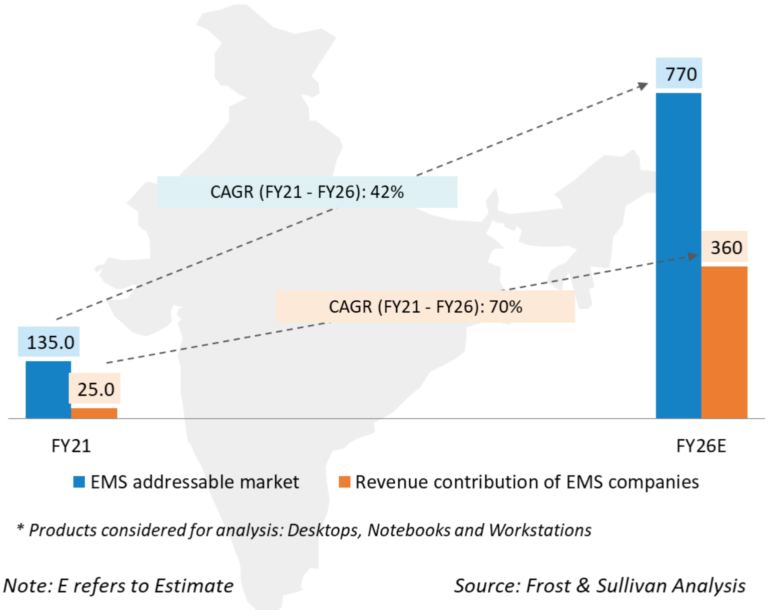
Competitive landscape of OEMs

Chart 6.22: Market share of IT Hardware by key players, by volume, in %, India, Q1 FY22



Source: Frost & Sullivan analysis, Industry quarterly trackers

Chart 6.23: EMS addressable market and revenue contribution of EMS companies for IT Hardware segment, Value in INR Billion, India, FY21-FY26E



** Products considered for analysis: Desktops, Notebooks and Workstations*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

Growth Drivers

- **Faster adoption of virtual lifestyle:** The rapid adoption of the virtual lifestyle by large enterprises, small and medium businesses, and start-ups is cited as the primary driver of increased PC demand. In addition, millions of students purchased personal computers to use for online learning. As the amount of time spent on screens increased, a large number of millennial and youth who previously used mobile phones and laptops for computing began to prefer PCs. Increasing adoption of tablets and notebooks in the Gen Y population especially in the 25-to-45-year-old demographic will help the sales grow.
- **Notebooks and tablets leading the growth path:** Falling prices and subsidies relationships with carriers are set to drive sales of tablet devices. Rising demand from the enterprise segment gives notebooks and tablets a place in schools, offices and in the field.

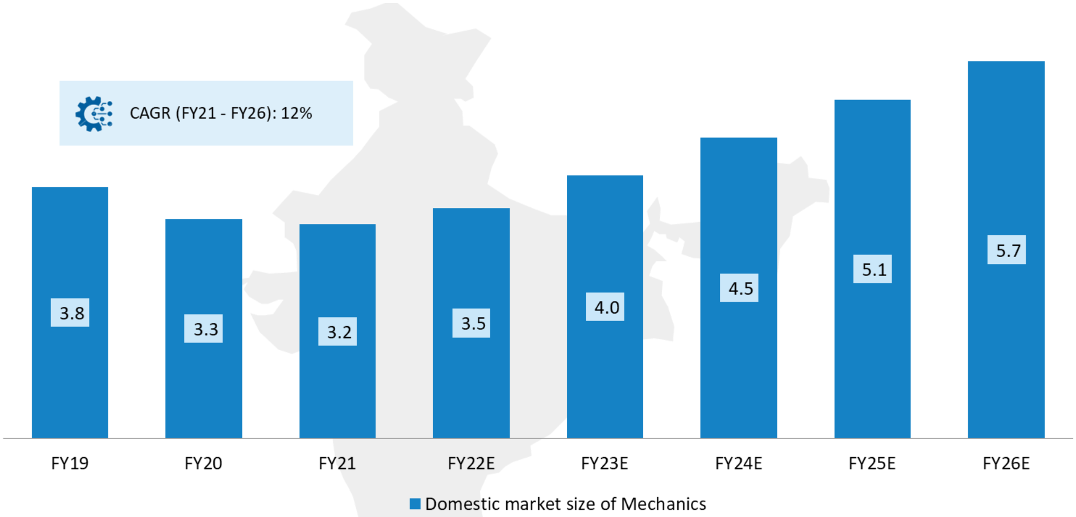
Mechanics

Industry Overview

Electronics is a very large and diverse industry that serves countless residential, industrial and commercial needs. Mechanics encompasses the various parts or components of an electronic device, which include both metal and plastic-moulded components. Mobile phones, IT hardware, telecom equipment and home appliances all contain metal and plastic-moulded components. Metal components in mobile phones include UI shield, frame, antennae and camera lens holders. It involves various processes such as metal stamping, forging, casting and machining for manufacturing metal components. There are numerous metal stamping applications within its subsets. Plastic moulded parts in a mobile phone, for example, include front and rear covers, side keys, LCD support and other similar parts or components. Plastic moulding involves processes such as injection moulding, blow moulding and extrusion.

Market size and Competitive outlook

Chart 6.24: Domestic market size of mechanics, volume in billion units, India, FY19-FY26E



** Products considered for analysis: Mobile phones, Hearables TWS and Electric Vehicles*

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

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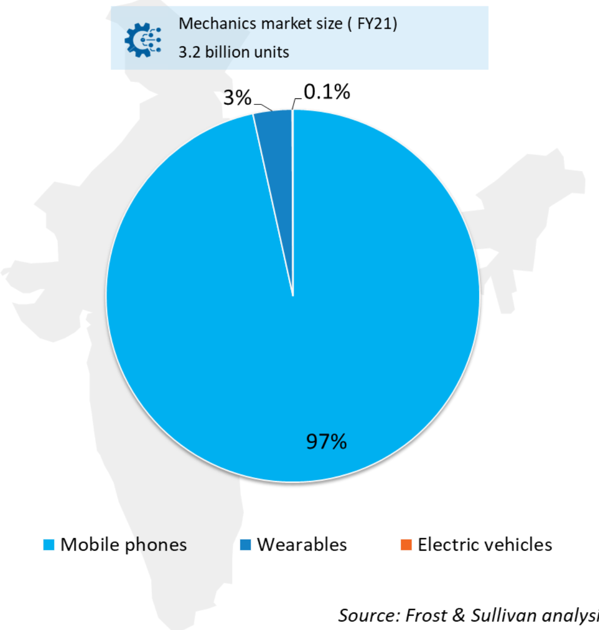
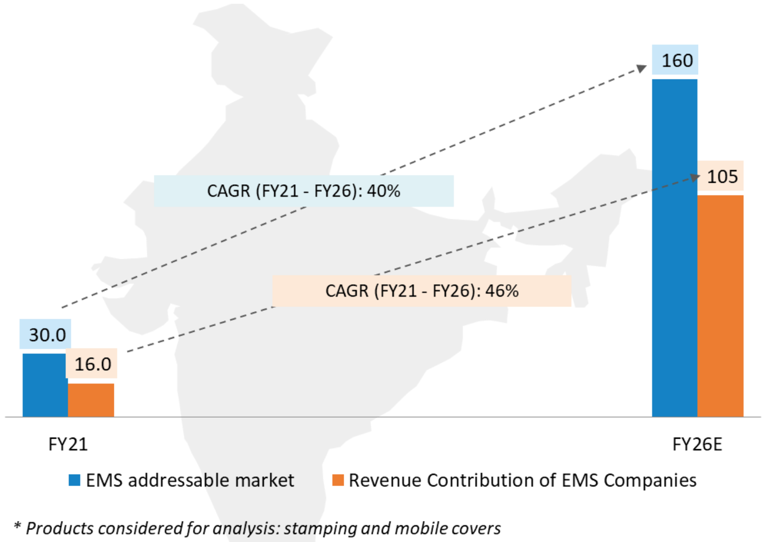
Chart 6.27: Mechanics market split by segments, volume in billion units, India, FY21



Source: Frost & Sullivan analysis

In India, the mechanics business (notably stamping, moulding, painting and machining) is heavily reliant on imports with few companies producing locally despite the presence of a manufacturing base. The majority of imports are from China and Taiwan. In India, the market is in its infancy, and there is considerable possibility for growth in the future. Some of the key global players include Sunwoda, JGP Wuxi, Bharat FIH and Lingyi Tech. There are around 8-10 companies based in NCR region, such as Sunwoda, Subros, Lemei and others. Only a few players are supplying to OEMs, while others cater to the aftermarket. The OEMs' requirements in this industry are speedy and high-quality manufacturing, cost efficiency and supply chain management.

Chart 6.28: Domestic market size of mechanics segment, value in INR billion, India, FY21-FY26E



Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

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Growth Drivers

- The telecommunications sector has attracted a large amount of FDI in India, and the amount invested in this sector has more than doubled each consecutive year. Currently the mechanics segment in India is limited to a few companies with a very low base, therefore the growing smartphone and feature phone market in India is going to give a push to this industry which is yet to operate on a full-scale basis.
- The development of stamping and moulding capacities in the mechanics and automotive industries will open up a win-win situation for both industries.
- Further localisation of mechanics and continuously reduction of import dependency by inviting local and foreign companies to avail PLI facilities and tax relief will also drive growth in the mechanics industry.

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OUR BUSINESS

Unless otherwise indicated, industry and market data used in this section has been derived or extracted from the report titled "Market Assessment for India EMS/ODM Industry" dated 14 December 2021 (the "F&S Report") prepared and issued by Frost and Sullivan (India) Private Limited, which has been commissioned, and paid for, exclusively by us only for the purposes of confirming our understanding of the industry we operate in, in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year or period, refers to such information for the relevant year or period.

In this section, unless the context otherwise indicates, references to "we", "us", "our" and similar terms are to our Company together with the Subsidiaries.

OVERVIEW

We are the largest Electronic Manufacturing Services (EMS) provider in India, with approximately 15% market revenue share in Financial Year 2021 and more than twice the revenue of the second largest EMS provider in the country in Financial Year 2021, according to the F&S Report. In addition to our EMS services, which mainly comprise manufacturing services, we are building the capabilities to provide Original Equipment Manufacturers (OEMs), who are our brand-owning customers, with a comprehensive, vertically integrated "one-stop solution" comprising a range of Original Design Manufacturing (ODM) services including product design and development, component manufacturing and sourcing, logistics, and after-sales services. Our service offerings are aimed at enabling our customers to reduce manufacturing costs, improve supply chain management, reduce inventory obsolescence and product fulfilment time, and accelerate their time-to-market, time-to-volume and time-to-money requirements.

Since we commenced operations in 2015, we have focused on the manufacturing of mobile phones. We are the largest EMS provider to the mobile phone industry in India, with 23% market revenue share in Financial Year 2021, according to the F&S Report. We are the largest mobile phone manufacturing and assembly services provider to Xiaomi Technology India Private Limited ("Xiaomi"), which is the leader in the Indian smart phone industry with 27% and 26% market share by volume in Financial Year 2021 and the six months ended 30 September 2021. In those periods we had a 39% and 50% share of Xiaomi's mobile phone sales by volume. Since March 2021 we have been expanding our business into industries other than mobile phones, with a focus on high-growth industries that benefit from market tailwinds, including mechanics, electric vehicles, televisions and hearables. Some of these industries are expected to benefit from regulatory support such as production-linked incentive schemes ("PLIs"), which are part of the Government of India's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which seeks to provide a range of PLIs and other benefits for manufacturing in India. Our applications for PLIs for the mobile phone, telecom and networking products, and IT hardware industries have been approved in October 2020, October 2021 and July 2021. Given the significant under-penetration and increasing per capita usage of these products in India, the country's total addressable EMS market is expected to grow to US$135 billion by Financial Year 2026 with a CAGR of 30.3% between Financial Years 2021 and 2026, giving us substantial growth opportunities to diversify into these new high-growth industries and provide new categories of customers with a range of service offerings. We have, within a few months, been successful in obtaining business from market leading brands in some of the new industries we are expanding into.

We conduct our operations across three campuses based in the states of Andhra Pradesh and Tamil Nadu in India, each of which integrates manufacturing, warehousing, logistics and accommodation facilities. Our campuses comprise an aggregate of 94 production lines, consisting of 29 surface mount technology (SMT) lines, 35 assembly lines and 30 sub-assembly mechanics lines. Our campuses are staffed by a workforce of over 25,000, of whom approximately 85% are women and for a majority of whom we offer accommodation at or near our campuses. Our operations are enhanced by our product research and development teams, including at a recently inaugurated R&D centre based at the Indian Institute of Technology (Madras) Research Park. Our R&D capabilities will enable us to offer customers innovative EMS and ODM solutions, and also provide technological solutions to increase operational and cost efficiencies in our own processes.

Our revenues from operations in Financial Years 2019, 2020 and 2021 were ₹343,453.89 million, ₹266,355.58 million and ₹158,548.58 million. Our business experienced revenue contraction on account of market factors affecting the mobile phone industry and our OEM customers, as well as the effects of the COVID-19 pandemic. Despite the challenges affecting our business and industry, we generated revenues from operations of ₹101,557.92 million in the six months ended 30 September 2021, compared to ₹63,945.78 million in the six months ended 30

September 2020. We maximise the utility of our assets by optimising our operational efficiency and increasing our return on capital employed, while focusing on the quality of the products we manufacture. For example, our fixed asset turnover was 62.17%, 36.71%, 21.61% and 13.97% (without annualising) in Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021.

Our working capital cycle reflects our management of inventory, trade receivables, trade payables and GST input credit. We increased our inventory levels in response to the global shortage of materials, components and other inputs, including integrated chipsets, and to guard against further COVID-19 related disruption. This increased our working capital cycle to 23 days in Financial Year 2021, compared to 11 days in Financial Year 2020 and 10 days in Financial Year 2019. In the six months ended 30 September 2021, our working capital days reduced to 17 days, reflecting the ongoing recovery from the effects of the COVID-19 pandemic and the gradual normalisation of payment cycles. The efficiency of our capital allocation and utilisation across our business is illustrated by our capital employed turnover, which was 22.37%, 15.12%, 9.15% and 7.04% (without annualising) for Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021. We had no outstanding external debt in our capital structure as at 30 September 2021, which provides us with headroom for financial leverage and the ability to improve our Return on Equity. Our financial position and cash flows, together with investment from our Promoters, have enabled us to make sufficient capital expenditure to increase our production capacity, provide us with a highly scalable business model, and diversify into new service areas without having to depend on debt financing, and to also sustain our operations during the COVID-19 pandemic. The following table sets forth key financial data for the periods indicated:

	Financial Year			**Six months ended 30 September 2020* (Standalone)**	**Six months ended 30 September 21* (Consolidated)**
	2019 (Standalone)	**2020 (Standalone)**	**2021 (Standalone)**		
			(₹ in millions)		
Revenue from Operations	343,453.89	266,355.58	158,548.58	63,945.78	101,557.92
EBITDA**	(269.19)	6,932.76	3,869.32	1,793.22	2,458.34
EBITDA %	*(0.08%)*	*2.60%*	*2.44%*	*2.80%*	*2.42%*
EBIT**	(1,893.54)	4,677.32	1,683.17	685.74	1,107.29
EBIT%	*(0.55%)*	*1.76%*	*1.06%*	*1.07%*	*1.09%*
Profit after Tax#	(2,228.71)	3,897.13	1,619.15	881.87	891.71
Profit after Tax %	*(0.65%)*	*1.46%*	*1.02%*	*1.38%*	*0.88%*
Net Worth	15,677.99	26,738.78	28,357.35	27,624.10	29,254.92
Net Debt***	4,410.50	(11,463.46)	(8,612.82)	(1117.37)	(19,595.33)
Return on Capital Employed**	*(12.33%)*	*26.55%*	*9.72%*	*3.31%*	*7.68%*
Fixed Asset Turnover Ratio**	62.17	36.71	21.61	9.12	13.97
Capital Employed Turnover Ratio**	22.37	15.12	9.15	3.09	7.04

** Not annualized.*
*** See "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures**" on page 296.*
**** See "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital Allocation**" on page 297.*
 # Profit after Tax represents Restated profit/(loss) for the year/period.

We are a subsidiary of FIH Mobile Limited ("FIH Mobile"), which is a leading manufacturing services provider for the mobile handset industry with over 56,000 employees globally (including its subsidiaries) as at 30 June 2021. FIH Mobile, which has been listed on the Hong Kong Stock Exchange since 2005, is part of the Foxconn Technology Group, a Taiwan headquartered Fortune 30 group which is the global leader in the EMS business with 22.7% share of global EMS operating revenue in 2020, according to the F&S Report. In our operations, we seek to advance the Foxconn Technology Group's vision of creating comprehensive smart living experiences for our customers, and its mission of long-term value creation for our people and customers to drive long-term sustainable business growth. Environmental, social and governance ("ESG") criteria form core values of our business, and we aim to adhere to, and surpass, global standards in terms of the employment of women, living and working standards for our work force, environmental compliance, and corporate governance.

OUR COMPETITIVE STRENGTHS

Our business is underpinned by our knowledge of and familiarity with our OEM customers' global systems, protocols and technical requirements, and our ability to use our deep on-the-ground knowledge and experience in India to deliver the following customer needs:

- ***Quality*** — High quality offerings enabled by our manufacturing and testing capabilities that provide consistent performance, minimize defects and reduce the risk of product returns;

- ***Service*** — Capability to manufacture high volumes and provide engineering and R&D services and support at every stage of the production process, particularly as products and their production processes become increasingly complex;

- ***Timeliness*** — Ability to quickly and efficiently source components and other inputs, ramp up production processes and volumes, and enable our customers to respond to market demand by accelerating their time-to-market, time-to-volume and time-to-money requirements; and

- ***Cost*** — Offering our products at competitive costs by improving our sourcing, production and delivery processes.

The following competitive strengths have enabled us to be successful in meeting these needs for our existing customers and win new customers, and position us well to take advantage of future growth opportunities in the Indian EMS/ODM market:

Largest EMS provider in India by revenue market share, with the size, scale and competencies to pursue substantial growth opportunities in the EMS market

We are the largest EMS provider in India with approximately 15% share of EMS market revenue, and more than twice the revenue market share of the next largest provider in Financial Year 2021, according to Frost & Sullivan. The EMS industry globally is expected to grow at a CAGR of 4.5% from 2020 to 2025, with growth of the total addressable EMS market in India outpacing the global EMS industry with an expected CAGR of 30.3% from Financial Years 2021 to 2026. India's share of the global EMS market is expected to increase from 1.8% in Financial Year 2020 to 8.1% in Financial Year 2026, according to the F&S Report, aided by domestic demand as well as migration of manufacturing from other manufacturing hubs. The Indian market opportunity is driven by the expected increase in electronics usage in the country from the current levels of under-penetration, geographical diversification by global OEMs of their manufacturing needs to reduce dependence on China, and the availability of government incentives and other schemes, among others, according to the F&S Report. The mobile phone industry accounted for 46% of the EMS addressable market in India in Financial Year 2021, and we are the leading EMS provider to this industry with 23% market revenue share in Financial Year 2021, according to Frost & Sullivan. Our large-scale manufacturing and assembly capacity, adherence to global quality standards and manufacturing practices and the capability of our workforce position us well to expand into new high-growth industries, including mechanics, electric vehicles, televisions, hearables, telecom and networking products, and IT hardware. We plan to move up the value chain and expand our portfolio of service offerings in the areas of product design and development, component manufacturing and sourcing, logistics, and after-sales services. Our service diversification will enable us to vertically integrate our service portfolio and increase revenues from existing mobile phone customers and actively pursue new customers in the mobile phone industry, and our industry diversification will enable us to win new customers in those industries. Our existing capabilities and the additional ones we are currently building, aided by favourable market and regulatory tailwinds, will position us as one of the few EMS providers in India that is able to move up the value chain to become a full service ODM provider in the near to medium term.

Availability of Performance Linked Incentives

We expect our business to benefit substantially from the Government of India's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which provides an increasing range of incentives to attract and localise manufacturing and production in the country. These incentives promote manufacturing and exporting products in various industries, including those that we are targeting for future growth. The Company has been approved for a PLI for mobile phone manufacturing which provides a revenue subsidy of 4-6% on the incremental revenue from mobile phones priced at above ₹15,000. The aggregate maximum potential incentive for the Company under this scheme is ₹60,004 million over the Financial Years 2022 to 2026. In addition, our subsidiary Rising Stars Hi-Tech Private Limited ("RSHTPL") has been approved for a PLI for (i) IT hardware with aggregate maximum potential incentive of ₹12,450 million over the Financial Years 2022 to 2026 and (ii) telecom and networking products with aggregate maximum potential incentive of ₹4,025 million over the Financial Years 2022 to 2026. We also intend to apply for the electric vehicles (components category) and hearables PLI schemes as and when applications are invited. We are also eligible, and have applied for, the Modified Special Incentive Package

Scheme ("M-SIPS"), which provides a capital subsidy of 20-25% for investment in capital expenditure for mobile phone manufacturing. The maximum potential incentive under this scheme is ₹2,032 million over the Financial Years 2022 to 2026. The application is pending as at the date of this Draft Red Herring Prospectus. We are also eligible for capital and revenue subsidies from the government of Andhra Pradesh for investments in that state, where the maximum potential incentive is ₹3,433 million over the Financial Years 2022 to 2026. These incentives are subject to various conditions, including meeting certain minimum and cumulative targets, and the amount of incentive we will be able to receive will depend on our ability to meet or exceed those targets and other conditions. We expect these incentives to contribute to the profitability of our diversification initiatives into new industries and service offerings.

Long-term, strategic relationships with industry leading OEM customers

We have established longstanding, strategic and collaborative relationships with our key OEM customers. We are the largest manufacturing and assembly services provider to Xiaomi, which is the leader in the Indian smart phone industry, according to the F&S Report. From the commencement of our relationship in 2015, Xiaomi has become our largest customer. We address a significant portion of Xiaomi's manufacturing needs in India, and our relationship is underpinned by our familiarity with Xiaomi's systems and requirements, the consistency in quality of our manufactured products, our engineering capabilities, and our ability to quickly ramp up production to address Xiaomi's demand needs. The table below sets forth data on Xiaomi's smart phone market share and our relationship with Xiaomi for the periods indicated:

	Year ended 31 March			Six months ended 30 September
	2019	**2020**	**2021**	**2021**
Xiaomi's smart phone sales volumes (million units) ···	42	44	41	21
Of which our EMS products (million units)[1] ··	33	26	16	11
Our wallet share[2] (%) ·····	78	59	39	50
Contribution to our revenue from operations (₹ million)	300,946.54	235,014.92	149,086.78	97,530.63

Notes:

(1) Represents the number of Xiaomi units which were manufactured and assembled by us.

(2) Represents the percentage of Xiaomi's sales by volume for which we provide EMS services.

Our other key OEM customer in the mobile phone industry is HMD Mobile India Pvt. Ltd. ("HMD"), whose affiliate HMD Global OY is the exclusive licensee of Nokia-branded phones and tablets. We manufacture Nokia-branded phones for HMD in India, and our relationship with HMD commenced in 2016. The table below sets forth data on HMD's feature phone market share and our relationship with HMD for the periods indicated:

	Year ended 31 March			Six months ended 30 September
	2019	**2020**	**2021**	**2021**
HMD's feature phone sales volumes (million units) ···	13	13	12	5
Of which our EMS products (million units)[1] ··	13	12	12	4
Our wallet share[2] (%) ·····	97	91	98	89
Contribution to our revenue from operations (₹ million)	40,902.32	15,098.87	9,053.02	3,082.37

Notes:
(1) Represents the number of HMD units which were manufactured and assembled by us.

(2) Represents the percentage of HMD's sales by volume for which we provide EMS services.

Since March 2021 we have commenced business with market-leading brands in the new industries we are diversifying into. These include Ather Energy Private Limited ("Ather Energy") and Ola Electric Technologies

Private Limited ("Ola Electric") (electric vehicles), Vu Technologies Private Limited ("VU") (televisions), a major global telecom network customer and ZTE Telecom India Private Limited ("ZTE") (telecom and networking products), and Imagine Marketing Private Limited ("boAt") (hearables). While our relationship with these customers is at a relatively early stage, we have already started generating revenues from them in the six months ended 30 September 2021, as follows:

	Industry	Finished Products	Service Offering	Date of First Invoice	Revenue in the six months ended 30 September 2021 (₹ million)
A major global telecom company	Telecom and Networking Products	Base Trans Receiver and Base Band	PCBA	3 June 2021	582.60
boAt	Hearables	True Wireless Stereos / Head Sets	Final Assembly	25 June 2021	24.69
VU	Televisions	Television	Final Assembly	13 August 2021	180.57
Neolync	Mobile Phone	Main Printed Circuit Board Assembly	PCBA	27 August 2021	45.53
Ather Energy	Electric Vehicles	Battery Management System	PCBA	2 July 2021	11.46
		Dashboard	PCBA and Box Build		
		Control Board and Drive Power Board	PCBA and Box Build		
Ola Electric	Electric Vehicles	Battery Management System	PCBA	15 September 2021	1.46
		Vehicle Control Unit	PCBA and Box Build		
		Head Unit	PCBA and Box Build		
ZTE	Telecom and Networking Products	Home Gateways	Final Assembly	N/A	N/A

We seek to collaborate strategically with our customers, which gives us a number of key advantages, including early involvement in the product development process, enabling us to assist them in shortening their product development and time-to-market cycles; positioning us well to increase the number of different products that we manufacture for them; ability to easily increase the volume of our shipments to them of each particular product; and scope to leverage our relationship in one or more service offerings to expand our coverage into other areas where they may need EMS and ODM solutions. We expect that our ability to provide ODM solutions will be a key differentiator in the Indian EMS market, and strategic collaboration across the EMS and ODM lifecycle will also foster greater customer satisfaction and loyalty, and generate repeat business. In addition, constant engagement with our customers enhances our ability to maintain high quality standards and engage in more complex design and other value-added services, enabling us to increase business from them and also develop key capabilities and knowhow that we can use to market our services to new customers.

Large-scale, high quality and state-of-the-art manufacturing and assembly capabilities

Our manufacturing and assembly operations are conducted across three campuses in Tamil Nadu and Andhra Pradesh in India, each of which integrates manufacturing, warehousing, logistics and accommodation facilities. Our campuses have an aggregate of 94 production lines, consisting of 29 SMT lines, 35 assembly lines and 30 sub-assembly mechanics lines, with total installed capacity of 55.77 and 30.07 million units in Financial Year 2021 and the six months ended 30 September 2021, and total actual production of 28.26 and 14.81 million units in Financial Year 2021 and the six months ended 30 September 2021. We operate three shifts a day, seven days a week, with high utilisation and sufficient buffer capacity to ramp up production and address spikes in order volumes. In addition, we have space in our campuses to deploy new production lines, and have the ability to install incremental manufacturing capacity. The size of our manufacturing and assembly capabilities, together with our automation capabilities, allows us to achieve economies of scale and minimise manufacturing risk for our OEM customers. We have a proven track record of fulfilling, on a timely basis, the product requirements of our customers, and we continue to pursue greater efficiencies in cost, time, quality and scale in our manufacturing processes. Our in-house manufacturing execution system (MES) connects various parts of our manufacturing operations, providing consistency, end-to-end traceability of components and products, and real time visibility of operational performance and output.

Product quality is at the forefront of our manufacturing philosophy, and we attribute our ability to deliver high quality products to our end-to-end control of our manufacturing and assembly process, engineering skills, and quality assurance systems. Our quality control team conducts pre- and post-manufacturing quality checks and balances. This prevents or, where necessary, uncovers defects which can be remedied in time and minimises the risk of product returns. In Financial Year 2021 and the six months ended 30 September 2021, our average failure rate, which we define as the end-to-end non-recoverable failure rate from PCB assembly to the final assembly processes, which includes failure rates related to assembly, material and testing across all of our production lines, was 0.3%, demonstrating the success of our quality controls. Our manufacturing facilities at Campuses 1 and 3 are ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and ANSI S20:20 certified, and all our manufacturing facilities are ISO 9001:2015 certified in accordance with international quality standards. See "***– Quality Control Certifications***" below on page 173. We maintain the flexibility of our manufacturing facilities through multiple-function training and standardization of equipment, which allows us to quickly redeploy our production lines to meet variations in customer demand. The large scale and flexibility of our production facilities enables us to offer high quality, timely and cost-effective solutions to our customers while limiting individual order volatility and maintaining our competitiveness and margins.

In-house capabilities across the ODM value chain, enabling vertical integration

In addition to our established manufacturing and assembly capabilities, we are building our capabilities to provide a wide range of services across the ODM value chain. We already have the capabilities to provide OEM customers with some component manufacturing and sourcing services as well as some logistics services, and are building the capabilities to expand these service offerings and also provide product design and development, and after-sales services. We are aiming to vertically integrate our portfolio of service offerings and provide OEMs with comprehensive solutions that enable us to satisfy their fast time-to-market, time-to-volume and time-to-money demands in a market where product life-cycles are becoming shorter. This will allow us to service our OEM clients across their product value chain instead of having to bid for each process individually as is typically the case for EMS providers. Our capabilities also reduce our reliance on third parties for the provision of key services required to bring our customers' products to market. For example, our ability to provide component manufacturing and sourcing services de-risks the manufacturing process from supply chain bottlenecks. We further enhance the vertical integration of some of our key operations by locating complementary facilities at the same location — for example, in Chennai, our R&D centre is located in close proximity to our manufacturing and assembly factories, enabling us to geographically integrate key aspects of our service portfolio. We also provide training to our engineers and technical staff across service lines, so as to familiarise them with the requirements of the various parts of the ODM value chain and build broad skill sets. Our ability to provide a wide range of capabilities in-house provides us with a significant competitive advantage over competitors who have not established this expertise and are dependent on a range of third parties for their service delivery to customers.

Ability to drive innovation through advanced research and development capabilities

In order to leverage the experience and knowledge derived from manufacturing and assembling mobile phones, we have set up an R&D centre in Chennai focused on industrial and mechanical design, product development, hardware design and component engineering, among others, and to provide design enhancement and verification to our customers. This R&D centre is based in the Indian Institute of Technology (Madras) Research Park, and is able to collaborate with IIT-Madras on various projects and initiatives. As at 30 November 2021, our R&D team consisted of 23 engineers. Our R&D team can use the resources of the R&D centre to verify and develop conceptual designs received from customers and convert those designs into deliverable products by improving the design architecture, recommending suitable raw materials and testing of trial products. As part of our R&D initiatives, we aim to become involved in the design and development processes for electric vehicles, and are developing a plan to design and manufacture a 4G mobile phone that we can sell to OEM customers as a full unit for them to brand with their own name. In addition, our R&D centre in Bengaluru provides "technical readiness" testing services to different OEM customers. See "***– Research and Development – R&D Centres***" below on page 174. Our R&D teams also aim to provide solutions to improve our manufacturing efficiency for our existing products and reduce manufacturing costs. Our recent R&D innovations include automatic guided vehicles and 3D printers.

Resilient, capital efficient business with stable working capital cycle

Within six years since we commenced operations, our revenue from operations grew to ₹343,453.89 million in Financial Year 2019. In Financial Years 2020 and 2021, our business experienced revenue contraction on account of market factors affecting the mobile phone industry and our OEM customers, as well as the effects of the COVID-19 pandemic. We are experiencing a recovery in our business in the current Financial Year, and expect that as we continue our expansion into new ODM services and high-growth industries, our revenues will become more diversified and our margins will improve. Despite the revenue challenges in Financial Years 2020 and 2021, our business has generated stable cash flows, and our return on capital employed illustrates the efficiency of our capital allocation across our business. We have a stable working capital cycle, and our working capital position is due to, among other things, careful management of inventory, trade receivables and trade payables, favourable credit terms in our customer contracts which enable us to mitigate the risk of foreign exchange fluctuations, as well as recent changes in tax regulations. We plan and aim to make our capital investments in advance of anticipated opportunities so that we have the manufacturing capacity to be able to quickly ramp up production. We carefully monitor capacity utilisation and optimise our asset utilisation by working three shifts a day, seven days a week, and using the same machinery for different products. We had no outstanding external debt as at 30 September 2021, which provides us with headroom for financial leverage and the ability to improve our Return on Equity. Our financial position and cash flows, together with investment from our Promoters, have enabled us to make sufficient capital expenditure to increase our production capacity, provide us with a highly scalable business model, and diversify into new service areas without having to depend on debt financing, and to also sustain our operations during the COVID-19 pandemic. We also propose to use the Net Proceeds of the Fresh Issue for further capital expenditure. For further details, please see "***Objects of the Offer***" on page 81.

Experienced management with a demonstrated track record of delivering profitable growth

Our key management personnel in India, who have several years of experience and competence in the EMS/ODM industry, together with our senior management (comprising our SBU heads and functional heads), has within six years built our large-scale manufacturing operations and systems, managed the complexities of our supply chain to ensure the timely availability of inputs in sufficient quantities, developed our talent and human resources, and established customer relationships. Our management's execution track record is demonstrated by the build-out of our three campuses, the growth of our revenues from operations to ₹343,453.89 million in Financial Year 2019, managing the market factors and the challenges posed by the COVID-19 pandemic in a resilient manner while still delivering profitability during Financial Years 2020 and 2021, and commencing business with customers in new industries in the current Financial Year. Our key management is consulted on policy initiatives by the relevant bodies, which provides us with visibility over new areas of regulatory support and enables us to formulate our growth strategy, capital expenditure and investment plans at an early stage. Examples of areas where we were able to build capacity include mechanics and various other ODM capabilities, which have become revenue drivers for us within a short period. Our management, in furtherance of the Foxconn Technology Group heritage, has a strong focus on ESG in our business, as illustrated by the employment of women in our business, accounting for nearly 85% of our workforce, as well as the actions taken to support the health, safety and well-being of our employees during the COVID-19 pandemic.

Strong parentage with global leadership, backed by experienced management

We are a subsidiary of FIH Mobile Limited, a Hong Kong Stock Exchange listed company which is a leading manufacturing services provider for the mobile handset industry with over 56,000 employees globally (including its subsidiaries) as at 30 June 2021. We are part of the Foxconn Technology Group, a Fortune 30 group which is the global leader in the EMS business with approximately 22.7% share of global EMS operating revenues in 2020, according to the F&S Report. The Foxconn Technology Group has a distinguished track record of delivering growth and shareholder returns, and a long history of executing complex engagements, including being the trusted EMS/ODM partner for global technology leaders such as Apple, Cisco, Dell, Lenovo, Microsoft and Sony, among others. The Foxconn Technology Group has a vertically integrated presence across the value chain, and provides design, sourcing, manufacturing, assembly, quality assurance and after-sales services. Our FIH Mobile parentage has provided us with the financial resources to build our business, access to a global supply chain for materials, components and other key inputs, manufacturing and R&D knowhow, as well as a globally consistent culture of innovation, entrepreneurship and teamwork.

OUR STRATEGIES

Our aim is to maintain our position as the leading EMS provider in India and to become a leader in the country's ODM market in the near term, with the following as the key pillars in our growth strategy:

- expand our business in new, high-growth industries;
- provide vertically integrated "one-stop" EMS and ODM solutions to our OEM customers;
- enhance our R&D capabilities; and
- commence exports to attractive growth markets.

Deepen our relationship with industry-leading OEMs and diversify our customer base by expanding our business in new, high-growth industries

Our collaborative relationships with our industry-leading OEM customers are crucial to our success. We intend to further deepen our relationships with Xiaomi and HMD by providing them with a wider range of vertically integrated service offerings, and integrating innovative solutions into their design processes and product development. For example, we have started mechanics services to HMD, in addition to our manufacturing and assembly services, and believe that service offerings such as product design and development and component manufacturing and sourcing will enable us to add further value to their time-to-market objectives. Our experience in the mobile phone industry also positions us well to selectively pursue other mobile phone OEMs and provide them with an industry-leading alternative to their existing EMS and ODM service providers.

We intend to use our EMS experience and the ODM capabilities we are building to diversify into new high growth industries such as mechanics, electric vehicles, televisions, hearables, telecom and networking products, and IT hardware. Given the significant under-penetration and increasing per capita usage of these products in India, the country's total addressable EMS market is expected to grow to US$135 billion by Financial Year 2026, giving us substantial growth opportunities to diversify into these new industries. In addition, several of these sectors, such as mobile phones, telecom and networking products, and IT hardware, benefit from PLIs under Indian government's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which incentivise manufacturing and production in India and further enhance the growth and margin opportunities in these sectors. We have established strategic business units (SBUs) to coordinate the expansion of our business in these industries, expand our customer base substantially, and create further opportunities for revenue diversification. We intend to further empower our SBUs to formulate strategies tailored to the needs of specific industries, and to deliver ODM solutions to our OEM customers on a modular and collaborative basis.

Enhance our ability to provide vertically integrated "one-stop" EMS and ODM solutions to our OEM customers

In addition to our well-established EMS capabilities, which mainly comprise manufacturing and assembly services, we are building the capabilities to provide OEMs with a comprehensive, vertically integrated "one-stop" solution comprising a range of ODM services from product design and development, component manufacturing and sourcing, logistics, and after-sales services. Expanding the service offerings we are able to provide will enable our OEM customers to further reduce manufacturing costs, improve supply chain management, reduce inventory obsolescence and product fulfilment time, and meet their time-to-market, volume-to-market and time-to-money requirements. For example, we have started mechanics services for feature phones and are building the capabilities to provide mechanics services for smart phones, which reduces dependence on third-party providers and provides us with greater bargaining power, for a key component in the mobile phone manufacturing process, assisting mobile phone OEMs with their time-to-market and time-to-volume requirements. In this regard, we intend to deepen our localisation strategy to manufacture and source components and other inputs, thereby reducing dependency on imports and hedging against the risk of global shortages. Where localisation is impractical, we intend to leverage the supply chain relationships and connectivity of the Foxconn Technology Group.

Vertical integration will also enable us to capture higher margin services in the ODM value chain and benefit from barriers to entry in those higher margin areas. For example, involvement in an OEM customer's product design and development process provides us with the ability to offer, or coordinate the sourcing of, the components required to manufacture the product, giving us a greater share of the revenues, and higher margins, in the ODM value chain.

Expand our research and development capabilities as an integral part of our vertical integration strategy and to achieve greater cost efficiency

We intend to invest further in our R&D capabilities, which are integral to our vertical integration strategy and our ability to offer OEMs a broad range of services across the ODM value chain. We are focusing on building our design and product development capabilities, which enable us to become involved at an early stage in our OEM customers' product lifecycle and position us to capture other parts of the ODM value chain, such as component manufacturing and sourcing, assurance and testing services and after-sales services. In furtherance of our R&D strategy, we plan to recruit a number of hardware, mechanical, industrial and software design engineers, with the aim of building a 150-strong product design and development team by the end of Financial Year 2024. This team will enhance the capabilities of our existing R&D resources, which are based in our R&D centre at IIT (Madras) Research Park, our R&D centre in Bengaluru and the engineering team that is located at one of our manufacturing facilities. We also intend to develop collaborations and joint R&D programmes with the in-house R&D teams of our OEM customers, as well as external research institutes and universities. We expect that our R&D capabilities will also enable us to achieve greater operational and cost efficiencies within our manufacturing and assembly processes through technological innovations in our production lines, designing and developing more efficient machines and tools, and enabling greater self-sufficiency in components and mechanics.

Commence exports to attractive growth markets

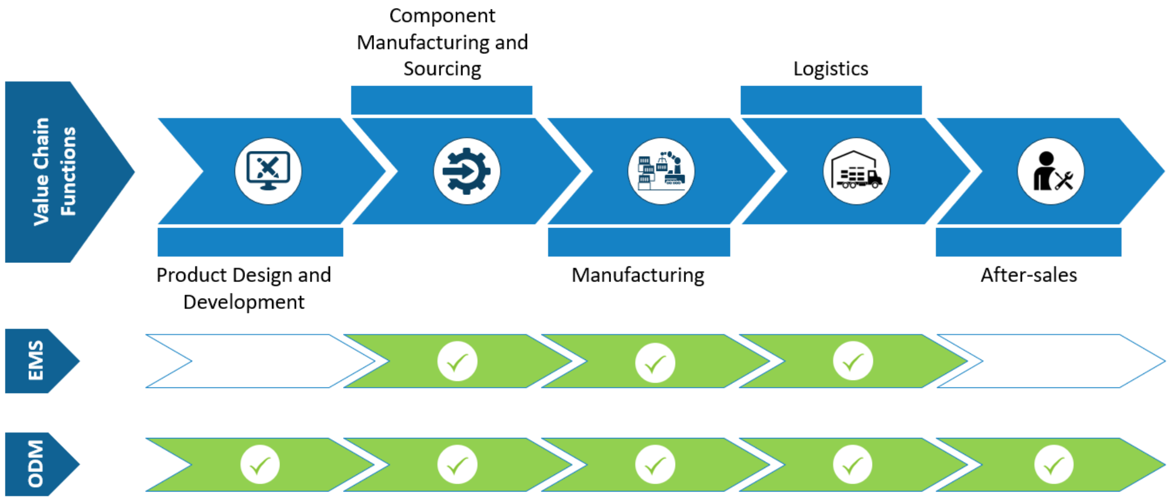
While India constitutes the largest and most attractive market for our future growth, we are exploring opportunities to export our products to overseas markets. These include the Middle East and Africa, where the penetration of mobile phones and smart phones is currently much lower than the global average. Our location in India provides us with a geographical advantage and enables us to deliver products to local markets in those regions quickly and at competitive cost. In furtherance of our export strategy, we have already started exporting Nokia-branded feature phones to the Middle East for our customer HMD. We are also exploring opportunities to collaborate with mobile operators in Europe and the United States, with a view to exporting mobile phones and hearables that they can offer to their network customers. In addition to mobile phone and hearables exports, we intend to explore other opportunities that global OEM customers present to us as part of their own strategy of geographic diversification in their manufacturing and supply chains, and which leverage on the geopolitical advantages that India offers. In addition, we expect that the PLIs we are eligible for, as well as certain duty remission policies for exports, will further enhance our export opportunities.

Advance our recruitment, training, development and ESG initiatives

The recruitment, training, talent development and retention of skilled and experienced management and employees are essential to enable us to deliver high quality services to our customers. We will continue to provide our workforce with training and development programmes, including external vocational and skills training. Health and safety is an integral part of our promise to our workforce; we will continue to adhere to the required standards of safety in our factories (including ISO 45001:2018 certification for occupational health and safety management systems) and support during crises such as the ongoing COVID-19 pandemic. As part of our ESG initiatives, we will continue to recruit and promote women in our workforce. Our environmental initiatives include the integration of sustainable practices in our business by building green capabilities in our campuses, managing water consumption and monitoring our CO2 emissions. We will continue to adhere to the required standards of environmental compliance in our operations (including ISO 14001:2015 certification for environmental compliance management systems), and strive to ensure ESG adherence across our business and in our supply chain, thereby also assisting our OEM customers and their ultimate consumers in their ESG objectives and aspirations.

OUR OPERATIONS

We provide EMS services to our OEM customers, and are building the capabilities to provide a range of ODM services, with the objective of becoming a vertically integrated "one-stop" solutions provider to OEMs in a number of high-growth industries, several of which are expected to benefit from manufacturing linked PLIs in India.
The following chart illustrates our intended progression from EMS services to ODM provider:



Source: F&S Report

Our EMS services principally comprise manufacturing services. The ODM services that we currently offer include some component manufacturing and sourcing services as well as some logistics services, and we are building the capabilities to expand these service offerings and also provide product design and development, and after-sales services. Our service offerings are described below:

Manufacturing Services

The end products of our manufacturing operations comprise mobile phone modules and systems, electric vehicle components (dashboards, head units, vehicle control units and battery management systems), television systems, hearables (true wireless stereos/headsets) and mechanics (metal parts, plastic polycarbonate materials and enclosures). We manufacture and assemble our products on a build-to-order basis. Our manufacturing operations comprise fungible tools, equipment, systems and production lines, which can be utilised across our SBUs and their end products.

We prepare manufacturing plans on a periodic basis based on the manufacturing forecasts of our OEM customers and anticipated market trends. Pursuant to these plans, existing inventory levels, and rolling forecasts and purchase orders we receive from our customers, we procure raw materials and components and prepare our manufacturing schedules.

Our manufacturing services comprise:

- PCB assembly and testing
- Final assembly, testing and packing

PCB Assembly and Testing

PCB Assembly

The inputs required for PCB assembly comprise the unpopulated PCB and semi-conductors (including the major semi-conductor components such as chipsets). We procure the PCBs and semi-conductor components from third-party suppliers designated by our OEM customers. See "***– Component Manufacturing and Sourcing Services – Sourcing and Procurement***" below on page 162. The PCBs are mounted with chipsets, passive components (e.g. resistors and capacitors), connectors and other components, as required, using SMT lines. SMT is a computer-automated process which permits the placement of components and mass soldering on one or both sides of a PCB. We have a monthly capacity of approximately 5.4 million PCBA sets across our strategic business units with the following key capabilities:

- *Placement capability* — 0.3mm pitch ball grid array (BGA), 0.35mm package-on-package (POP), 01005 components with > 2 process capability index (Cpk);

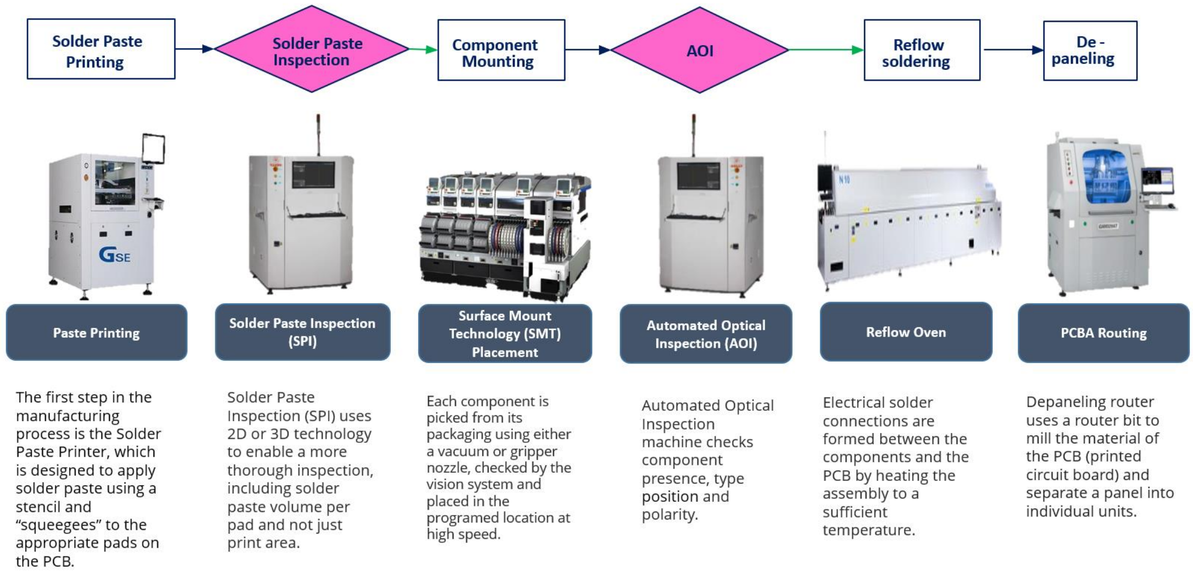
- *Inline automatic optical inspection and two-and-a-half dimensional or pseudo-3D (2.5D) solder paste inspection* — accuracy of ± 1 um;

- *Automatic dispensing* — utilised for underfill, glue encapsulation, sealing, and thermal gel applications; and

- *Flex to substrate bonding* — utilising anisotropic conductive film (ACF) technology.

SMT Process

A typical SMT line consists of automated equipment for solder paste printing, in-line optical solder paste inspection (SPI), high-speed pick and place machines, automated optical inspection (AOI) for components and reflow oven for mass soldering. Set forth below is a flowchart with a brief description of each stage of our PCB assembly process:



PCBA Testing

PCBA testing is configured in accordance with our OEM customers' specifications. For example, for mobile phones, PCBA testing comprises the following phases:

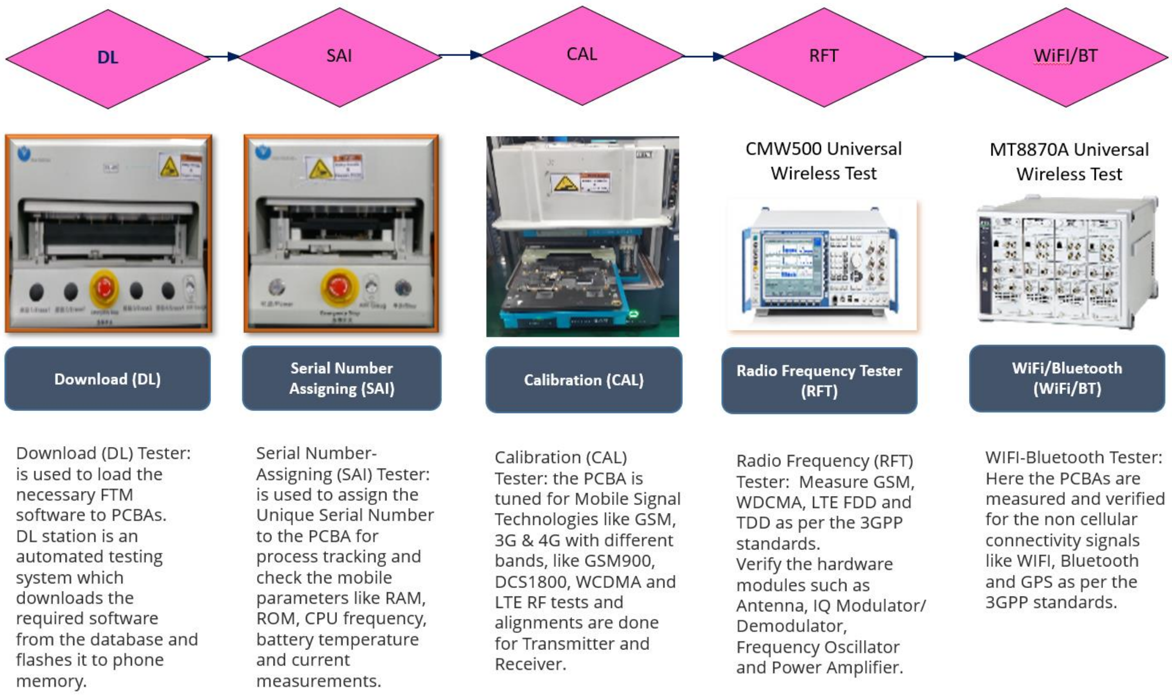
- *Download* — In the download test phase, a download (DL) tester is used to load the necessary FTM software to the PCBAs. The DL tester is an automated testing system which downloads the required software from our database and flashes it on to the phone's memory (i.e. the test software).

- *Calibration* — In the calibration phase, the PCBAs are tuned for mobile signal technologies such as global system for mobile communications (GSM), 3G and 4G with different levels of frequency bands (e.g. GSM900, digital cellular system (DCS1800), wideband code division multiple access (WCDMA) and long-term evolution (LTE)). Radio frequency tests and alignments are subsequently performed for the transmitters and receivers as per the Third Generation Partnership Project (3GPP) standards. 3GPP is an engineering organisation that develops technical specifications and protocols for the development and maintenance of mobile telecommunications (e.g. GSM and related 2G and 2.5G standards, including general packet radio service (GPRS) and enhanced data GSM evolution (EDGE); LTE and related 4G standards, including LTE Advanced and LTE Advanced Pro; and 5G new radio (5G NR) and related 5G standards).

- *Radio Frequency test* — In the radio frequency (RF) test phase, the PCBAs are measured and verified for the GSM, WCDMA, LTE frequency division duplex (LTE FDD) and time division duplex (TDD) cellular signal technologies as per the 3GPP standards. This phase is used to verify the hardware modules of mobiles, including the antenna, IQ modulator/demodulator, frequency oscillator, power amplifier, WiFi and Bluetooth capacity.

- *WiFi/Bluetooth test* — In the WiFi/Bluetooth test phase, the PCBAs are measured and verified for non-cellular connectivity signals such as WiFi, Bluetooth and GPS as per the 3GPP standards.

Set forth below are pictures with a brief description of each of the download, calibration, radio frequency testing, and WiFi Bluetooth technologies and equipment utilised in our PCBA testing operations:



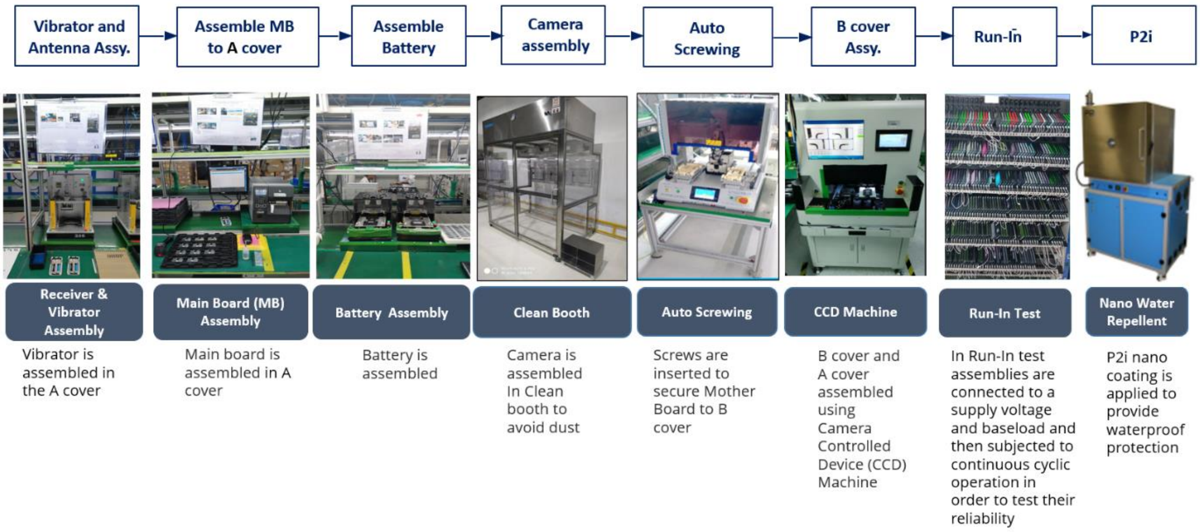
Final Assembly, Testing and Packing

Final Assembly

Once the PCBA is tested, it is assembled together with the other parts of the mobile phone to create the full mobile phone unit. Following final assembly, the mobile phone is tested and packed as required by the OEM customer.

The assembly process typically occurs in two stages: Offline Assembly Process and Online Assembly Process, as described below. These two assembly processes can occur simultaneously depending on the inputs and required outputs.

During the Offline Assembly Process stage, inputs such as the touch panel (TP) and outer shell of the mobile phone (Cover A) are assembled together. The Online Assembly Process occurs on the manufacturing production line. During the Online Assembly Process stage, the PCB main board (MB), sub board (SB) and other components are assembled with the TP/Cover A sub assembly. Other key components include the front and rear cameras, battery, fingerprint sensor, vibration motor and speaker. Finally, the back cover (B Cover) casing is placed to complete the assembly process. Set forth below is a flowchart of our Online Assembly Process:



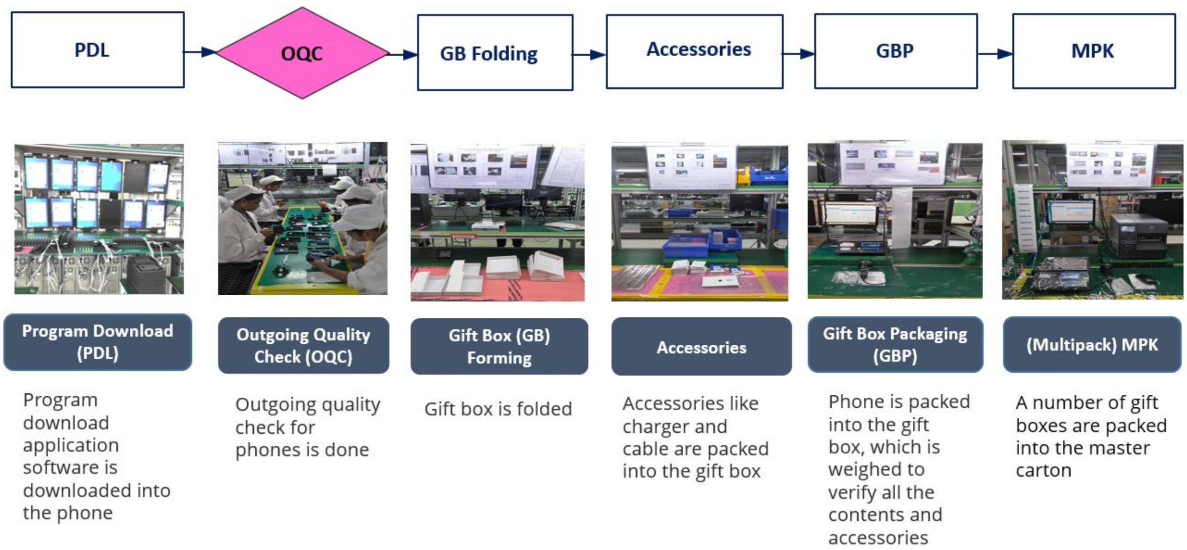
Testing

After the mobile phone is constructed, it is moved on to testing. During the testing phase, the mobile phone goes through a series of electrical and functional tests such as idle current/voltage, radio frequency, audio and camera tests. The final step in our Online Assembly Process involves utilising a P2i nano hydrophobic coating to provide waterproof protection for the mobile phone. The P2i technology employs a plasma-enhanced chemical vapour deposition processing to apply an ultrathin polymer layer onto all surfaces of the product. The process is also known as ‘pulsed-plasma’ and takes place under low pressure within a vacuum chamber at room temperature. The coating is introduced as a vapour and ionized. This allows for the development of the polymer layer, which forms a protective layer on the product’s surface (screen and entire body), increasing its durability.

Set forth below are pictures with a brief description of each of the various technologies and equipment utilised in our testing operations:

Packing

Once testing is successful, the mobile phones are transferred to the packing lines. At this stage, the required end-user software is downloaded into each mobile phone. Subsequently, the mobile phone is packaged into a gift box in accordance with our OEM customers' specifications, along with accessories such as the charger, cables as well as applicable documentation (e.g. user guides and warranty cards). Our quality control team collaborates with the relevant manufacturing teams to ensure that our packaging is well-designed and sufficient to safeguard the integrity of our finished products during their storage and transportation. Packaging tends to vary with the volume and sensitivity of each product. Our finished products are first packaged and stored in designated zones and are picked up by delivery trucks arranged by the relevant OEM customers. To safeguard their integrity, our finished products are stored in ventilated, temperature and humidity-controlled conditions. Additionally, we take safety measures to minimise fire hazards, water damage and other similar risks to our finished products. Set forth below is a flowchart with a brief description of each stage of our packing process:



Product Design and Development Services

At the Indian Institute of Technology (Madras) Research Park, we are building the capabilities to offer product design and development services to our OEM customers, including the following:

Industrial/User Interface (UI)/User Experience (UX) design, which involves designing the user interface, for intuitive experience and "look and feel", of the plastic and metal enclosures that house the products' electro-mechanics, including PCBAs.

Mechanical design, which involves designing enclosures and the 3D structure (outer shell) design of products and analysis of electronic, electro-mechanical and optical assemblies using computer-aided manufacturing (CAM) and computer-aided design (CAD) tools with special emphasis on thermal and structural stress.

Hardware design, which involves schematic and multi-layer PCB design services, comprising hardware design (HD) interconnects, electronic control units, battery management systems, fast chargers, tablets and EV display consoles. We utilise CAD tools for PCB design, validation and verification services and signal integrity/power integrity (SI/PI) simulation on high-speed interfaces for low power double data rate (LPDDR), USB and embedded multi media card (eMMC).

Software design, which involves software architecture design and development for systems based on real-time operating system (RTOS) and open-source software. Currently our software design efforts focus on board support package (BSP), drivers, modems, hardware abstraction layers (HAL) and multi-media for ARM Cortex-A application processors, ARM Cortex-M microcontrollers, ARM Cortex-R processors, digital signal processors (DSP) and field programmable gate arrays (FPGAs).

Component Manufacturing and Sourcing Services

Component Manufacturing

Our capabilities in precision tooling and moulding enable us to manufacture in-house certain components that we utilise in our production processes. The components that we manufacture in-house comprise plastic enclosures and metal parts used in our mobile phones SBU. These parts are largely for feature phones. As at 30 September 2021, and we have invested ₹541.42 million in our feature phone mechanics machines, and have also invested ₹128.58 million on computer numerical control (CNC) machines, which will enable us to manufacture metal-based mechanical enclosures for smart phones. We currently provide our component manufacturing services to HMD, and are further building these capabilities. Our capability to manufacture these components in-house reduces our costs of production and reduces dependence on third-party suppliers. The ability to manufacture components in-house also provides opportunities for vertical integration, which enables us to get involved earlier on in the manufacturing process with our OEM customers, and secure more business opportunities across the ODM value chain. The typical processes in component manufacturing include injection moulding, metal stamping, painting and assembly.

Set forth below are the technologies and equipment utilised in our component manufacturing processes:

Sourcing and Procurement

We primarily source PCBs and electronic components such as displays, antennas, connectors and camera modules from China. We source components and inputs such as displays, cameras and batteries from other countries, with some inputs such as packaging materials and other consumables being sourced domestically in India. The raw materials and inputs for our mechanics business comprise metal parts and plastic polycarbonate resins, and can be sourced domestically. Our domestically sourced components comprise batteries, chargers, headsets, packaging materials and consumables, camera modules, keypads and mechanic plastic parts.

Among the components and inputs sourced internationally, an average of 95% of our components and inputs were imported from China in Financial Year 2021 and the six months ended 30 September 2021. The suppliers we take on board are pre-evaluated and subsequently integrated with our internal supply chain procedures, technological developments, cost savings practices and quality standards. With regard to suppliers not designated by our OEM customers, we manage new supplier development and qualification activities based on our supplier qualification procedures that are in line with the global sourcing procedures and requirements of the Foxconn Technology Group. In some cases, we source components and inputs directly from our OEM customers. As we further vertically integrate and upgrade our ODM service offerings, we expect to be able to strategically source components for our OEM customers due to our central role in the product design and development process. To manage our procurement efficiently, we have a supply chain management system which is described under "***– Supply Chain Management***" below on page 171.

Our OEM customers typically have their approved suppliers from whom we source components and other inputs for our EMS business. Depending on the arrangements between our OEM customers and their approved suppliers, we sometimes have multiple suppliers for certain components and other inputs, and sole suppliers for others. Our OEM customers are able to leverage their relationship with their approved suppliers on matters of pricing and availability, which has the effect of mitigating our input and component risks.

In addition, we use various raw materials in our ODM business, including base metals such as copper, steel and aluminium, plastic, polycarbonate and polypropylene, as well as packaging materials and other consumables. We carry out an inventory review on a product-by-product basis at each quarter-end and make provisions for spare parts, components and inputs over the relevant quality assurance period. We have established relationships with certain suppliers who have been successfully qualified on the approved vendor list (AVL), pursuant to which we are better able to manage our inventory levels. Suppliers identified on the AVL are qualified suppliers from whom we can procure raw materials and manage our input costs.

We purchase components and other inputs, whether from approved suppliers from our customers or third-party suppliers, pursuant to purchase agreements and purchase orders, with payment terms generally ranging from 30 to 90 days (depending on our relationship with the suppliers).

Logistics Services

Our logistics services comprise inbound and outbound logistics services. Our logistics service offerings include import clearance, local transportation for inbound logistics services, freight movement services, arrangement of vehicle dispatch, and arrangement of raw material pick-up from our OEM customers' warehouses. Our customers can choose if and when they would like to engage our inbound and outbound logistics services. We currently provide logistics services to Xiaomi, HMD, Ather Energy, Ola Electric, VU, boAt and a major global telecom network customer.

Inbound Logistics Services

Inbound logistics involves the transportation, storage and receiving of goods into a business. In our EMS business, our SBUs purchase raw materials or components from the suppliers identified and qualified by our OEM customers. These raw materials are subsequently utilised to produce our finished products. Our inbound logistics services comprise managing and coordinating the inflow of goods from suppliers into our campuses and factory facilities.

Outbound Logistics Services

Outbound logistics involves the transportation, storage and delivery of goods to customers or other businesses. In our business, it relates to the outflow of goods from the production line to the customer. Our outbound logistics services comprise managing and coordinating the process of packaging and distributing customer orders using specific or intermodal transportation.

We offer our OEM customers a flexible, just-in-time delivery service by coordinating delivery shipments with customers' inventory requirements. Our iSmart-Logistics solution and vehicle management system provide, among other things, shipment pre-alerts, customs clearance documentation and shipment tracking. We work with cargo airlines, rail freight providers, trucking companies and other selected logistics providers pre-selected by our customers to transport our finished products in a cost-effective and timely manner. Our vehicle management system ensures secured entry for all vehicles through our campus and factory gates. It records and tracks the vehicle parking location and dock-in and dock-out times. This avoids vehicle parking charges and helps to plan and allocate our man-power in unloading trucks. Our vehicle management system is linked and accessible through both our security and warehouse management systems.

If our OEM customers do not choose to use our outbound logistics services, they typically take delivery of the products when the products leave our warehouses, and at such point the risks as to such products are transferred to the customer.

After-sales services

We have the capability to provide after-sales services including repair, servicing and recycling, and expect to start offering these securities to customers in the near term. We aim to develop a dedicated after-sales team to assist our OEM customers in meeting their evolving after-sales needs.

STRATEGIC BUSINESS UNITS

We have organised our business into seven strategic business units (SBUs): (i) mobile phones, (ii) mechanics, (iii) electric vehicles, (iv) televisions, (v) hearables, (vi) telecom and networking products, and (vii) IT hardware.
Our SBUs are empowered to formulate strategies tailored to the needs of specific customer industries. SBU management is responsible for the financial performance of the SBUs and monitors the SBUs business performance on a regular basis. The relevant SBU management reviews business performance to assess whether the SBUs are meeting their designated responsibilities and to ensure that the daily execution of manufacturing activities and other operations is being effectively managed. SBUs have direct responsibility for manufacturing results and time-to-volume production, thereby promoting a sense of individual commitment and ownership. Our SBU approach is modular and enables us to grow incrementally without disrupting the operations of other SBUs.

The following table sets forth our revenues from the key OEM customers of our SBUs for the six months ended 30 September 2021:

	Six months ended 30 September 2021
	Revenue (₹ million)
Mobile Phones	
Xiaomi	97,530.63
HMD	3,082.37
Neolync	45.53
Electric Vehicles	
Ather Energy	11.46
Ola Electric	1.46
Televisions	
VU	180.57
Hearables	
boAt	24.69
Telecom and networking products	
A major global company	582.60

Mobile Phones

The mobile phone industry in India is expected to grow at a CAGR of 11.5% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – Mobile Phones***" on page 128. Our mobile phones SBU principally provides manufacturing services to our OEM customers. As at 30 September 2021, we have 31 final assembly lines located in our Campuses 1 and 3 dedicated to our mobile phones SBU.

We use our manufacturing and assembly services to produce end products for our mobile phone OEM customers. These primarily comprise systems and modules for both smart phones (which offer advanced communications capability and connectivity) and feature phones (which have minimal features and are relatively moderately priced), as discussed below:

- *Modules* — comprising components, enclosures, metal components and PCBAs. Our manufacturing services for modules include the manufacturing of partially completed mobile phones.

- *Systems* — consisting of complete mobile phone systems. Our manufacturing services for mobile phone systems may involve significant manufacturing and assembly of components and modules for the system or may only involve the assembly of a system using components consigned from our customers.

The following table sets forth the number of lines, installed capacity, units produced and revenue for the mobile phones SBU across our Campuses 1 and 3 for the periods indicated.

		Year ended 31 March			Six months ended 30 September
		2019	2020	2021	2021
Smart Phone	SMT Lines	28	29	29	29
	Final Assembly Lines	38	30	21[1]	23
	Installed Capacity[2] (million units)	61.06	43.40	38.22	21.45
	Units Produced (million)	36.87	27.52	16.14	10.62
Feature Phone	Final Assembly Lines	9	7	8	8
	Installed Capacity[2] (million units)	25.32	22.67	17.55	8.02
	Units Produced (million)	12.47	11.52	12.12	4.15
	Revenue from mobile phones and components (₹ million)	342,743.66	263,922.19	158,197.20	100,661.34

Notes:

(1) Our final assembly lines decreased from Financial Year 2020 to Financial Year 2021 due to closure of certain exisiting facilities and consolidation into new facilities, as well as increased complexity of products resulting in longer assembly lines.

(2) Our manufacturing facilities have specific lines which are configured as per the requirements of the finished products being produced, leading to a variation in the installed capacity for each period.

Leading mobile phone OEMs in the Indian market include Xiaomi, Samsung, Vivo, Oppo, and RealMe for smart phones, and Lava, Jio and Karbonn for feature phones, according to the F&S Report. We have customer relationships with Xiaomi, HMD and Neolync (which manufactures Jio-branded phones), and in the six months ended 30 September 2021 revenue from mobile phones and components was ₹100, 661.34 million.

The following table sets forth the key customers of the mobile phones and components SBU, their revenue contribution to the SBU and the revenue from mobile phones and components:

	Year ended 31 March						Six months ended 30 September	
	2019		2020		2021		2021	
	₹	%	₹	%	₹	%	₹	%
	(in million, except for percentages)							
Xiaomi ········	300,946.54	87.81	235,014.92	89.05	149,086.77	94.24	97,530.63	96.89
HMD[1]··········	40,902.32	11.93	15,098.87	5.72	9,053.02	5.72	3,082.37	3.06
Neolync[2] ······	-	-	-	-	-	-	45.53	0.05
Others	894.80	0.26	13,808.40	5.23	57.40	0.04	2.81	-
Total Revenue of Mobile Phones and components ·	**342,743.66**	100.0	**263,922.19**	100.0	**158,197.20**	100.0	**100,661.34**	100.0

Notes:

(1) HMD's affiliate HMD Global OY is the exclusive licensee of Nokia-branded phones and tablets.

(2) Manufacturer of Jio-branded mobile phones.

The Government of India has approved a PLI amounting to an aggregate ₹409 billion for a select number of manufacturers in the mobile phones industry for a period of five years. We expect to receive incentives aggregating to a maximum potential of ₹60,004 million for our mobile phones SBU over the Financial Years 2022 to 2026, subject to meeting or exceeding the incremental investment and sales requirements, as well as financial targets and other conditions specified in the letter of approval. This PLI provides a revenue subsidy of 4-6% on the incremental revenue from mobile phones priced at above ₹15,000. We are also eligible, and have applied for, various additional subsidies for our mobile phones SBU. These comprise (i) M-SIPS, which provides a capital subsidy of 20-25% for investment in capital expenditure for mobile phone manufacturing, and for which the maximum potential incentive is ₹2,032 million over the Financial Years 2022 to 2026 and (ii) capital and revenue subsidy from the government of Andhra Pradesh for investments in that state, where the maximum potential incentive is ₹3,433 million over the Financial Years 2022 to 2026. Also, see "***Risk Factors – Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***" on page 47.

The OEMs' requirements in this industry are large-scale manufacturing and assembly capacity, ramp-up capabilities with scalability, cost efficiency and supply chain management. We address these requirements through our manufacturing capabilities and our ability to ramp-up and ramp-down production.

The key short-term objective of the mobile phones SBU is to expand the SBU's customer base and increase the range of ODM service offerings we offer to OEMs in this industry. As we develop our in-house component manufacturing capabilities, we expect to offer these as a value-added service to our OEM customers.

We aim to continue investing in equipment and expanding our existing campuses to build and strengthen our core capabilities. We also aim to build capacity for manufacturing 5G mobile phones to serve the increasing OEM customers' requirements. We will also invest in automation of certain assembly and test operations to achieve cost efficiency. In these areas, we will need various equipment such as SMT mounters, X-ray machines, test equipment and automation lines. For further details see "***Objects of the Offer – Funding capital expenditure requirements of our Company towards upgradation and expansion of our existing campuses***" on page 82.

Mechanics

The mechanics industry in India is expected to grow at a CAGR of 12% from from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – Mechanics***" on page 145. We currently provide mechanics services to HMD, comprising the manufacture of enclosures for its feature phones, and are building the capabilities to manufacture enclosures for smart phones. As at 30 September 2021, we have 30 production lines located in our Campus 2 dedicated to our mechanics SBU.

Leading mechanics OEMs include Sunwoda, JGP Wuxi, Lingyi Tech, Subros and Lemei, according to the F&S Report. We have a customer relationship with HMD for this SBU.

The OEMs' requirements in this industry are speedy and high-quality manufacturing, cost efficiency and supply chain management. We address these requirements through our manufacturing, component manufacturing and sourcing capabilities.

The key short-term objective of the mechanics SBU is to provide metal/CNC component manufacturing and sourcing, and begin offering smart phone OEMs enclosures for their products.

Electric Vehicles

The electric vehicle industry in India is expected to grow at a CAGR of 75.5% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – Electric Vehicle***" on page 133. We currently manufacture PCBAs for modules such as battery management systems, dashboards, head units and vehicle control units, as well as box build assembly services for our electric vehicles OEM customers. As at 30 September 2021, we have two production lines located in Campus 3, dedicated to our electric vehicles SBU. We intend to apply for the Government of India's electric vehicles PLI scheme as and when applications are invited.

Leading two-wheeler OEMs in the Indian market include Ather Energy, Okinawa, Ampere and Hero Electric, according to the F&S Report. We have customer relationships with Ather Energy and Ola Electric. We provide large-scale manufacturing and assembly capacity, supply chain management and ramp-up production capabilities for Ather Energy, and in the six months ended 30 September 2021 this SBU generated revenue of ₹12.92 million.

The OEMs' requirements in this industry are speedy and high-quality manufacturing, supply chain management and prototype development. We are an early mover in the EMS industry for EVs, and can offer EV OEMs dedicated and flexible production capabilities, supply chain management solutions, as well as high-quality and reliable finished products.

The key short-term objective of the electric vehicles SBU is to build market share in EMS/ODM services for OEM customers in the electric two-wheeler market. Over the next five years, we intend to onboard commercial businesses from other electric vehicle OEMs across the three-wheeler, car and light commercial vehicles markets. We also intend to utilise our capabilities in PCB component sourcing and assembly to provide supply chain management solutions for our electric vehicle OEM customers.

We intend to explore the benefits of the Mobility in Harmony (MIH) Open EV alliance at the global level for product development and exports. We expect to leverage the benefits of our Promoter's (FIH Mobile) membership with the MIH Open EV Alliance to have the opportunity to interact and participate with key players in the electric vehicles industry and seek new collaboration opportunities.

We also plan to gradually upgrade capacity in the EV industry to meet our growing customer demands. We propose to do so by means of investment in our Subsidiary, RSHTPL. For further details, see "***Objects of the Offer – Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements***" on page 88.

Televisions

The television industry in India is expected to grow at a CAGR of 12% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – Televisions***" on page 136. We currently provide assembly services for our television OEM customers. As at 30 September 2021, we have one production line located in Campus 1, dedicated to our televisions SBU.

We have developed the infrastructure and capability to assemble display modules for smart televisions in-house. The manufacturing facility at which our production lines for our televisions SBU is located is ISO 9001:2015 certified. We currently provide assembly services for television units ranging from 43 to 75 inches.

Our television assembly process begins with liquid crystal display (LCD) modules which is the key component for visual display in televisions. LCD panels come packed in an open-cell state from our suppliers. The protective plastic cover is removed, on the backplane light-emitting diode (LED) light array bars and light sheets are assembled in open-cell assembly manner. More components are assembled on 'open cell assembly' before it is ready for the final assembly stage. The LED panels go through colour performance tests to ensure that they deliver quality colour and clarity before final assembly. The final assembly process includes affixing the main circuit board, Wi-Fi board, T-Con board, speakers and base stands. After the final assembly, each television undergoes a series of performance and quality control tests such as safety, audio/video, Wi-Fi, Bluetooth, voltage, broadcast signal transmission and user-experience testing. Lastly, each television is cosmetically inspected and packaged in accordance with the customer specifications. The current volume capacity is 50,000 units per month which can be scaled up to 150,000 units per month.

Leading smart television OEMs in the Indian market include LG, Samsung, Sony and Xiaomi, according to the F&S Report. We have a customer relationship with VU, and assemble panel television sets for VU. In the six months ended 30 September 2021 this SBU generated revenue of ₹180.57 million.

The OEMs' requirements in this industry are dedicated capacity, high-speed and -quality manufacturing, cost-effective solutions, as well as stable supply of finished products and reliable manufacturing. We aim to address these requirements through our manufacturing and component sourcing capabilities.

The key short-term objective of the televisions SBU is to build our PCBA and enclosure manufacturing service offerings for this industry. Over the next five years, we aim to become a leading EMS provider in India for leading smart television OEMs.

We plan to gradually upgrade capacity in the television industry to meet our growing customer demands. We propose to do so by means of investment in our Subsidiary, RSHTPL. For further details, see "***Objects of the Offer – Investment in our Subsidiary, RSHTPL, for financing its capital expenditure requirements***" on page 88.

Hearables

The hearables industry in India is expected to grow at a CAGR of 25% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select***

Segments – Hearables" on page 138. We currently provide final assembly services for wireless earphones. As at 30 September 2021, we have one production line located in our Campus 3, dedicated to our hearables SBU. We intend to apply for the Government of India's hearables PLI scheme as and when applications are invited.

Leading OEMs in the Indian hearables market include boAt, One Plus, Xiaomi, RealMe, pTron and Noise, according to the F&S Report. We have a customer relationship with boAt, and we currently provide final assembly services for wireless earphones and local supply chain management for boAt. In the six months ended 30 September 2021 this SBU generated revenue of ₹24.69 million.

The OEMs' requirements in this industry are localised/domestic manufacturing, speedy and high-quality manufacturing, as well as cost-effective solutions. We can offer semi-automated high-precision assembly lines and technology miniaturisation solutions to our hearables OEM customers.

The key short-term objective of the hearables SBU is to build our manufacturing and logistics services offerings for this industry. Over the next five years, we intend to explore cross-selling opportunities with our existing OEM mobile phones customers who also maintain a presence in the hearables market.

Telecom and networking products

The telecom and networking products manufacturing industry in India is expected to grow at a CAGR of 18% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – Telecom and networking products***" on page 140. We currently manufacture network PCBAs for an OEM in this industry.

Leading telecom OEMs in the Indian market include Nokia, ZTE, Samsung and Ericsson, according to the F&S Report. We have customer relationships with a major global telecom network customer and ZTE, and in the six months ended 30 September 2021 this SBU generated revenue of ₹582.60 million.

The Government of India has approved a PLI incentive amounting to an aggregate of ₹121,950 million for a select number of manufacturers in the telecom and networking products manufacturing industry for a period of five years. We expect to receive incentives aggregating to a maximum potential of ₹4,025 million for our telecom and networking products SBU over the Financial Years 2022 to 2026, subject to meeting or exceeding the incremental investment and sales requirements, as well as financial targets and other conditions specified in the letter of approval issued to our Subsidiary, RSHTPL. Also, see "***Risk Factors – Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***" on page 47.

The OEMs' requirements in this industry are technical expertise in the manufacturing of large and complex PCBAs and quick ramp-up capabilities. We can offer telecom OEMs speedy time-to-market and time-to-volume production, technical know-how capabilities and manufacturing capabilities for complex PCBAs.

The key short-term objective of the telecom and networking products SBU is to gain market share in EMS services of this industry, provide PCBA and box build service offerings for routers (including services for network upgrades and home network gear routers). Over the next five years, we intend to build 5G network telecom equipment market share as operators begin to deploy 5G equipment, on-board leading telecom OEMs in the domestic market, as well as explore opportunities to export our telecom and networking products.

IT Hardware

The IT hardware manufacturing industry in India is expected to grow at a CAGR of 7% from Financial Years 2021 to 2026, according to the F&S Report. For further details, see "***Industry Overview – Market Discussion for Select Segments – IT Hardware***" on page 143. We can provide PCBA and final assembly services, as well as testing and packaging services for IT hardware product OEMs.

Leading IT hardware OEMs in the Indian market include Lenovo, Samsung, and Acer, according to the F&S Report. We are currently engaging several OEMs for prospective business in this industry.

The Government of India has approved a PLI incentive amounting to an aggregate ₹73,250 million for a select number of manufacturers in the IT hardware manufacturing industry for a period of five years. We expect to receive incentives aggregating to a maximum potential of ₹12,450 million for our IT hardware SBU over the Financial Years 2022 to 2026, subject to meeting or exceeding the incremental investment and sales requirements, as well as financial targets and other conditions specified in the letter of approval issued to our Subsidiary, RSHTPL. Also, see "***Risk Factors – Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***" on page 47.

The OEMs' requirements in this industry are PCBA, testing and packaging and box build capabilities, as well as supply chain management. We can offer IT hardware OEMs cost-effective manufacturing capabilities, speedy time-to-market and time-to-volume production, and supply of components.

The key short-term objective of the IT hardware SBU is to commence business with OEMs in this industry, as well as source and deliver PCBAs and provide equipment assembly services to leading computer and technology accessory companies.

MANUFACTURING FACILITIES

Our manufacturing and assembly operations are conducted across three campuses in the states of Andhra Pradesh and Tamil Nadu in India. Our factories comprise a total of an aggregate of 94 production lines, consisting of 29 SMT lines, 35 assembly lines and 30 sub-assembly mechanics lines. Our manufacturing and assembly lines include dedicated and fungible lines. Our dedicated lines are specialised and tailored to a particular SBU, while our fungible lines can be allocated to any SBUs as and when required. This ensures maximum capacity utilisation and mitigates the risk of idle non-producing lines. We use our manufacturing facilities principally in the mass manufacturing and assembly of mobile phone modules and complete systems. These facilities also have the capacity to manufacture other products such as PCBAs, mechanics, components and enclosures, as well as provide final assembly services for mobile phones.

Our factories also conduct small volume manufacturing requiring design, engineering and product development support. We co-locate our engineering teams within our factories to provide research and development assistance when needed in terms of new product introduction, production ramp-up, and for debugging design and quality issues. Our facilities are strategically located within Tamil Nadu and Andhra Pradesh to take advantage of the availability of a skilled workforce and state government commitment of uninterrupted power supply, among other benefits. In addition, we further enhance the vertical integration of some of our key operations by locating complementary facilities in close proximity to our manufacturing and assembly factories, enabling us to geographically integrate key aspects of our service portfolio. This also enables us to deliver products to local markets in those regions quickly and at competitive cost.

Manufacturing facilities in Campus 1 (Sri City)

Our manufacturing facilities in Campus 1 are located in Sri City in the state of Andhra Pradesh. We established Campus 1 in 2015. Our factories and production lines in Campus 1 manufacture, assemble and provide integration services to produce end products primarily comprising of systems and modules for our mobile phones SBU. Our Campus 1 factories and production lines also assemble television sets for our televisions SBU.

The table below sets forth certain information regarding our manufacturing facilities in Campus 1 for the periods indicated.

	Year ended 31 March			Six months ended 30 September
	2019	2020	2021	2021
Number of Production Lines ·······················	25	17	15[1]	18[2]
Installed Capacity[3] (million units) ·······················	38.82	31.76	26.41	15.92
Units Produced (million) ·	26.01	23.15	11.42	7.28
Capacity Utilisation (%) ·	67.00	72.90	43.26	45.73

Notes:

(1) The number of production lines decreased in Financial Year 2021 due to the consolidation of existing lines.

(2) The number of production lines increased in the six months ended 30 September due to the addition of production lines for our mobile phone SBU and televisions SBU.

(3) Our manufacturing facilities have specific lines which are configured as per the requirements of the finished products being produced, leading to a variation in the installed capacity for each period.

Manufacturing facilities in Campus 2 (Sriperumbudur)

Our manufacturing facilities in Campus 2 are located in Sriperumbudur in the state of Tamil Nadu. Our factories and production lines in Campus 2 became operational in Financial Year 2020, and manufacture enclosures for our mechanics SBU.

The table below sets forth certain information regarding our manufacturing facilities in Campus 2 for the periods indicated.

	Year ended 31 March			Six months ended 30 September
	2019[1]	**2020**	**2021**	**2021**
Number of Production Lines ······················	N/A	30	30	30
Installed Capacity[2] – moulding, stamping and painting (million units) ···	N/A	29.16	97.42	59.40
Units Produced (million) ·	N/A	12.67	54.44	20.32
Capacity Utilisation (%) ·	N/A	43.44	55.88	34.21

Notes:
(1) Our factories and production lines were not operational in Financial Year 2019.
(2) Our manufacturing facilities have specific lines which are configured as per the requirements of the finished products being produced, leading to a variation in the installed capacity for each period.

Manufacturing facilities in Campus 3 (Sriperumbudur)

Our manufacturing facilities in Campus 3 are located in Sriperumbudur in the state of Tamil Nadu. We established Campus 3 in 2017. Similar to Campus 1, our factories and production lines in Campus 3 manufacture, assemble and provide integration services for our mobile phones SBU. Our factories and production lines in Campus 3 also manufacture modules (e.g. PCBAs) for our telecom and networking products SBU, modules for our electric vehicles SBU (e.g. electric vehicle dashboards, head units, vehicle control units and battery management systems), and provide final assembly services for hearables products for our hearables SBU.

The table below sets forth certain information regarding our manufacturing facilities in Campus 3 for the periods indicated.

	Year ended 31 March			Six months ended 30 September
	2019	**2020**	**2021**	**2021**
Number of Production Lines	22	20	14[1]	17
Installed Capacity[2] (million units)	47.57	34.31	29.36	14.15
Units Produced (million)	23.34	15.89	16.84	7.53
Capacity Utilisation %	49.06	46.31	57.36	53.21

Notes:
(1) The number of production lines decreased in Financial Year 2021 due to the consolidation of existing lines.
(2) Our manufacturing facilities have specific lines which are configured as per the requirements of the finished products being produced, leading to a variation in the installed capacity for each period.

Immovable Properties

Our Campus 1 in Andhra Pradesh is situated on land and in buildings leased from Sri City Private Limited. Our Campuses 2 and 3 in Tamil Nadu, including our Registered and Corporate Office, are situated on land leased by FIH India Developer Private Limited, a member of our Promoter Group, from State Industries Promotion Corporation of Tamil Nadu, which in turn is sub-leased to our Company. Our R&D facility located in the IIT Madras Research Park is leased from IIT Madras Research Park and our R&D facility in Bengaluru is leased from a third party.

Expansion Plans

Our Board in its meeting dated 14 December 2021 took note that an amount of ₹10,581.71 million is proposed to be funded for capital expenditure from the Net Proceeds. Capital expenditure by our Company is proposed to be utilised as follows:

A. *PCB Assembly/Testing and Final Assembly/Testing (mobile phones)* **—** We aim to continue investing in equipment and strengthen our core capabilities. We also aim to build capacity for manufacturing 5G mobile phones to serve the increasing OEM customers' requirements. Further, we will invest in automation of certain assembly and test operations to achieve cost efficiency. In these areas, we will need various equipment such as SMT mounters, X-ray machines, test equipment and automation lines.

B. *Component manufacturing (Mechanics and Enclosures)* **—** We propose to expand Campus 2, located in Sriperumbudur in the state of Tamil Nadu. There is one main factory building with canteen facility, main utility building and other allied buildings such as scrap yards and ETP plants being currently used for the production of mobile device components. In this facility, we intend to increase capacity and expand the facility by constructing a ready-to-occupy main factory building with other necessary utility buildings and utilities for the purpose of production of mobile devices components. We will also invest in CNC machinery for component manufacturing.

We also propose to utilise ₹363.26 million from the Net Proceeds for investment into our Subsidiary, RSHTPL, for financing capital expenditure requirements towards purchase of equipment. The majority of our investment would be deployed towards further development of a research and development center at the IIT Madras Research Park. We also plan to gradually upgrade capacity in electric vehicles and television SBUs to meet our growing OEM customers' demands. The investment by our Company in our Subsidiary, RSHTPL, is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. For further details, see "***Objects of the Offer***" on page 81.

SUPPLY CHAIN MANAGEMENT

An effective system of supply chain management is critical to our operations. Set forth below are the functions of our supply chain management (SCM) department:

- Capacity planning
- Demand and supply matching
- Production planning
- Materials management
- Life cycle management
- Warehousing
- Kitting
- Logistics and customs (for inbound and outbound logistics)

We have installed the following core systems to enhance our supply chain management functions:

- *Supplier Relationship Management (SRM) system* is our supplier relationship management system which enables us to exchange data (including data relating to raw materials and inventory levels) relating to particular transactions with our suppliers and share this with our customers. This system enables our customers to input their orders online and monitor the inventory level of components and inputs, work-in-progress and finished goods, receive our invoices, manufacturing and delivery schedules, and shipment tracking information for their products. Our SRM system is customer-specific. The information available in the SRM system is based on the information requirements and specifications of our customers. The SRM system allows the customer to have real-time visibility from the receipt of raw materials through the manufacturing processes and finished goods; and
- *B2B system*, which enables us to exchange data (including details of purchase orders and expected order completion dates) relating to particular transactions with our customers.

INVENTORY MANAGEMENT

Planning

Our inventory management systems balance our production capacities, product demands and manufacturing execution. We aim to ensure short-, medium-, and long-term inventory availability against customer forecasts. Our medium- and long-term product demand forecasting is also based on our customers' historical sales volumes and current and anticipated market order requirements.

Inputs and Raw Materials Management

We have implemented inventory management procedures to ensure that we have sufficient stock of components and inputs as well as in-progress and finished components, systems and modules, while avoiding excess stock. We maintain a projection of demand for upcoming periods based on the manufacturing schedule information received from customers on a rolling basis and arrange our manufacturing accordingly. We also monitor our procurement, sales, manufacturing schedules and supplies of inputs, and finished components, modules and systems. We generally maintain inventory at a level needed to operate our business. However, we may from time to time increase the amount of consumables and packaging we retain in anticipation of customer demand, such as periods when our OEM customers indicate to us that a new, high volume end-product will soon be announced to the public.

We endeavour to maintain a flexible policy on components and inputs inventory, in order to balance the benefits of having a ready supply of key components and inputs through bulk purchasing against the risks of possible inventory obsolescence. Other than these measures, we do not have a hedging policy as we do not maintain a significant level of inventory prior to receiving orders. To help us ensure an adequate and timely supply of our major raw materials and components, we have implemented various in-house developed inventory and resource management systems to enable us to plan the allocation of our resources. For more information, see "– ***Warehouse Management***" and "– ***Manufacturing Execution System***" below on pages 172 and 176, respectively. We also manage end-to-end product lifecycle management systems to mitigate our end-of-life (EOL) liabilities.

Warehouse Management

Our warehouses span 250,000 sq m with 25,000 pallets and 20,000 bin locations, with approximately 50 material handling equipment (MHEs), and we handle over 2 million raw material items per day. We also manage inventory of over 30 million raw material items and over 800 unique items such as displays, memory, chipsets, mechanics and batteries, which are tracked in real-time with our in-house developed digital Warehouse Management System (WMS).

Our WMS provides insight into key metrics and information for binning, transfer order creation, pick suggestion sheet and picking, transfer order acknowledgement by kitting, delivery instruction (for customs duty calculation), kitting operations, dashboard (both via on-site televisions and web-based applications) and automatic flash report emails. We provide a direct link between our WMS and Systems Applications and Products (SAP) posting systems, and our first-in, first-out (FIFO) system. Our FIFO system is our inventory control method in which the first items to come into our warehouse are the first ones to leave. Our WMS system enables automatic posting in WMS, as well as dual posting to our WMS and SAP systems, through hand-held personal digital assistant (PDA) devices. We are also able to conduct super-market management through our WMS system. This allows us to manage small warehouse storage capabilities that have a fulfillment requirement of 3-days production.

QUALITY

Quality Assurance

Our quality control team is actively engaged throughout the product life cycle and our manufacturing process to ensure the quality of the products against our own benchmarks and our OEM customers' requirements. Our quality process focuses on the following key areas:

- early involvement with customers providing design-for-manufacturing (DFM) inputs, to build quality into the product and process;

- incoming material quality checks based on standard lot sampling for material quality and work with suppliers for improvement;

- process quality control through process failure mode effects analysis (PFMEA), control plans, line audits and first article inspection (FAI);

- in-house IT based manufacturing execution system (MES) with controls and interlocks to enable each product to go through the OEM-defined assembly and test steps;

- in-process testing at various stages of assembly for quality of sub-assemblies or specific functional modules;

- quality dashboard for monitoring of quality, feedback and corrective actions; and

- product quality control through in-process and end-of-line inspections and out-of-box audit (OBA); and

- reliability testing laboratory for reliability tests in relation to process and product quality. These can also be configured for customers' requirements.

We have not experienced any material recalls, product liability issues, reworks or repairs involving our customers in Financial Years 2019, 2020 and 2021.

Quality Control Certifications

We have obtained a number of quality certifications that are relevant to our operations, including:

- ISO 9001:2015: Obtained in 2016 — ISO 9001:2015 is an international standard for defining a quality management system;

- ISO 14001:2015: Obtained in 2019 for Campus 1 and in 2020 for Campus 3 — ISO 14001:2015 is an international standard on the operation of an environmental management system;

- ISO 45001:2018: Obtained in 2020 for Campus 3 and in 2021 for Campus 1 — ISO 45001:2018 is an international standard for occupational health and safety management systems;

- ISO 27001:2013: Obtained in 2020 — ISO 27001:2013 is an international standard for an information security management system; and

- ANSI S20:20: Obtained in 2019 for Campuses 1 and 3 — ANSI S20:20 is an international standard for independent verification of the quality and effectiveness of an electrostatic discharge control program.

RESEARCH AND DEVELOPMENT

R&D is important to maintaining our position as a leading EMS provider and to facilitate our diversification into ODM services.

Our existing R&D efforts are primarily focused on the following areas:

- design, development and manufacturing of new products such as mobile phones, electric vehicles sub-assembly, televisions and telecom equipment products, along with the improvement of existing processes including new product introduction, design quality and manufacturing;

- in-house design and manufacturing of precision tooling and molds;

- collaboration with our customers on product design and development, and obsolescence management; and
- improvement of manufacturing and cost efficiency.

R&D Centres

Our R&D teams are based in our research and development facilities in the Indian Institute of Technology (Madras) Research Park, our R&D centre in Bengaluru, and in one of our manufacturing and assembly facilities. Our research and development activities are headed by a team of experienced technical managers and engineers, all of whom are qualified and have relevant industry experience.

Indian Institute of Technology (Madras) Research Park

We opened our IIT Madras Research Park facility in October 2021. This facility offers end-to-end services and products ranging from product design, specification finalisation, tooling and moulding development. Our facility is also equipped to offer innovative and customised client-specific solutions. Our R&D teams based at this facility comprise qualified engineers with several years of relevant industry experience. In addition, this R&D facility is able to collaborate with other Foxconn Technology Group R&D teams in product design, cost optimisation, sourcing, tooling and manufacturing of components.

Our Company proposes to utilise ₹363.26 million from the Net Proceeds for investment into our Subsidiary, RSHTPL, for financing capital expenditure requirements towards purchase of equipment as listed below. The majority of our investment would be deployed towards further development of the research and development center at IIT Madras Research Park. We also plan to gradually upgrade capacity in our electric vehicles and televisions SBUs to meet our growing customer demands.

Bengaluru R&D Centre

Our Bengaluru R&D team, comprising 10 engineers, is currently focused on (i) India-focused testing which tests Indian consumer scenarios on products in live network conditions, (ii) consumer trials and analysis in selected Indian cities including user management, surveys, error triage and consumer calling, and (iii) in-market quality management by participating in early warning process analysis and providing feedback to programs to rectify field issues.

In addition, our Bengaluru R&D team provides validation and consumer analytics services. Our R&D centre in Bengaluru provides "technical readiness" testing services to our OEM customers. We intend to establish audio and camera research labs, as well as research facilities for advanced radio frequency characterisation, protocol stack validation and end-to-end 5G devices design. Set forth below is the scope of work categorised by deliverables and key processes for the Bengaluru R&D centre:

Deliverables

- *India Focused Testing:* We strategise, plan and execute Indian consumer-based scenarios on products in live network conditions to determine real-time issues. We load test scenarios, preconditions, test reports, logs and error reports into our in-house development software programs for further evaluation. We test battery performance in live network scenarios, as well as mobile phone mean-time-between-failure (MTBF) testing and specialised mobile testing, if required. We also conduct compatibility testing with local accessories, content, websites, apps and languages.

- *Consumer Trials and Analysis*: We plan and execute consumer trials in selected Indian cities, as well as conduct testing based on user management. These include flashing and prototype testing, surveys, error reporting, triage, consumer calling, test automation solutions and submission tests, mobility and/or field testing, as applicable, as well as HW adaptation for feature phone MTBF and continuous integration systems testing. The data is subsequently analysed and transferred into programmable feedback loops within our R&D programs. This ensures we have real-time data available in an actionable format for our analysis.

- *In-market Quality Management*: We participate in early warning process analysis and ensure our data is transferred into programmable feedback loops. These feedback programs are designed to prioritise and resolve key issues and errors real-time in the field. We work closely with our customer care teams to monitor our operational claim rate to meet the program's pre-determined target levels.

Key Processes

- *Software Quality Management*: We provide visibility into small-width quality data, deliver quality control and assurance practices, and drive identified improvements based on end user trail feedback.

- *Product Quality Management in Concept Phase*: We provide visibility into early phase quality data and provide quality control and improvements in product programs.

- *In-Market Quality Management*: We manage product quality assurance in the field. We conduct analyses for field feedback and error prioritisation. We also evaluate consumer care interfacing and provide consumer returned product analysis.

Bharat Taiwan Corporation

We have recently established a subsidiary, Bharat Taiwan Corporation (BTC), which is based in Taiwan. This subsidiary has been established to explore opportunities for technology transfers and solutions to our R&D centres in India. For more details, see "***History and Certain Corporate Matters*** – ***Subsidiaries of our Company***" on page 194.

Expansion of R&D Capabilities

We currently have 23 R&D personnel. We have plans to expand our R&D teams significantly, particularly in the area of product design and development, and intend to reach a team strength of 150 engineers by the end of Financial Year 2024. We plan to expand our R&D facilities as discussed above. For further details, see "***Objects of the Offer***" on page 81.

INFORMATION TECHNOLOGY

Our business processes rely on information technology to increase automation as well as cost competitiveness. Our IT infrastructure forms the foundation that enables us to deliver the quality, scalability and performance expected by our key OEM customers.

Our information technology and IT infrastructure can be categorised into four main pillars: infrastructure, software engineering, enterprise resource planning system and manufacturing execution system.

Infrastructure

Our infrastructure is designed to satisfy the requirements of our operations, to support the growth of our business and to ensure the reliability of our operations as well as the security of information on our information technology platforms. We continuously develop our infrastructure to offer our employees and workforce and, if required, our customers and suppliers, access to information across our IT platforms, while at the same time enhancing the reliability and scalability of our manufacturing operations. We have implemented a hybrid infrastructure system which provides for high-availability systems and a cyber secured network.

Core Competencies

Our infrastructure system highlights the following core competencies:

- *Efficiency*: With optimum loading and production distribution across factories and plants, we maintain an efficient supply chain unit capable of delivering over 90% efficiency on a consistent basis;

- *Error-free*: We handle more than 800 unique parts daily with inventory control, and our inventory management systems are equipped with warehouses and kitting areas to break bulk and feed production;

- *Value-driven services*: We handle inbound and outbound logistics of over 800 shipments per month through all modes of transportation, which facilitates faster conversion of raw materials into finished goods with minimal down-time; and

- *Adaptability*: With mobile phone models changing frequently, we effectively manage end-of-life material status for better liability coverage. We also have a ramp-up process for introduction of new product and production changes.

Information Security

We are committed to maintaining a secure platform and protecting our customers' information security. We have built an information security management system based on the ISO 27001:2013 framework to manage and protect our information. Our network and application systems use a defense-in-depth security system and are secured at multiple layers, including network segmentation, access control and secure communication protocols between the applications and cloud servers. To prevent unauthorised access to our system, we have implemented network boundary access controls and enabled multi-factor authorisation for remote access. We have also implemented various security procedures, including security baseline check, a policy for compulsory password enforcement and periodic review mechanism with respect to data review authority.

In addition, we have a cyber security policy which applies to all our employees, consultants, vendors, suppliers, agents and other users of our IT resources. Our cyber security policy is designed to protect us from internal and external cyber security threats and include the following objectives: (i) compliance with confidentiality requirements of our employees, contractors, vendors and other users; (ii) protection of our data and information assets; (iii) ensure business continuity, including recovery of data and operational capabilities in the event of a security breach and (iv) compliance with all applicable laws, regulations and our policies, controls, standards and guidelines.

Software Engineering

Industry 4.0 Enabled Solutions

Our technology infrastructure system is supported by our in-house systems that provide Industry 4.0 enabled software engineering solutions. Our in-house developed software solutions use open source technologies such as angular bootstrap and JQuery, and the Industry 4.0 enabled software allows real-time reporting, data retrieval and shop floor visibility. One of the primary uses for our Industry 4.0 enabled software solutions is through our visual factory management system. Our Industry 4.0 enabled solutions enables us to deliver compilations of key metrics (e.g. day-of-stock (DOS) inventory levels, production materials, and work order information) on a real-time basis, dashboard status reports, hourly/daily flash reports, and predictive forecast analysis to our management.

Enterprise Resource Planning

SAP S/4 HANA Implementation

We are upgrading our enterprise resource planning (ERP) SAP system to SAP S/4 HANA implementation. SAP S/4 HANA is a high-performance analytical multi-model database that enables faster data processing, re-engineering and process simplification. SAP S/4 HANA enables access to customs reports (e.g. FIORI mobile-based reports), and provides access to data indicators such as production line capacity and utilisation. It addresses the existing issues in current SAP systems such as lack of features for GST, taxation, material flow traceability, and material resources and planning (MRP) reporting.

Manufacturing Execution System

We have created our own in-house manufacturing execution system (MES), which connects various parts of our manufacturing operations and provides end-to-end traceability of all the products we manufacture. Our MES system provides real-time visibility of operational performance and output to our line operators and supervisors. We have the capability to make our MES system available to new customers in a short period, allowing for visibility in supplies and resources by both parties. We integrate our raw materials management system and order and variant management with our MES. We also provide our customers with real-time dashboard updates, performance indicator monitoring and yield reports. In addition, our MES system provides variant and order control check points that are automatically programmed into the system. Therefore, our MES system provides easy access to accurate variant and quantity data for our customers' orders.

Our MES also connects our multiple factories, campuses and suppliers' live production and provides a shop-floor management system solution. It provides supervision over employees with guides, triggers and reports on factory activities as the events occur. This results in visibility, traceability, variant control and manufacturing optimisation. Our MES system also assists us in evaluating the portion of an order or operation that has been completed. This further enables us to plan and optimise the use of our resources and inventory, and review supervisor/operator productivity on the shop floor in real-time.

Further, our "OneEye" software solution, which we have developed in-house, boosts the capability of our MES. The OneEye software solution consolidates information from our various IT sub-systems (e.g. HR, manufacturing operations, SAP ERP) and provides for a single source of visibility to our supervisors and management on the various aspects of our operations.

INTELLECTUAL PROPERTY

We have sought to protect our intellectual property rights through various measures, including seeking protection in the form of trademarks. We conduct patent clearance searches and evaluations to avoid infringing a third-party's patent rights during the early stage of product design and manufacturing. We will also utilise non-disclosure agreements to protect our intellectual property and trade secrets and take various measures to ensure that our workforce comply with data security measures and confidentiality requirements.

We have also applied for the registration of five trademarks with the Registrar of Trademarks in India under various classes of the Trademarks Act 1999, including for the logo "BHARAT FIH."

Many of our finished products such as mobile phones include third-party intellectual property, which may require licenses from and payment of royalty to those third parties, including an American technology company. Our Promoter, FIH Mobile has currently licensed certain of this American technology company's intellectual property for the manufacture, use and sale of CDMA handsets, CDMA tablets, CDMA modules and CDMA microcells. We have entered into a sub-license agreement with our Promoter for the use of such intellectual property and are required to pay royalties to the licensor under the terms of this agreement.

Since we commenced operations in 2015, there have been no material intellectual property claims against us and we have not made any claims against our customers for potential intellectual property infringement.

DATA PRIVACY

We are committed to protecting our workforce and employees' personal information and privacy. We have established a company-wide policy on employees' data collection and processing and have implemented a network of process and software controls to preserve individual personal information and privacy. We encrypt our employees' data in network transmission. For back-end storage, we also use various encryption technologies at software and hardware levels to protect sensitive user data. To minimise the risk of data loss or leakage, we conduct regular data backup and data recovery tests. We also require any access to or processing of employee data to go through assessment and approval procedures in order to assure that only valid and legitimate requests are executed. Our integrated security systems protect our information systems from phishing sites and cyber-attacks in real-time. To comply with applicable laws and regulations, employee data is primarily stored on on-site servers. We store, collect and process our employee data in the ordinary course of our business activities, and all employee data is only stored for a fixed period of time in accordance with the applicable laws and regulations.

Upon any breach of our data privacy and protection policy, as incorporated into our employee handbook, we may subject the relevant employees to strict disciplinary actions, including possible termination, as well as pursuing legal action for damages against such employees.

MARKETING AND PROMOTION

We conduct our sales and marketing efforts based on our OEM customers' product design and development and go-to-market plans. We are able to market our solutions and products to leading OEM customers in a range of industries including mobile phones, telecom and networking products, electric vehicles, televisions, hearables, mechanics and IT hardware (e.g., PCs and servers). Our marketing team analyses the dynamics of existing customers and trends in key end markets to determine where business opportunities exist, and our local marketing teams implement strategies within their respective local or end markets for which they are responsible. In general, our sales and marketing teams are familiar with and able to offer OEM customers our full range of solutions and products.

To date, we have maintained a sales and marketing workforce of approximately 25 team members located in India, focusing on business development, customer service and industry coverage. Our sales and marketing teams regularly contact our existing and potential customers about our current offerings and development plans. They also work with our other teams to gather knowledge about existing customers' product planning to refine their marketing approach. Our sales and marketing teams are led by our senior management, and also gather feedback from our customers on the solutions and products we supply and assist us in understanding and responding to design, after-sales and other customer demands.

PRICING AND CONTRACT TERMS

We adopt a flexible pricing approach and enter into master framework agreements with our key OEM customers for our EMS business.

These master framework agreements include general terms of sale, quality and specification requirements and pricing policy, and typically require the customer to provide indicative rolling forecasts of the quantities of the products required. The specific terms related to pricing and quantities are confirmed at the time the purchase order is placed. We use our customers' rolling forecasts to plan inventory levels for the raw materials and components and the utilisation of our production capacity. The precise terms for each shipment, such as pricing and quantities, are normally confirmed at the time each order is placed. Our customers' orders are subject to cancellations and modifications before the scheduled delivery dates. Our customers are invoiced at the time of shipment of the products, with varying credit terms, depending, in part, on the customer's location and the product type.

The master framework agreements do not obligate our customers to place an order with us. Pricing under purchase orders is typically subject to re-assessment, depending on the arrangements with our OEMs and subject to any additional negotiations, if necessary. For certain early-stage customers, we price the services based on a desired margin above our variable and fixed costs. As we expand into other service areas, we intend to adopt a pricing approach that is suited to the respective services. For example, we intend to determine pricing terms for component manufacturing services based on various factors, including the complexity and specifications of the components offered, the cost of raw materials, size of the order, manufacturing costs, desired profitability margins and prices offered by competitors.

HUMAN RESOURCES

As at 30 September 2021, we had a total of 3,470 full-time employees based in the states of Andhra Pradesh and Tamil Nadu. In addition, our factories are staffed by a workforce of over 25,000, of whom approximately 85% are women. The number of our manufacturing workforce may fluctuate significantly during a year due to the seasonality of our business. The following table sets forth our full-time employees by function as at 30 September 2021:

Department	**Headcount as at 30 September 2021**		
	Andhra Pradesh	**Tamil Nadu**	**Total**
Manufacturing	276	796	1072
Production	717	524	1241
Quality	293	149	442
R&D	0	4	4
SCM	103	104	207
Accounts	9	20	29
Business Control	18	42	60
Company Secretary & Legal	0	7	7
Facilities Management	45	64	109
Finance	4	4	8
General Administration	16	18	34
Human Resources	33	37	70
IT	37	52	89
Logistics & Customs	18	21	39
Project Management	8	12	20
Sourcing	6	10	16
Security	12	11	23
Total	**1,595**	**1,875**	**3,470**

Recruitment

We currently recruit our workforce primarily through job portals, employee referrals, newspaper advertisements and walk-in interviews. We also encourage our current employees to apply for open positions in other departments that fit their interests and expertise to maximise the potential of each team member. We provide hostel accommodation for our factory workers, transportation and other benefits such as provision of medical services. We also host corporate social events for employee engagement. As employees are not permitted to bring their mobile phones into our factories, we provide a touchscreen based employee kiosk on-site that provides, among other things, employee personal information, circulars, shift information, evacuation maps and feedback. Aside from our on-site facilities, we also provide a mobile application for our employees which provides similar information to our on-site employee kiosks, as well as their benefits and COVID-19 updates.

Workforce Evaluation and Retention

We maintain an evaluation system that forms the basis of our determination of whether our employees should receive salary raises, bonuses or promotions. Under applicable laws and regulations, we may be required to provide provident fund contributions, employee state insurance payments, group medical insurance (only available to full-time employees), and statutory bonuses (for both full-time and temporary employees). In addition to the benefits we provide, we also incentivise our workforce and align their interests with ours by enabling our employees to participate in our performance bonus incentive scheme, which is paid annually based on the employees' performance.

We have not experienced any major disputes with our workforce, and we maintain a good working relationship with our team. We manage our relationship with employees and other workers through dedicated Employee Relations and HR Business Partners. Our management policies, working environment, career development opportunities and workforce benefits are instrumental to maintaining good team relations and workforce retention.

Training

We emphasise the training of our employees and other workers in order to enhance their technical and product knowledge as well as their understanding of industry quality standards and workplace safety standards. We design and offer training programs for our employees and other workers in various positions. We provide regular on-site and off-site trainings to help our workforce improve their sales, technical and marketing skills.

INSURANCE

We maintain insurance policies in respect of our manufacturing facilities and fixed assets. These policies cover industrial risks to our business, including any machinery and equipment breakdowns. Further, we maintain a transit insurance policy with third-party insurers in connection with the marine transportation of our raw materials, products and equipment. In addition, we maintain a general liability policy for claims in connection with compensation for damage or injuries incurred by third parties.

We consider our insurance policies to be in line with industry standards. Also see "***Risk Factors – Our insurance coverage is limited and may not be adequate to cover potential losses and liabilities*.**" on page 38.

RISK MANAGEMENT AND INTERNAL CONTROLS

We have in place a set of internal control and risk management procedures to address various high-level potential operational, financial, legal and market risks identified in relation to our operations.

These risk management procedures are intended to identify, categorise, analyse, mitigate and monitor various risks. Our risk mitigation procedures include analysing our Enterprise Risk Assessment Forms (Risk Form), which are populated by our evaluation team members on a periodic basis. Our Risk Forms are categorised by risk management and provide impact analyses, potential and active causes and currently implemented controls on various risks. The Risk Forms' risk management categories are (i) investment, (ii) finance, (iii) strategy, (iv) supply chain, (v) legal, (vi) IT, (vii) product safety, security and liability, (viii) quality, (ix) technical, (x) industry, (xi) regional, (xii) natural disaster, (xiii) human resources and (xiv) sales and collection. The risks analysed in each Risk Form are specific to its risk management category, and detail potential risks, liabilities and issues affecting funding, investment, legal, improper issues/operations in invested entities, employees and workforce, over -valuation/-payment on investment, banking systems and financial market, incomplete accounting policy or inadequate implementation, as well as taxation risks (e.g. non-compliance with tax rules and ineffective or failure in tax planning).

Our Risk Management Committee is responsible for our risk management functions, subject to oversight by our Board.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE MATTERS

Environmental Compliance

We are subject to various environmental protection laws and regulations in India. Our manufacturing facilities' by-products primarily comprise scrap metal, plastics and electric materials. Where possible, we engage with recycling companies who recycle these by-products. In addition, our mechanics SBU produces paint material discharge as a by-product. We have implemented treatment processes and procedures in our manufacturing facilities to treat the paint material waste that is discharged during the manufacturing process.

We have not been subject to any material fines or legal action involving non-compliance with any applicable environmental laws or regulations, nor are we aware of any threatened or pending action against us by any environmental regulatory authority.

Sustainability

Our sustainability efforts are guided by integrating sustainable practices into our operations and building green capabilities and facilities in our campuses. We have an Environmental, Health and Safety (EHS) policy which is dedicated to conserve the environment, protect health and ensure the safety of all our stakeholders. Our major environmental initiatives are directed within our Tamil Nadu and Andhra Pradesh manufacturing facilities:

- *Electricity conservation* — comprising migration to LED light fittings from conventional light fittings and installation of energy efficient chillers for plant cooling;

- *Water conservation* — comprising installation of water efficient sensor taps, reduced water consumption, and construction of rain water collection and filtration systems to enable use for internal water consumption; and

- *Pollution control* — comprising a zero discharge waste water treatment plant; environmental monitoring for ambient air and indoor air quality, installation of emission and paint shop exhaust air treatment system with scrubber, green belt development around the facilities and installation of waste management system for hazardous and bio-medical wastes.

We periodically review our energy use, water conservation measures and pollution output.

Social

We believe in the empowerment of women, diversity and inclusion, as well as the health and safety of our employees. Our female workers comprise approximately 85% of our workforce across our factories. We ensure the safety and well-being of our workforce by providing in-house dormitory and transportation facilities, as well as paid meals.

Governance

Our board of directors constitute a mix of executive, non-executive and independent directors. Our committees include (i) audit committee, (ii) nomination and remuneration committee, (iii) corporate social responsibility committee, (iv) risk management committee and (v) stakeholder relationship committee. Our board of directors and committees focus on issues such as the management of our business, transparency and reporting, ethics, compliance, stakeholder rights, and the composition and role of the board of directors.

Health and Work Safety Compliance Record

We have a system of recording and handling accidents in accordance with our relevant internal policies. Our relevant manufacturing, administrative and human resources teams, from time to time, may adjust our internal policies to accommodate for material changes that have been implemented under the relevant labour and safety laws. This ensures our compliance with the applicable laws and regulations.

In order to ensure the safety of our workforce, we implement operational procedures and safety standards for our manufacturing process, including fire safety, warehouse safety, work-related injuries, electricity safety, and emergency and evacuation procedures. We provide our workforce with occupational safety education and training to enhance their awareness of safety issues. We also carry out equipment maintenance on a regular basis to ensure their smooth and safe operation. We have not encountered any safety-related accidents that had any material impact on our operations in Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021, and during that period no material claim has been brought against us as a result of an accident.

RESPONSE TO COVID-19

The COVID-19 pandemic resulted in widespread and prolonged lockdowns throughout India in March/April 2020 and for large parts of Financial Year 2021. The March/April 2020 lockdown resulted in full closure of our factories. However, we were able to continue our factories during subsequent lockdowns with special permission from the state government authorities as a "continuous process industry". As we house our workers across our three campuses, our workers were able to come into our factories and work in our production lines. We also supported the daily commute of our workers by extending the bus routes for staff and operators. Although social distancing requirements meant that significantly fewer workers could come into our factories, we were still able to continue operating our factories.

In addition to the guidelines and protocols recommended by state governments, we have implemented work-from-home policies, provision of daily masks, mandatory temperature checks, antigen testing and provided free COVID-19 vaccinations to our employees. We also implemented a number of measures focused on the health and safety of our workforce. For example, we installed partitions and UV air purifiers on our shop floors, carried out factory and office sanitisation three times a day and have instituted an isolation ward. Beginning in April 2020, our employees complete a daily survey on a mobile app which contains simple multiple-choice questions regarding the employee's health status and symptoms, and other related information. We regularly track and verify our employees' health and well-being through reports generated by our COVID-19 support centre. We notify our employees, managers and Occupational Health Clinic (OHC) team members in real-time via email and SMS, and conduct fortnightly meetings to maintain COVID-19 awareness. We also provide relevant alerts, news and COVID-19 prevention practices through our in-house developed iProud mobile application. Our health centre is open 24 hours a day, seven days a week, and houses our OHC and Emergency Response (ERT) Special Task Force teams who take immediate action as required. Our OHC and ERT teams can provide ambulance, hospital and medical assistance for employees and their families.

We are also active in providing COVID-19 support to the community. For example, we supplied over 25,000 units of essential medical supplies such as N95 masks, PPE kits, thermal scanners, finger pulse oximeters, saline stands and mattresses to public health centres and government hospitals in the Tamil Nadu and Andhra Pradesh regions. We also imported 75 units of 10-litre oxygen cylinders and 75 units of oxygen concentrators to meet the shortage in domestic supply. In addition, we donated ₹2.50 million to the Odisha Disaster Management Fund for COVID-19 relief work in the state of Odisha. Further, in collaboration with the Greater Chennai Corporation, we provided dry provisions to over 1,500 COVID-19 affected families in Chennai.

COMPETITION

We face competition from Indian EMS and ODM providers such as Dixon Technologies (India) Limited and Optiemus Infracomm Limited, international providers such as Flextronics Technologies (India) Private Limited, Jabil Circuit India Private Limited and Sanmina-SCI Technology India Private Limited and the in-house manufacturing and assembly departments of OEMs.

AWARDS AND ACHIEVEMENTS

As at 30 September 2021, we have received a number of industry awards and broad recognition in a range of fields, including:

- best employer;
- exemplary contribution in customs, excise and service taxes;
- book of records;
- COVID-19 response, investment; and
- general industry contribution.

In particular, we have been awarded:

- *Andhra Pradesh Industry Champion 2021*, awarded by the Vanijya Utsavam AP Trade & Exports Carnival 2021; and

- *Corona Warrior Award 2021*, awarded by VS Hospitals.

For further details of our awards and achievements, see "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 193.

KEY REGULATIONS AND POLICIES

*The following is a brief overview of certain specific Indian laws and regulations, which are relevant to the business of our Company and our Indian Subsidiary, RSHTPL. The information detailed below has been obtained from various legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The overview set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. For details of the government approvals obtained by our Company, see "**Government and Other Approvals**" beginning on page 315. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Taxation statutes such as the Income Tax Act, 1961, the Customs Act 1962, the relevant goods and services tax legislation and applicable shops and establishments' statutes are applicable to our Company and our Indian Subsidiary, RSHTPL, in the ordinary course of business..*

Industry specific legislations

Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021

The Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 (the "**Compulsory Registration Order**") has been notified in supersession of the Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2012. The Compulsory Registration Order states that the manufacturing, storage, import, sale or distribution of goods, which do not meet the specified standard and/or bear a self-declaration confirming conformance to the relevant Indian standard is prohibited. Such goods shall also bear the "Standard Mark" under a license from the Bureau of Indian Standards in accordance with the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. The only exception is for those goods or articles which are meant for export which conform to the specification required by the foreign buyer and to goods or articles, for which the Central Government has issued a specific exemption letter, based on reasons to be recorded in writing.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010

The Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include requiring all electric supply lines and apparatus to:

a) have sufficient rating for power, insulation and estimated fault current;
b) be of sufficient mechanical strength for the duty cycle which they may be required to perform under the environmental conditions of installation;

The supplier is also required to provide a suitable switchgear installation in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer's premises and such switchgear is required to be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016, as amended (the "**Bureau of Indian Standards Act**"), provides for the establishment of a bureau for the standardization, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) adopt as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any goods, article, process, system or service in relation to which the standard mark has been used conforms to the relevant standard or whether the standard mark has been properly used in relation to any goods, article, process, system or service with or without a license.

Bureau of Indian Standards Rules, 2018

The Bureau of India Standards Rules, 2018 (the "**Bureau of Indian Standards Rules**") have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009, as amended (the "**Metrology Act**"), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state. Rules are issued under the Metrology Act to regulate various matters including pre-packing, sale, distribution and delivery of commodities in packaged form.

Labour law legislations

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or is ordinarily so carried on or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power, or is so ordinarily carried on. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of 14 years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of the business activities:

1) Contract Labour (Regulation and Abolition) Act, 1970;
2) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
3) Employees' State Insurance Act, 1948;
4) Minimum Wages Act, 1948;
5) Payment of Bonus Act, 1965;
6) Payment of Gratuity Act, 1972;
7) Payment of Wages Act, 1936;
8) Maternity Benefit Act, 1961;
9) Industrial Disputes Act, 1947;
10) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
11) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
12) The Industries (Development and Regulation) Act, 1951;
13) Employees' Compensation Act, 1923;
14) The Industrial Employment Standing Orders Act, 1946;
15) The Child Labour (Prohibition and Regulation) Act, 1986;
16) The Equal Remuneration Act, 1976;
17) The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001;
18) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996;
19) The Code on Wages, 2019*;

20) The Occupational Safety, Health and Working Conditions Code, 2020**;
21) The Industrial Relations Code, 2020***; and
22) The Code on Social Security, 2020****

**The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on 8 August 2019. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*
***The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on 28 September 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*
****The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on 28 September 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*
*****The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on 28 September 2020. Section 142 of the Code on Social Security, 2020 has been brought into force from May 3, 2021 by the Ministry of Labour and Employment through a notification dated April 30, 2021 and other provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

Intellectual Property Legislations

Patents Act, 1970

The Patents Act, 1970 (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 a person resident in India to any foreign authority in respect of an invention made outside India without first making an application for the invention in India is prohibited, except under the authority of a written permit sought in the manner prescribed and granted by or on behalf of the Controller General of Patents, Designs and Trade Marks. 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. Computer programmes *on their own* are excluded from patent protection and are protected as a literary work under the Indian Copyright Act, 1957. In terms of the Patent Act, where the subject matter of the patent is a product, the patentee holds the exclusive right to prevent third parties, who do not have its consent, from the act of making, using, offering for sale, selling or importing for such purposes that product in India. If the subject matter of the patent is a process, the patentee holds the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, offering for sale, selling or importing for those processes, the product obtained directly by that process in India.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the "**Trademarks Act**") provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

Designs Act, 2000

The Designs Act, 2000 consolidates and amends the law relating to protection of designs. A design means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in 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 of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined under the Trade and Merchandise Marks

Act, 1958 or property mark as defined in the Indian Penal Code, 1860 or any artistic work as defined in the Copyright Act, 1957. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

Semiconductor Integrated Circuits Layout-Design Act, 2000

The aim of the Semiconductor Integrated Circuits Layout-Design Act, 2000 ("**Semiconductor Integrated Circuits Act**") is to provide protection of intellectual property rights in the area of semiconductor integrated circuit layout designs and for connected matters. Any person claiming to be the creator of a layout-design may apply to the Registrar of Semiconductor Integrated Circuit Layout-Designs appointed under the Act for registration of the layout-design. The holder of a registered integrated circuit layout design shall have the exclusive right to use it, irrespective of whether the design is incorporated in the product or not. However, no person has any right to prevent or recover damages for the infringement of an unregistered layout-design. The registration of a layout-design shall be for the period of ten years from the date of application, or from the date of first commercial exploitation anywhere in India or in any country, whichever is earlier. The Semiconductor Integrated Circuits Layout Design Rules, 2001 have been put into force to assist the implementation of the Semiconductor Integrated Circuits Act.

Environmental Laws

The major statutes in India which seek to regulate, and protect the environment from, pollution related activities in India include the Environment Protection Act, 1986, Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016, Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. A brief description of these statutes are as follows:

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986, as amended (the "**Environment Act**") has been enacted for the protection and improvement of the environment. The Environment Act empowers the Government of India to take measures to protect and improve the environment such as by laying down standards for emission or discharge of environmental pollutants, providing for restrictions regarding areas where industries may operate and so on. The Environment (Protection) Rules, 1986 prescribe the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the "**Hazardous Waste Rules**") are to be read with the Environment Act. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Furthermore, in terms of the Hazardous Waste Rules, the occupier has been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require license/authorization for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the State Pollution Control Board.

Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981

The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each State and at the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power to carry out search if the authorities have reason to believe than an offence under these Acts or rules made thereunder has been or is about to be committed and they have the power to carry out seizure if they have reason to believe that it may furnish evidence of the commission of an offence punishable under these Acts or the rules made thereunder. All industries and factories are required to obtain consent orders from the PCBs.

Atomic Energy (Radiation Protection) Rules, 2004

The Atomic Energy (Radiation Protection) Rules, 2004 (the "**Radiation Rules**") The Radiation Rules require that no person shall, without a license issued by the Atomic Energy Regulatory Board ("**AERB**"), establish a radiation installation for siting, design, construction, commissioning and operation. Such license is valid for a period of five years. The Radiation Rules also require a license for a person to handle radioactive material or operate any radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy simulator and analytical x-ray equipment used for research. The Radiation Rules lay down various compliance measures regarding inter alia maintenance of radiation protection equipment and health surveillance of workers. The Radiation Rules also prescribe certain general safety guidelines, directives for emergency preparedness and accidents.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the Consolidated FDI Policy, effective from 15 October 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time. Under the current Consolidated FDI Policy, foreign direct investment in companies engaged in the manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route, i.e. without requiring prior government approval, subject to compliance with certain prescribed pricing guidelines and reporting requirements. The FEMA Rules were enacted on 17 October 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession.

Overseas Direct Investment

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make overseas direct investment under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth as per the last audited balance sheet. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD 1 billion (or its equivalent) in a financial year would require prior approval of the RBI.

Foreign Trade Regulations

Imports and exports are governed by the Foreign Trade (Development and Regulation) Act, 1992, as amended (the "**FTDR**") and the Export and Import Policy (the "**EXIM Policy**") formulated by the Central Government from time to time. FTDR provides for an Importer Exporter Code ("**IEC**") to be granted to those persons licensed to carry out imports and exports, which may be suspended or cancelled in case of violation of the provisions of FTDR or the EXIM Policy. No person is allowed to carry out imports and exports without a valid IEC. 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 more.

Government Schemes

Production Linked Incentive Scheme (PLI) for Automobile and Auto Component Industry

Production Linked Incentive Scheme (PLI) for Automobile and Auto Component Industry was notified on 23 September 2021. An eligible company shall be eligible for benefits for five consecutive financial years, beginning from Financial Year 2023 but not extending beyond Financial Year 2027. Financial Year 2020 shall be treated as the base year for calculation of incentives. Incentive shall be provided based on the sales value of the automobiles and automotive components covered under this scheme.

This scheme has two components; i) champion OEM incentive scheme; and ii) component champion incentive scheme. The champion OEM incentive scheme is applicable to battery electric vehicles and hydrogen fuel cell vehicles, including two-wheelers, three-wheelers, passenger vehicles, commercial vehicles, tractors, automobile meant for military use and other vehicles powered by advanced automotive technology in accordance with standards prescribed by the Ministry of Heavy Industries GoI. The component champion incentive scheme is applicable to pre-approved advanced automotive technology vehicle components, completely knocked-down/semi knocked-down (CKD/SKD) kits, vehicle aggregates of two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use and other advanced automotive technology components in accordance with standards prescribed by the Ministry of Heavy Industries GoI. Both the components shall be applicable to automotive OEM companies (including their group companies) and new non-automotive investor companies (including their group companies).

Production Linked Incentive Scheme (PLI) for Promoting Telecom and Networking Products Manufacturing in India

Production Linked Incentive Scheme (PLI) for Promoting Telecom and Networking Products Manufacturing in India was notified on 3 June 2021. Under this scheme, an incentive of 4% to 7% on incremental sales (over the base year) of goods manufactured in India and covered under target segments shall be extended to eligible companies, for a period of five years subsequent to a base year. Financial Year 2020 shall be treated as the base year for computation of incremental investment and incremental sales of manufactured goods. This scheme shall only be applicable for target segments namely core transmission equipment, 4G/5G, next generation radio access network and wireless equipment, access and customer premises equipment (CPE), internet of things (IOT) access devices and other wireless equipment, enterprise equipment such as switches and routers and any other products determined by the Empowered Group of Secretaries, GoI.

Production Linked Incentive Scheme (PLI) for IT Hardware

The Production Linked Incentive Scheme (PLI) for IT Hardware was notified on 3 March 2021. Under this scheme, an incentive of 4% to 2%/1% on net incremental sales (over the base year) of goods manufactured in India and covered under target segments shall be extended to eligible companies, for a period of four years subsequent to a base year. Financial Year 2020 shall be treated as the base year for computation of net incremental sales of manufactured goods. This scheme shall only be applicable for target segments which shall include (i) laptops (ii) tablets (iii) all-in one personal computers and (iv) servers.

Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing

The Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing was notified on 1 April 2020. Under this scheme, an incentive of 4% to 6% on incremental sales (over the base year) of goods manufactured in India and covered under target segments shall be extended to eligible companies, for a period of five years subsequent to a base year. Financial Year 2020 shall be treated as the base year for computation of incremental investment and incremental sales of manufactured goods. This scheme shall only be applicable for target segments namely mobile phones and specified electronic components. In light of the COVID 19 pandemic, the operation of the scheme was extended by one year i.e. till Financial Year 2026.

Modified Special Incentive Package Scheme (M-SIPS)

The Modified Special Incentive Package Scheme (M-SIPS) was notified on 27 July 2012. Under this scheme, an incentive of 20% on the capital expenditure on plant and machinery is given to units situated in a SEZ and engaged in designing and manufacturing of electronic and nano-electronic products and their accessories. Further, an incentive of 25% is given for units which are not situated in a SEZ. The scheme shall apply to 44 categories/verticals across the value chain, including telecom products, IT hardware, consumer electronics, health and medical electronics, automotive electronics, intermediaries etc. The minimum investment thresholds for each product category/ vertical vary from ₹ 10 million for manufacturing of accessories to ₹ 50,000 million for manufacturing of semiconductor chips. Application under this scheme were accepted till 3 August 2015. However, the Ministry of Electronics and Information Technology, by way of a notification dated 30 January 2017 further extended the deadline till 31 March 2018. Further, incentives will be available for investments made withihn five years from the date of approval of the application.

Industrial Development Policy, 2015-2020

The Government of Andhra Pradesh notifed the Industrial Development Policy, 2015-2020 (the "**Industrial Policy**") and various sectoral policies including the i) Automobile and Automobile Components Policy, 2015-2020; ii) Textile and Apparel Policy, 2015-2020; iii) Biotechnology Policy, 2015-2020; iv) MSME Policy, 2015-2020; and v) Aerospace and Defence Manufacturing Policy. 2015-2020 (collectively, the "**Sectoral Policies**"). Under these policies, various incentives and benefits are offered to new industrial enterprises being set up in

Andhra Pradesh and for the expansion/diversification of existing industries. Further, Operational Guidelines for the Implementation of the Industrial Development Policy and Sectoral Policies of Andhra Pradesh, 2015-2020 ("**Operational Guidelines**") were notifed on 14 November 2015. The Operational Guidelines prescribe the quantum of reimbursement and subsidies, eligibility criteria, procedures for sanction and reimbursement etc. to be complied by industrial enterprises which are applying for incentives and benefits including, *inter alia*, i) subsidies on investment; ii) reimbursement of stamp duty, transfer duty, mortgage duty etc; iii) reimbursement of tax; iv) reimbursement of power consumption charges; and v) reimbursement of land conversion charges. As per the Operational Guidelines, projects which commenced commercial production between 1 April 2015 and 31 March 2020 (inclusive of both dates) are eligible for benefits and incentives under the Industrial Policy and the Sectoral Policies.

Reimagining Andhra Pradesh Electronics Policy, 2014-2020

The Reimagining Andhra Pradesh Electronics Policy, 2014-2020 (the "**AP Electronics Policy, 2014-2020**"), in furtherance of the National Policy on Electronics, 2012, provides, *inter alia*, i) 100% reimbursement of stamp duty, transfer duty, and registration fee paid on sale/lease deeds on the first transaction and 50% thereof on the second transaction; ii) 100% tax reimbursement for a period of 10 years, subject to a maximum of 100% of fixed capital investment other than land; iii) 100% exemption from payment of electricity duty for 5 years from commencement of commercial operations for new electronic hardware units, iv) capital subsidy on 10% of total investment upto ₹5 crore; and v) 25% rebate on land cost limited to ₹10 lakh per acre. The AP Electronic Policy, 2021-2024 was notified on May 17, 2021. The policy will be valid from 1 April 2021 until 31 March 2024 and supersedes the AP Electronics Policy, 2014-2020, along with itsamendments and addendums.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on 1 May 2015 as a private limited company under the Companies Act, 2013, with the name "Rising Stars Mobile India Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Andhra Pradesh, at Hyderabad. The name of our Company was subsequently changed to "Bharat FIH Private Limited" pursuant to a special resolution passed by our Shareholders at the EGM held on 14 June 2021, and a fresh certificate of incorporation was issued by the RoC on 30 June 2021. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated 22 October 2021, the name of our Company was changed to "Bharat FIH Limited" and the RoC issued a fresh certificate of incorporation on 2 November 2021.

Changes in the registered office

Details of changes in the registered office of our Company since the date of incorporation are as set forth below:

Effective date	Details of change	Reasons for change
4 May 2015	The registered office of our Company was changed from Sector 40, Sri City, Siddam Agraharam Village, Sathyavedu Mandal, Chittor 517 588, Andhra Pradesh, India to 380, Belerica Road, Sri City, Siddam Agraharam Village, Varadaiah Palem Mandal, Chittor 517 541, Andhra Pradesh, India	To ensure greater operational efficiency and to meet business requirements
18 March 2021	The registered office of our Company was changed from 380, Belerica Road, Sri City, Siddam Agraharam Village, Varadaiah Palem Mandal Chittor 517 541, Andhra Pradesh, India to M-2B, DTA Area, SIPCOT Industrial Park, Phase - II Chennai Bangalore NH- 4, Sunguvarchatram, Sriperumbudur, Kancheepuram 602 106, Tamil Nadu, India	To ensure grater visibility, operational efficiency and to meet business requirements

Main objects of our Company

The main objects as contained in our MoA are set forth below:

1. *To carry on the business of manufacturers, remodelers, sellers, merchants, dealers, distributors, agents, export, import and to market through retail or wholesale trading or through e-commerce; to hire, lease, rent out, assemble, alter, install, develop, prototype and otherwise deal, in all types of mobile phones/ hand phones; telecommunication devices such as palmtops, smart watches, wearable computer and electronic books; wireless electronic devices; television sets and related products/ systems; all types of IoT related products & services, artificial intelligence technology & systems; including their components, tools & accessories thereof of abovementioned products/ systems and other electronic and electrical products by whatever name called; including its software licensing, programming, loading and bundling of software, servicing/ repairs & refurbishment of both hardware and software also encompassing all related electronic products, chip sets etc as part of semi-conductor products.*

2. *To carry on the business of manufacturers, fabricators, remodelers, sellers, dealers, distributors, agents, assemble, alter, install, prototype, import, export, market through retail or wholesale trading or through e-commerce or otherwise deal, in all types of electrical/ electronic instruments, equipment's, apparatus, machineries, tools and accessories used in the fields of health care, medical, diagnosis, laboratories including lifesaving equipments, diagnostic kits, disposable medical and surgical equipment's and other allied products including repairs, refurbishment, research and development activities related thereof.*

3. *To carry on the business of manufacturing, producing, fabricating, assembling, installing, altering, prototyping, remodeling, repairing, refurbishing, buying, selling, distributing, supplying, importing, exporting, market through wholesale and retail trading or through e-commerce, or otherwise deal, in electric vehicles, conveyances and components of every kind and description (domestic or imported), including component parts, sub parts, spare parts, accessories, tools, implements, materials, and products thereof including but not limited to motors, batteries, any advance energy storage devices and its variants thereof, for the transport or conveyance of passengers, merchandise and goods of every kind, whether propelled, moved, drawn or assisted by means of electricity, battery, solar energy or any other mechanism or mechanical power or device whatsoever, in connection with maintenance, and working of electric vehicles through physical/ through web based and web enabled services and applications including the business of electrical vehicles charging infrastructure establishment, maintenance, supporting services like battery replacement, refurbishment etc.*

4. *To produce, manufacture, trade, import, export or otherwise deal, with all kinds of medical masks, sanitary masks for medical use, face masks for medical use for antibacterial protection, face masks for medical use for toxic substance protection, non-elastic, non-woven/ non-knitted ear loop band for all kinds of masks, medical gloves, medical examination gloves, disposable protective gloves for medical purposes, disposable surgical caps, disposable bags for medical waste. disposable saline pipes & tubes disposable syringes & needles, surgical cotton rolls, surgical linen threads, surgical linen clothes, supportive bandages, surgical instruments, surgical clips, tape non-waterproof, tape-waterproof, padding bandage and other kinds material surgical items.*

5. *To engage in research and development and to provide technical services including reverse logistics in respect thereof or relating thereto for products/ systems or services dealt by the company as mentioned above.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association of our Company in the last 10 years:

Date of Shareholders' resolution	Details of amendment
16 July 2015	The authorized share capital of our Company was increased from ₹ 100,000 divided into 1,000 equity shares of ₹ 100 each to ₹ 320,100,000 divided into 3,201,000 equity shares of ₹ 100 each
7 August 2015	The authorized share capital of our Company was increased from ₹ 320,100,000 divided into 3,201,000 equity shares of ₹ 100 each to ₹ 650,100,000 divided into 6,501,000 equity shares of ₹ 100 each
4 December 2015	The authorized share capital of our Company was increased from ₹ 650,100,000 divided into 6,501,000 equity shares of ₹ 100 each to ₹ 2,000,100,000 divided into 20,001,000 equity shares of ₹ 100 each
22 February 2016	The authorized share capital of our Company was increased from ₹ 2,000,100,000 divided into 20,001,000 equity shares of ₹ 100 each to ₹ 4,730,000,000 divided into 47,300,000 equity shares of ₹ 100 each
1 August 2017	The authorized share capital of our Company was increased from ₹ 4,730,000,000 divided into 47,300,000 equity shares of ₹ 100 each to ₹ 6,640,000,000 divided into 66,400,000 equity shares of ₹ 100 each
2 January 2018	The authorized share capital of our Company was increased from ₹ 6,640,000,000 divided into 66,400,000 equity shares of ₹ 100 each to ₹ 12,981,000,000 divided into 129,810,000 equity shares of ₹ 100 each
9 October 2018	The authorized share capital of our Company was increased from ₹ 12,981,000,000 divided into 129,810,000 equity shares of ₹ 100 each to ₹ 16,681,000,000 divided into 166,810,000 equity shares of ₹ 100 each
26 August 2019	The authorized share capital of our Company was increased from ₹ 16,681,000,000 divided into 166,810,000 equity shares of ₹ 100 each to ₹ 23,981,000,000 divided into 239,810,000 equity shares of ₹ 100 each
3 April 2020	Clause III A(1) was amended from "*To carry on the business of Manufacturers, Sales, Merchants, Dealers, Distributors, Agents, and to Market through Retail or Wholesale trading or through E-commerce, Hire, Lease, Rent out, Assemble, Alter, Install and otherwise deal in all types of Mobile Phone/Hand Phones, Telecommunication devices such as Palmtops, Smart Watches, Wearable Computer and Electronic Books, Wireless electronic devices, Accessories thereof and other Electronic products whatever name called including its software Licensing, Programming, Loading and bundling of software, servicing of both Hardware and software also encompassing all related electronic products, chip sets etc as part of semi-conductor products*" to "*To carry on the business of Manufacturers, Remodelers, sellers, Merchants, Dealers, Distributors, Agents, Export, Import and to Market through Retail or Wholesale trading or through E-commerce; To Hire, Lease, Rent out, Assemble, Alter, Install, Develop, Prototype and otherwise deal, in all types of Mobile Phones/ Hand Phones; Telecommunication devices such as Palmtops, Smart Watches, Wearable Computer and Electronic Books; Wireless electronic devices; Television sets and related products/ systems; all types of IoT related products & services, Artificial Intelligence Technology & Systems; including their Components, Tools & Accessories thereof of abovementioned products/ systems and other Electronic and Electrical products by whatever name called; including its software licensing, Programming, Loading and bundling of*

Date of Shareholders' resolution	Details of amendment
	software, servicing/ Repairs & Refurbishment of both Hardware and software also encompassing all related electronic products, chip sets etc as part of semi-conductor products". Further, clause III A(2) was replaced and new sub clauses were inserted from "*To Engage in research and development of Mobile Phones/ Hand Phones, Telecommunication devices such as Palmtops, Smart Watches, Wearable Computer and Electronic Books, Wireless electronic devices and to provide technical services in respect thereof or relating thereto* " to: "2. *To Carry on the business of Manufacturers, Fabricators, Remodelers, Sellers, Dealers, Distributors, Agents, Assemble, Alter, Install, Prototype, Import, export, Market through Retail or Wholesale trading or through e-commerce or otherwise deal, in all types of Electrical/ electronic instruments, equipment's, apparatus, machineries, tools and accessories used in the fields of health care, medical, diagnosis, laboratories including lifesaving equipments, diagnostic kits, disposable medical and surgical equipment's and other allied products including repairs, refurbishment, research and development activities related thereof.* *3. To carry on the business of Manufacturing, Producing, Fabricating, Assembling, Installing, Altering, Prototyping, Remodeling, Repairing, Refurbishing, Buying, Selling, Distributing, Supplying, Importing, Exporting, Market through Wholesale and retail trading or through e-Commerce, or otherwise deal, in Electric Vehicles, Conveyances and components of every kind and description (domestic or Imported), including component parts, Sub parts, Spare Parts, Accessories, tools, Implements, Materials, and products thereof including but not limited to motors, batteries, any advance energy storage devices and its variants thereof, for the transport or Conveyance of passengers, merchandise and goods of every kind, whether propelled, moved, drawn or assisted by means of Electricity, Battery, Solar Energy or any other mechanism or mechanical power or device whatsoever, in connection with maintenance, and working of Electric vehicles through physical/ through web based and web enabled services and applications including the business of Electrical Vehicles charging infrastructure establishment, maintenance, supporting services like battery replacement, Refurbishment etc.* *4. To Produce, manufacture, trade, import, export or otherwise deal, with all kinds of Medical masks, Sanitary masks for medical use, Face masks for medical use for antibacterial protection, Face masks for medical use for toxic substance protection, Non-elastic, non-woven/ non-knitted Ear loop band for all kinds of Masks, Medical gloves, Medical examination gloves, Disposable protective gloves for medical purposes, Disposable Surgical caps, Disposable bags for Medical waste. Disposable Saline pipes & Tubes Disposable syringes & needles, Surgical Cotton rolls, Surgical Linen Threads, Surgical Linen Clothes, Supportive bandages, Surgical instruments, Surgical clips, Tape non-waterproof, Tape-waterproof, Padding bandage and other kinds material Surgical items.* 5. *To engage in research and development and to provide technical services including Reverse Logistics in respect thereof or relating thereto for Products/ Systems or Services dealt by the Company as mentioned above.*"
29 May 2020	Pursuant to a resolution passed by the Shareholders, 239,810,000 Equity Shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000
3 December 2020	Clause II of the MoA was amended from "*II. The Registered Office of the Company is situated in the state of Andhra Pradesh*" to "*II. The Registered Office of the Company is situated in the state of Tamil Nadu*" (with effect from 18 March 2021)
14 June 2021	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Rising Stars Mobile India Private Limited" to "Bharat FIH Private Limited"
22 October 2021	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Bharat FIH Private Limited" to "Bharat FIH Limited"
12 November 2021	The authorized share capital of our Company was increased from ₹ 23,981,000,000 divided into 2,398,100,000 Equity Shares of ₹ 10 each to ₹ 28,981,000,000 divided into 2,898,100,000 equity shares of ₹ 10 each

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Events
2015	Start of Campus 1 in Andhra Pradesh
2016	Government order issued by the Government of Andhra Pradesh making us eligible to receive incentives for manufacturing high quality electronic devices such as mobile phones
2017	Start of Campus 3 in Tamil Nadu
2019	Start of Campus 2 in Tamil Nadu
2019	Government order issued by the Government of Tamil Nadu making us eligible to receive incentives for manufacturing high-end smartphones and vertical integration components for phones
2020	Application for production linked incentive scheme for mobile phones approved
2021	Entered into product manufacturing and supply agreement with Ather Energy Private Limited and goods sales agreement with Vu Technologies Private Limited
2021	Incorporation of our subsidiaries, RSHTPL and BTC
2021	Change in name of the Company
2021	Start of R&D facility at the Indian Institute of Technology, Madras Research Park

Key awards, accreditations and recognition

Set forth below are some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards and accreditations
2017	• Awarded best ownership award by the state labour department, Government of Andhra Pradesh • Received certificate of appreciation for standing first among the central excise duty contributors to the Revenue of Tirupati – I Division, Tirupati Commissionerate for the year 2015-2016 from the Office of the Commissioner of Central Excise, Customs and Service Tax, Department of Revenue, Ministry of Finance, GoI
2019	• Received certificate of appreciation for its work in the areas relating to world customs organisation theme "*Smart Borders for Seamless Trade, Travel and Transport*" from the Office of the Chief Commissioner of Customs, Chennai Customs Zone, Chennai
2020	• Awarded the "*Highest Participation*" award in the Industrial Safety Walkathon 2020 • Received a certificate for best employment generation award by the Collector and District Magistrate, East Godavari District, Kakinada, Government of Andhra Pradesh
2021	• Received a certificate of appreciation in recognition of outstanding services rendered during the year 2020- 2021, by the Collector and District Magistrate, East Godavari District, Government of Andhra Pradesh • Awarded "*Corona Warrior Award*" by VS Hospitals • Foxconn group was awarded the biggest investor award in sunrise sector by the Government of Tamil Nadu • Awarded "*Andhra Pradesh Industry Champion*" award by the Government of Andhra Pradesh at the 2021 Vanijya Utsavam (Andhra Pradesh Trade and Exports Carnival) • Received a certificate of appreciation in recognition of outstanding contribution in promotion of electronics employment generation by the Ministry of Electronics and Information Technology, Government of India

Significant strategic and financial partnerships

Our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of key services launched by our Company and entry into new geographies or exit from existing markets, see "***Our Business***" on page 148. For details of capacity/facility creation and the location of plants of our Company, please see "***Our Business – Manufacturing Facilities***" on page 169.

Time/ cost overrun

We have not experienced any time or cost overrun in setting up our projects as on the date of this Draft Red Herring Prospectus.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks
As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling or restructuring of borrowings availed by our Company from any financial institutions or banks.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the preceding 10 years.

Details of guarantees given to third parties by the Promoter Selling Shareholder

The Promoter Selling Shareholder has not provided any guarantees to third parties.

Key terms of other subsisting material agreements

Our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel, Director or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Directors 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.

Holding Company

As on the date of this Draft Red Herring Prospectus, our holding company is Wonderful Stars, which, together with its nominees, holds 2,380,308,780 Equity Shares, constituting 99.97% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, see "***Our Promoters and Promoter Group***" on page 212.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries, details of which are provided below.

1. Rising Stars Hi-Tech Private Limited ("RSHTPL")

Corporate Information

RSHTPL was incorporated under the Companies Act, 2013 on 29 April 2021. Its registered office is located at C02 Ground Floor, M2/A-1 SIPCOT Hi-Tech SEZ SIPCOT Industrial Park Phase II Sunguvarchatram Sriperumbudur, Kancheepuram 602 106, Tamil Nadu, India. The principal business of RSHTPL is, amongst others, manufacturing of television sets, electric vehicles, telecom, IT hardware devices and other electronic parts and components.

Capital structure

The authorized, issued, subscribed and paid-up share capital of RSHTPL is ₹ 500,000,000 divided into 50,000,000 equity shares of face value of ₹ 10 each. Our Company together with its nominee holds 100% of the issued, subscribed and paid-up equity share capital of RSHTPL.

Amount of accumulated profits or losses

There are no accumulated profits or losses of RSHTPL not accounted for by our Company.

2. Bharat Taiwan Corporation (formerly known as Rising Stars Taiwan Corporation) ("BTC")

Corporate Information

BTC was incorporated under the Common Law of Republic of China on 28 June 2021. Its registered office is located at 4F, Minsheng St. Tucheng Dist., New Taipei City 236 004, Taiwan. The principal business of RSHTPL is, amongst others, research, product development, engineering and supply chain services.

Capital structure

The authorized, issued, subscribed and paid-up share capital of BTC is NT$ 28,000,000 divided into 2,800,000 shares of NT$ 10 each. Our Company holds 100% of the issued, subscribed and paid-up equity share capital of BTC.

Amount of accumulated profits or losses

There are no accumulated profits or losses of BTC not accounted for by our Company.

Joint ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Confirmations

As on the date of this Draft Red Herring Prospectus, none of the Subsidiaries are listed in India or abroad.

As on the date of this Draft Red Herring Prospectus, except as disclosed in "***Other Financial Information – Related Party Transactions***", the Subsidiaries do not have any: (i) business interest in our Company; or (ii) related business transactions with our Company or each other.

As on the date of this Draft Red Herring Prospectus, our Subsidiaries have common pursuits with our Company and each other, and are authorized to engage in similar business to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of 15 Directors, or such higher number of Directors, as may be required to comply with applicable laws, including the Companies Act, 2013 and the SEBI Listing Regulations. See "***Main Provisions of the Articles of Association***" on page 360. As on the date of this Draft Red Herring Prospectus, our Company has eight Directors.

Our Board

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

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Yu Yang Chih *Designation*: Chairman and Non-Executive Director *Address:* 12F, No. 7, Ln. 5, Sec, 3, Ren'ai Road, Da'an District, Taipei City 106 087, Taiwan *Occupation*: Professional *Date of Birth:* 19 November 1958 *Term:* Liable to retire by rotation *Period of Directorship:* Director since 1 November 2021 *DIN:* 09385755	63	*Indian Companies* • Nil *Foreign Companies* • FIH Mobile Limited • Chiun Mai Communication Systems, Inc. • Evenwell Digitech Inc. • FIH Co., Ltd. • Transluck Holding Limited • Mobile Drive Netherlands B.V. • iCare Diagnostics International Co., Ltd. • ShangHai KeTaiHuaJie Investment Co., Ltd. • Shanghai Ketai Century Technology Co., Ltd.
Hui-Chung Chen *Designation*: Non-Executive Director *Address:* No. 3-5, Aly. 2, Ln. 217, Sec. 3, Zhongxiao E. Road, Da'an District, Taipei City 106 087, Taiwan *Occupation*: Professional *Date of Birth:* 5 November 1961 *Term:* Liable to retire by rotation *Period of Directorship:* Director since 26 August 2021 *DIN:* 09235250	60	*Indian Companies* Nil *Foreign Companies* • FIH Co., Ltd.
Kam Wah Danny Tam *Designation*: Non-Executive Director *Address:* Flat G, 36/F, Tower 1, Vision City, 1 Yeung UK Road, Tsuen Wan, NT, Hong Kong *Occupation*: Professional *Date of Birth:* 18 April 1963 *Term:* Liable to retire by rotation *Period of Directorship:* Director since 26 August 2021 *DIN:* 09229307	58	*Indian Companies* Nil *Foreign Companies* • Mobile Drive Netherlands B.V.

<table>
<tr><th>Name, designation, address, occupation, date of birth, term, period of directorship and DIN</th><th>Age (in years)</th><th>Directorships in other companies</th></tr>
<tr><td>Clement Joshua Foulger

Designation: Managing Director

Address: Block No. 7, 302 174, Adayar Sea Face, MRC Nagar, R.A. Puram, Chennai 600 028, Tamil Nadu, India

Occupation: Professional

Date of Birth: 15 September 1970

Term: Five years with effect from 1 November 2021

Period of Directorship: Director since 1 November 2021

DIN: 06991478</td><td>51</td><td>Indian Companies

• Rising Stars Hi-Tech Private Limited

Foreign Companies

Nil</td></tr>
<tr><td>Ramaraj Rajasekar

Designation: Independent Director

Address: 1D, Aum Apartments, No. 32, Kotthari Road, Nungambakkam, Chennai 600 034, Tamil Nadu, India

Occupation: Professional

Date of Birth: February 16, 1950

Term: Three years with effect from 29 November 2021

Period of Directorship: Director since 29 November 2021

DIN: 00090279</td><td>71</td><td>Indian Companies

• R.S. Software (India) Limited
• MAPE Advisory Group Private Limited
• iMerit Technology Services Private Limited
• Paypermint Private Limited
• Foundation for Promotion of Sports and Games
• Villgro Innovations Foundation
• IITM Incubation Cell
• Chennai Angels Network Association

Foreign Companies

Nil</td></tr>
<tr><td>Venkataramani Sumantran

Designation: Independent Director

Address: Plot No. 67, 19th Street, Venkateswara Nagar, Kottivakkam, Thiruvanmiyur, Sholinganallur, Kancheepuram 600 041, Tamil Nadu, India

Occupation: Professional

Date of Birth: September 27, 1958

Term: Three years with effect from 29 November 2021

Period of Directorship: Director since 29 November 2021

DIN: 02153989</td><td>63</td><td>Indian Companies

• TVS Electronics Limited
• Rane Holdings Limited
• Interglobe Aviation Limited
• Grinntech Motors and Services Private Limited
• Celeris Technologies Private Limited

Foreign Companies

• Switch Mobility (UK) Ltd.</td></tr>
<tr><td>Dipali Hemant Sheth

Designation: Independent Director

Address: A-2002, Lodha Bellissimo, N.M. Joshi Marg, Apollo Mill Compound, Mahalaxmi, Mumbai 400 011, Maharashtra, India

Occupation: Professional

Date of Birth: July 4, 1965

Term: Three years with effect from 29 November 2021</td><td>56</td><td>Indian Companies

• DFM Foods Limited
• Centrum Financial Services Limited
• UTI Asset Management Company Limited
• Adani Wilmar Limited
• Latent View Analytics Limited

Foreign Companies

• Nil</td></tr>
</table>

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Period of Directorship: Director since 29 November 2021 *DIN:* 07556685		
Ananth Narayan Gopalakrishnan *Designation*: Independent Director *Address:* 801, Golden Peak, Dr. Ambedkar Road, Khar West, Mumbai 400 052, Maharashtra, India *Occupation*: Professional *Date of Birth:* May 18, 1969 *Term:* Three years with effect from 29 November 2021 *Period of Directorship:* Director since 29 November 2021 *DIN:* 05250681	52	*Indian Companies* • SBI Capital Markets Limited • Agappe Diagnostics Limited • CARE Ratings Limited • Yes Bank Limited • Clearcorp Dealing Systems (India) Limited • Dvara Research Foundation *Foreign Companies* • Southern Ridges Macro Fund • Southern Ridges Master Macro Fund

Brief profiles of our Directors

Yu Yang Chih is the Chairman and a Non-Executive Director of our Company. He holds a bachelor’s degree in engineering from National Tsing Hua University, Taiwan. He has been associated with our Promoter, FIH Mobile, since 2001 and is currently serving as the Chief Executive Officer of FIH Mobile and is also a member of its board of directors.

Hui-Chung Chen is a Non-Executive Director of our Company. He holds a master’s degree in business administration from University of California, Irvine. He has been associated with our Promoter, FIH Mobile, since 2013 and is currently serving as a Senior AVP of FIH Mobile. He was previously associated with Eversol Corporation and Hon Hai Precision Industry Co., Ltd.

Kam Wah Danny Tam is a Non-Executive Director of our Company. He holds a bachelor’s degree in business administration from the Chinese University of Hong Kong, a master’s degree in business administration from the University of Ottawa and a master’s degree in applied finance from Macquarie University, Australia. He is an associate of the Hong Kong Society of Chartered Accountants and a fellow of the Association of Chartered Certified Accountants. He has been associated with our Promoter, FIH Mobile, since 2004 and is currently serving as a Senior AVP of FIH Mobile Limited.

Clement Joshua Foulger is the Managing Director of our Company. He holds a master’s degree in science (industrial engineering) from the University of Texas at Arlington. He was previously associated with Nokia India Private Limited.

Ramaraj Rajasekar is an Independent Director of our Company. He has been associated with our Company since 29 November 2021. He holds a doctorate in philosophy from SRM University. He is currently serving as an independent director on the board of directors of R.S. Software (India) Limited. He is also associated with the Foundation for Promotion of Sports and Games, Villgro Innovations Foundation, IITM Incubation Cell and Chennai Angels Network Association. He has previously served as the chief executive officer of Sify Technologies Limited.

Venkataramani Sumantran is an Independent Director of our Company. He has been associated with our Company since 29 November 2021. He holds a doctorate in philosophy from Virginia Polytechnic Institute and State University. He is currently serving as the managing director of Celeris Technologies Private Limited. He is also serving as an independent director on the board of directors and of TVS Electronics Limited, Rane Holdings Limited and Interglobe Aviation Limited. He has co-authored the book titled “Faster, Smarter, Greener: the Future of the Car and Urban Mobility.”

Dipali Hemant Sheth is an Independent Director of our Company. She has been associated with our Company since 29 November 2021. She holds a bachelor's degree in economics from Lady Shri Ram College for Women, University of Delhi. She is currently serving as an independent director on the board of directors of DFM Foods Limited, Adani Wilmar Limited, Centrum Financial Services Limited, UTI Asset Management Company Limited and Latent View Analytics Limited. She was previously associated with Standard Chartered Bank and also RBS Business Services India Private as a country head of human resources.

Ananth Narayan Gopalakrishnan is an Independent Director of our Company. He has been associated with our Company since 29 November 2021. He holds a bachelor's degree in technology (electrical engineering) from Indian Institute of Technology, Bombay and a post graduate diploma in management from Indian Institute of Management, Lucknow. He is currently serving as an independent director on the board of directors of Agappe Diagnostics Limited and CARE Ratings Limited.

Relationship between Directors

None of our Directors are related to each other.

Terms of Appointment of our Executive Director

Clement Joshua Foulger

Clement Joshua Foulger has been a Director on our Board since 1 November 2021. Pursuant to his letter of appointment dated 14 November 2021 and the resolutions passed by our Board on 1 November 1 2021 and our Shareholders on 12 November 2021, the remuneration payable to Clement Joshua Foulger is as follows:

a) **Basic Salary**: ₹ 3.53 million per annum;

b) **Allowances and Perquisites**: In addition to basic salary, Clement Joshua Foulger is entitled to:

(i) allowances and reimbursements as per the rules of the Company including house rent allowance, medical reimbursement and leave travel allowance, up to maximum in aggregate of ₹ 3.53 million per annum (which may be increased as per the discretion of the Board of Directors);

(ii) perquisites as per the rules of the Company including personnel accident and medical insurance, use of Company car etc. Perquisites are evaluated as per the Income-Tax Rules, 1962, wherever applicable. In the absence of any rules, perquisites are evaluated at actual cost; and

(iii) Company's contribution to provident fund, gratuity, and leave encashment as per the rules of the Company, and

(iv) variable pay based on the performance criteria as laid down and approved by the Board.

Compensation paid to our Executive Director

Our Managing Director was not paid any remuneration by our Company in Financial Year 2021.

Compensation paid and payable to our Non-Executive Directors

Pursuant to a resolution passed by our Board on 29 November 2021, our Independent Directors are entitled to receive i) a sitting fees of ₹ 0.1 million for attending the each meeting of our Board; ii) a sitting fees of ₹ 0.05 million for attending each meeting of the committees of the Board; and iii) commission based on profit, not exceeding ₹1.76 million per annum, on pro-rata basis, based upon various factors/attributes as may be determined by the Board from time to time

Except for our Independent Directors, as set out above, our other Non-Executive Directors are not entitled to receive any sitting fee for attending the meetings of the Board or any committees thereof.

Our Non-Executive Directors were not paid any compensation in Financial Year 2021.

Our Company did not have any Independent Directors on its Board in Financial Year 2021.

Loans to Directors

No loans have been availed by our Directors from 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, our Managing Director is entitled to variable pay based on the performance criteria as laid down and approved by the Board.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except for our Managing Director, Clement Joshua Foulger, and our Non-executive Directors, Yu Yang Chih, Hui-Chung Chen and Kam Wah Danny Tam, who hold one Equity Share each as nominees of our Promoter, Wonderful Stars, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. For details, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 77.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, supplier or others for appointment of any director or key managerial personnel. However, our Chairman and Non-Executive Director, Yu Yang Chih is currently serving as the Acting Chairman and Chief Executive Officer and is a member of the board of directors of our Promoter, FIH Mobile and holds one Equity Share of our Company as a nominee of our Promoter, Wonderful Stars, and our Non-Executive Directors, Hui-Chung Chen and Kam Wah Danny Tam are currently serving as Senior AVPs of our Promoter, FIH Mobile and each hold one Equity Share of our Company as nominees of our Promoter, Wonderful Stars.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Remuneration paid or payable to our Directors from our Subsidiaries

None of our Directors has been paid any remuneration from our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2021, as our Subsidiaries have been incorporated in Financial Year 2022.

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or a committee thereof.

Our Chairman and Non-Executive Director, Yu Yang Chih is currently serving as the Acting Chairman and Chief Executive Officer and is a member of the board of directors of our Promoter, FIH Mobile and our Non-Executive Directors, Hui-Chung Chen and Kam Wah Danny Tam are currently serving as Senior AVPs of our Promoter, FIH Mobile. Further, our Non-Executive Directors, Yu Yang Chih, Hui-Chung Chen and Kam Wah Danny Tam, hold one Equity Share each of our Company as nominees of our Promoter, Wonderful Stars.

In addition, our Chairman and Non-Executive Director, Yu Yang Chih, our Managing Director, Clement Joshua Foulger and our Non-Executive Director, Hui-Chung Chen, may also be deemed to be interested to the extent of options granted to them under the ESOS 2021. For details, see "***Capital Structure – Employee Stock Option Plan***" on page 77.

Except as stated in "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260, and as disclosed in this section, our Directors do not have any other interest in our business.

Interest in property

None of our Directors are interested in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus, or presently proposed to be acquired by it.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

Interest in promotion of our Company

None of our Directors have any interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Directors are not, and during the five years prior to the date of this Draft Red Herring Prospectus, have not been on the board of any listed company whose shares have been/ were suspended from being traded on BSE or NSE.

None of our Directors have been or are directors on the board of any listed companies which was or has been delisted from any stock exchange(s) during the term of their directorship in such companies.

No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our 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 as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Hui-Chung Chen	26 August 2021	Appointed as Non-Executive Director
Kam Wah Danny Tam	26 August 2021	Appointed as Non-Executive Director
Yang Shu Hui Kuraganti	13 September 2021	Resigned as Director
Yu Yang Chih	1 November 2021	Appointed as Chairman and Non-Executive Director
Clement Joshua Foulger	1 November 2021	Appointed as Managing Director
Chien Liang Liu	1 November 2021	Resigned as Director
Ramaraj Rajasekar	29 November 2021	Appointed as Independent Director
Ananth Narayan Gopalakrishnan	29 November 2021	Appointed as Independent Director
Venkataramani Sumantran	29 November 2021	Appointed as Independent Director
Dipali Hemant Sheth	29 November 2021	Appointed as Independent Director

Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the Board resolution dated 25 November 2021 and the special resolution passed by our Shareholders on 25 November 2021, our Board has been authorised to borrow from time to time, any sum or sums of monies by way of including, but not limited to, cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee, and any other type of credit line or facility, with or without security, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up Equity Share capital, free reserves and securities premium provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 58,250 million.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are eight Directors on our Board comprising one Executive Director, three Non-Executive Directors and four Independent Directors. Further, we have one independent woman director on our Board. 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, the Companies Act, 2013 and the SEBI ICDR Regulations in relation to the composition of our Board and constitution of committees thereof, as required under law.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act, 2013.

Board Committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Risk Management Committee; and
(e) CSR Committee.

Audit Committee

The Audit Committee was constituted by a resolution of the Board dated 29 November 2021. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Ananth Narayan Gopalakrishnan	Chairperson
2.	Ramaraj Rajasekar	Member
3.	Venkataramani Sumantran	Member
4.	Dipali Hemant Sheth	Member
5.	Hui-Chung Chen	Member
6.	Kam Wah Danny Tam	Member

The Company Secretary shall act as the secretary to the Audit Committee.

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 Company personnel or 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 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, terms of appointment performance and oversight of work of auditors (internal/statutory/cost) of the Company and fixation of the audit fee and out of pocket expenses, including any other ancillary fees/ expenses;

(3) Examination of the financial statements, financial reporting, statement of cash flow, auditor's report thereon and also the disclosure process to keep the figures confidential before their presentation with the Board for their approval;

(4) Setting up of procedures and processes to address all concerns relating to adequacy of checks and control mechanism;

(5) Approving payments to statutory auditors for any other services rendered by the statutory auditors;

(6) 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.

(7) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) 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;

(9) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(10) 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.*

(11) Scrutinising of inter-corporate loans and investments;

(12) Valuation of undertakings or assets of the Company, wherever it is necessary;

(13) Evaluating internal financial controls and risk management systems;

(14) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

(15) 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;

(16) Discussion with internal auditors on any significant findings and follow up there on;

(17) 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;

(18) 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;

(19) 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;

(20) Reviewing the functioning of the whistle blower mechanism;

(21) 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;

(22) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

(23) 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 per applicable law;

(24) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(25) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 the SEBI Listing Regulations or by any other regulatory authority; and

(26) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material;

(27) The Audit Committee shall mandatorily review the following information:

- management's discussion and analysis of financial condition and results of operations;

- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- management letters/ letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;

- the appointment, removal and terms of remuneration of the chief internal auditor; and

- 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 Regulation 32 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 Regulation 32(7) the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board on 29 November 2021. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Venkataramani Sumantran	Chairperson
2.	Ramaraj Rajasekar	Member
3.	Ananth Narayan Gopalakrishnan	Member
4.	Dipali Hemant Sheth	Member
5.	Hui-Chung Chen	Member
6.	Kam Wah Danny Tam	Member

The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

- For every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the 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;

- Formulation of criteria for evaluation of independent directors and the Board;

- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

  The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that —

  a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- Performing 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 existing and proposed employee stock option schemes formulated by the Company from time to time (the "**Plan**");
  (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.

- Framing 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.

- Performing 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 SEBI Listing Regulations 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 29 November 2021, in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Hui-Chung Chen	Chairperson
2.	Dipali Hemant Sheth	Member
3.	Clement Joshua Foulger	Member

The Company Secretary shall act as the secretary to the Stakeholders' Relationship Committee.

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:

- To approve transfer of shares and matters connected herewith;
- To specifically look into the redressal of grievances and various aspect of interest of shareholders, investors, debenture holders and other security holders;
- To provide adequate and timely information to the shareholders;
- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated 29 November 2021, in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Kam Wah Danny Tam	Chairperson
2.	Hui-Chung Chen	Member
3.	Clement Joshua Foulger	Member
4.	Venkataramani Sumantran	Member
5.	Ramachandran Kunnath	Member
6.	Abraham Joseph	Member
7.	Rajesh Abichandani	Member

Powers of the Risk Management Committee

The Risk Management Committee shall act and have powers in accordance with the terms of reference and shall include the following:

1) Seek any information or explanation from any employee or Director of the Company wherever they find it necessary;

2) Ask for any records or documents of the Company and have full access to Company information in pursuance of its oversight role;

3) Engage independent consultants and advisors, including legal counsel or expert, as it deems appropriate;

4) Seek advice or secure attendance of outsiders or Company personnel with relevant expertise in Committee meetings, as the Committee may consider necessary.

Scope and terms of reference:

The Risk Management Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

- To review, assess and formulate the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof, which shall include:

  a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
  b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
  c. Business continuity plan;

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

- To implement and monitor policies and/or processes for ensuring cyber security;

- To frame, devise and monitor risk management plan and policy of the Company;

- To review and recommend potential risk involved in any new business plans and processes;

- To 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; and

- To carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI Listing Regulations, as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated 29 November 2021 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Ramaraj Rajasekar	Chairperson
2.	Hui-Chung Chen	Member
3.	Kam Wah Danny Tam	Member
4.	Clement Joshua Foulger	Member

The Company Secretary shall act as the secretary to the Corporate Social Responsibility Committee.

Scope and terms of reference:

The Corporate Social Responsibility Committee shall be authorized to perform the following functions:

(a) To formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) To frame and recommend the budget(s) or amount(s) to be incurred on the corporate social responsibility activities;

(c) Identify and recommend to the Board for creation of capital asset as a part of CSR expenditure;

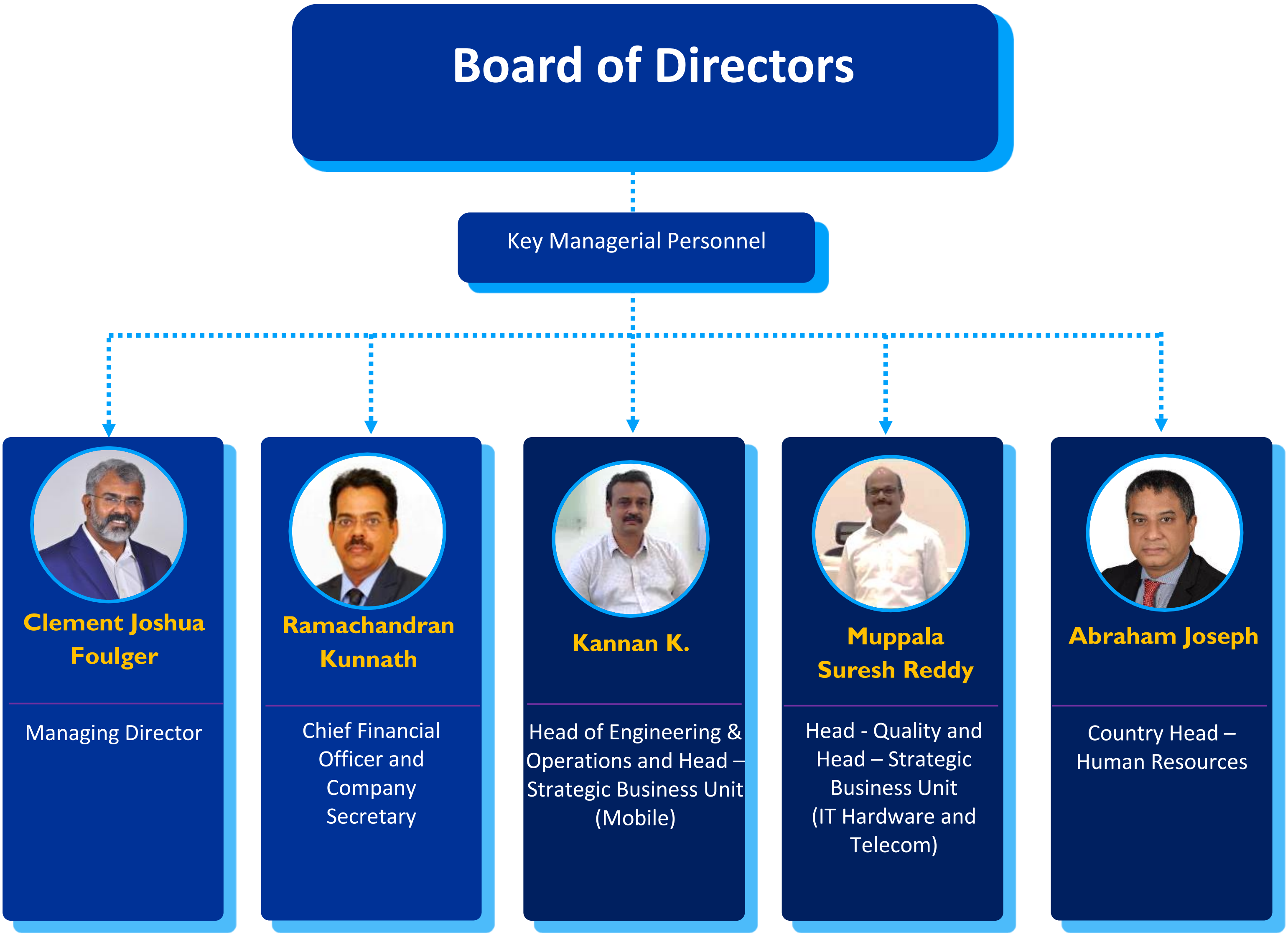
(d) To periodically monitor the company's corporate social responsibility policy, its implementation from time to time and recommend to the Board for adoption of different projects, if required;

(e) To undertake corporate social responsibility impact assessment, if required, and submit the report to Board along with the annual report;

(f) To institute a transparent monitoring mechanism for the implementation of corporate social responsibility projects; and

(g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

Management Organization Structure



Key Managerial Personnel

Other than our Managing Director, Clement Joshua Foulger, whose details are disclosed under "– ***Brief profiles of our Directors***" and "– ***Compensation paid to our Executive Director***" above on pages 198 and 199, respectively, the Key Managerial Personnel of our Company comprise:

Ramachandran Kunnath was appointed as the Chief Financial Officer of our Company on 1 November 2021, appointed as the Company Secretary of our Company on 1 April 2019 and appointed as the Compliance Officer of our Company on 29 November 2021. He joined our Company on 17 September 2018. He is a fellowof the Institute of Chartered Accountants of India and also an associate of the Institute of Company Secretaries of India. He is a certified management accountant and an associate of the Institute of Cost Accountants of India. He was previously associated with Panasonic Appliances India Company Limited for three years and served as the Chief Financial Officer at the time of leaving the organization. In Financial Year 2021, he received a remuneration of ₹ 7.37 million.

Muppala Suresh Reddy is the Head - Quality and Head – Strategic Business Unit (IT Hardware and Telecom). He joined our Company on 9 March 2017 and was granted an extension till 8 October 2023 on 1 September 2021. He holds a bachelor's degree in technology (mechanical engineering) from Sri Venkateswara University, Tirupati and a master's degree in technology (mechanical engineering) with a specialization in machine tool engineering from the Indian Institute of Technology, Kharagpur. He was previously associated with Nokia India Private Limited for 10 years and served as the head of operations at the time of leaving the organization. In Financial Year 2021, he received a remuneration of ₹ 5.38 million.

Kannan K. is the Head of Engineering & Operations and Head – Strategic Business Unit (Mobile). He joined our Company on 11 May 2015. He holds a bachelor's degree in engineering (electronics and telecommunication) from Savitribai Phule Pune University (earlier known as University of Poona). He was previously associated with Samsung India Electronics Private Limited between for two years and served as the Deputy General Manager (Customer Satisfaction) at the time of leaving the organization. In the Financial Year 2021, he received a remuneration of ₹ 7.53 million.

Abraham Joseph is the Country Head - Human Resources. He joined our Company on 12 May 2021. He holds a post-graduate diploma in business marketing from Apeejay School of Marketing, New Delhi and a post-graduate diploma in personnel management and industrial relations from XLRI, Jamshedpur. He was previously associated with Aequs Private Limited and served as Vice President, Global People Function at the time of leaving the organization. Since he joined our Company on 12 May 2021, he did not receive any compensation from our Company in Financial Year 2021.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or any of the Directors.

Bonus or profit sharing plan for the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Shareholding of Key Managerial Personnel in our Company

Except our Managing Director, Clement Joshua Foulger, who holds one Equity Share of our Company as a nominee of our Promoter, Wonderful Stars, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Managerial Personnel, are entitled to benefits upon termination of employment. Except 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.

Contingent and deferred compensation payable to Key Managerial Personnel

No contingent or deferred compensation is payable to any of our Key Managerial Personnel for Financial Year 2021.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel has any interest in our Company except to the extent of their remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business.

Further, our Key Managerial Personnel may also be deemed to be interested to the extent of options granted to them under the ESOS 2021. For details, see "***Capital Structure – Employee Stock Option Scheme***" on page 77.

No loans have been availed by our Key Managerial Personnel from our Company as on the date of this Draft Red Herring Prospectus.

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	Reason
Narayana Rajeeva Prakash	1 April 2019	Resigned as Company Secretary
Ramachandran Kunnath	1 April 2019	Appointed as Company Secretary
Abraham Joseph	24 April 2021	Appointed as Head of Human Resources
Ramachandran Kunnath	1 November 2021	Appointed as CFO
Ramachandran Kunnath	29 November 2021	Appointed as Compliance 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 Scheme***" on page 77.

Payment or Benefit to Key Managerial Personnel of our Company

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Wonderful Stars and FIH Mobile are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Wonderful Stars, together with its nominees, holds 2,380,308,780 Equity Shares, representing 99.97% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of Wonderful Stars' shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters – Build-up of our Promoters' shareholding in our Company***" on page 73.

FIH Mobile does not directly hold any Equity Shares of our Company. FIH Mobile directly holds 100.00% of the share capital of Execustar International Limited, which holds 100.00% of the share capital of Worthy Ray Limited, which in turn holds 100.00% of the share capital of Wonderful Stars.

Details of our Promoters

FIH Mobile Limited ("FIH Mobile")

Corporate Information

FIH Mobile was incorporated on 8 February 2000 under the Companies Law of the Cayman Islands with the Registrar of Companies, Cayman Islands, B.W.I. The shares of FIH Mobile are listed on the main board of The Stock Exchange of Hong Kong Limited. Its company registration number is 96800 and its registered office is located at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. FIH Mobile is primarily engaged as a integrated manufacturing services provider for the handset industry worldwide. FIH Mobile has not changed its activities from the date of its incorporation. As at 30 November 2021, the market capitalisation of FIH Mobile was HK$ 9,131,400,000.

FIH Mobile does not hold a permanent account number. Our Company confirms that FIH Mobile's bank account number(s), company registration number and the address of the registrar of companies where FIH Mobile is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Shareholding pattern

As at 30 September 2021, Foxconn (Far East) Limited held 63.43% of the share capital of FIH Mobile and the remaining 36.57% of the share capital of FIH Mobile was held by public shareholders.

The holding company of FIH Mobile is Foxconn (Far East) Limited. The ultimate holding company of FIH Mobile is Hon Hai Precision Industry Co., Ltd., which is listed on the Taiwan Stock Exchange Corporation and is the ultimate holding company of the Foxconn Group. As at 30 November 2021, the market capitalisation of Hon Hai Precision Industry Co., Ltd. was NT$ 1,434,819,528,032.

Board of directors

As on the date of this Draft Red Herring Prospectus, the board of directors of FIH Mobile comprises:

1. Yu Yang Chih;
2. Kuo Wen-Yi;
3. Meng Hsiao-Yi;
4. Lau Siu Ki;
5. Daniel Joseph Mehan; and
6. Tao Yun Chih.

Details of change in control

There has been no change in the control of FIH Mobile in the last three years preceding the date of this Draft Red Herring Prospectus.

Wonderful Stars Pte. Ltd. ("Wonderful Stars")

Corporate Information

Wonderful Stars was incorporated on 21 April 2015 under the Companies Act, Chapter 50 of Singapore with the Singapore Registrar of Companies & Businesses, Accounting and Corporate Regulatory Authority. Its company registration number is 201510596M and its registered office is located at 54 Genting Lane, #03-05 Ruby Land Complex-Block II, Singapore 349 562. Wonderful Stars is primarily engaged in investment holding. Wonderful Stars has not changed its activities from the date of its incorporation.

Our Company confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where Wonderful Stars is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Shareholding pattern

Worthy Ray Limited holds 100.00% of the share capital of Wonderful Stars.

FIH Mobile, through Executar International Limited, holds 100% of the share capital of Worthy Ray Limited. For details of the shareholding pattern of FIH Mobile and its board of directors, see "***– Details of our Promoters – FIH Mobile Limited***" below on page 212.

Board of directors

As on the date of this Draft Red Herring Prospectus, the board of directors of Wonderful Stars comprises:

1. Huang Yu-Ching;
2. Lee Huey Fong; and
3. Huang Yu-Lin.

Details of change in control

There has been no change in the control of Wonderful Stars in the last three years preceding the date of this Draft Red Herring Prospectus.

Change in control of our Company

While there has been no change in control of our Company in the last five years, Wonderful Stars and FIH Mobile have been identified as Promoters of our Company pursuant to the resolution dated 21 November 2021 approved by our Board.

Interest of our Promoters

(a) Our Promoters are interested in our Company to the extent (i) that it has promoted our Company (ii) of its direct and indirect shareholding in our Company, and (iii) of dividends payable (if any) and any other distributions in respect of the Equity Shares held by them in our Company. For details of the Promoters' shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters – Build-up of our Promoters' shareholding in our Company***" and "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on pages 73 and 77 respectively.

(b) Our Promoters do not have any interest in any property acquired by our Company in the preceding three years or proposed to be acquired by our Company, as on the date of this Draft Red Herring Prospectus.

(c) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are a member, in cash or shares or otherwise by any person for services rendered by such Promoters or by such firm or company in connection with the promotion or formation of our Company.

(d) Our Promoters do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

(e) Our Promoter, FIH Mobile, also sub-licenses certain intellectual property (licensed from a third party) in relation to the manufacture of mobile phones to our Company under an arrangement where our Company pays royalty to the third party.

Payment or benefits to our Promoters or our Promoter Group

Except as disclosed in "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260, our Company has not entered into any contract, agreements or arrangements in the preceding two years in which our Promoters are directly or indirectly interested, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to the Promoters and the members of the Promoter Group or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus**.**

Disassociation by our Promoters in the three immediately preceding years

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years.

Name of Company or firm from which Promoters have disassociated	Reasons and circumstances leading to the disassociation	Date of disassociation
TNS Mobile Kenya Limited	Liquidated	2 January 2019
Greater Success Investments Limited	Liquidated	7 January 2019
eTrader, Inc.	Liquidated	24 April 2019
Zhengzhou FIH Communication Technology Co., Ltd. 鄭州市富智康通訊科技有限公司	Liquidated	22 May 2019
Extra Power International Limited	Liquidated	24 June 2019
Eternity Sparkle Holdings Limited	Liquidated	24 June 2019
Extra Harmony Limited	Liquidated	24 June 2019
Ease Cheer Holdings Limited	Liquidated	24 June 2019
Long Tech Investments Limited	Liquidated	24 June 2019
Broad Wealth Enterprises Limited	Liquidated	24 June 2019
Guidetime Limited	Liquidated	24 June 2019
Rosy Crystal Limited	Liquidated	24 June 2019
Excel Achiever Limited	Liquidated	24 June 2019
Ray Jade Limited	Liquidated	24 June 2019
Best Noble Limited	Liquidated	24 June 2019
Lift Bright Limited	Liquidated	24 June 2019
Fast Return Limited	Liquidated	28 June 2019
Super Best Limited	Liquidated	28 June 2019
Meitu Mobile Holdings Limited	Liquidated	28 June 2019
FIH Technology Korea Ltd.	Liquidated	13 August 2019
PT. Aurea Mobile Technology	Liquidated	3 September 2019
Jiaxing RadioShack Trading Co., Ltd. 嘉興睿俠商貿有限公司	Liquidated	17 September 2019
Premier Horizon Limited	Liquidated	31 December 2019
KSB International Limited	Liquidated	28 January 2020
FIH(Chengdu) Intelligent Technology Co.,Ltd. **富智康（成都）智能科技有限公司**	Liquidated	14 February 2020
Infocus Consumer Vietnam Company Limited	Liquidated	25 February 2020
Sutech Industry Inc.	Liquidated	15 June 2020
Bright Ease Holdings Limited 錦安控股有限公司	Liquidated	27 July 2020
Brightwalk Limited 明行有限公司	Liquidated	27 July 2020
Colour Leap Limited	Liquidated	27 July 2020

Name of Company or firm from which Promoters have disassociated	Reasons and circumstances leading to the disassociation	Date of disassociation
彩躍有限公司		
Effinville International Limited	Liquidated	27 July 2020
Key Charm Enterprises Limited 建昌企業有限公司	Liquidated	27 July 2020
Global Time Limited	Liquidated	27 July 2020
First Radar Limited	Liquidated	27 July 2020
Excellent Radar Limited	Liquidated	27 July 2020
FIH (Nanjing) Intelligent Technology Co., Ltd. **富智康(南京)智能科技有限公司**	Liquidated	12 March 2021
Langfang Huiju Joint Creative Space Co. Ltd. 廊坊市慧炬引擎眾創空間有限公司	Liquidated	18 May 2021
Everfame Technologies Limited 華豐科技有限公司	Liquidated	22 July 2021

Promoter Group

Details of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (excluding our Promoters) are provided below:

1. Aptech Electronics Pte. Ltd.
2. Asiawell Engineering Limited (under liquidation)
3. Bharat Taiwan Corporation (formerly known as Rising Stars Taiwan Corporation)
4. Big Build Enterprises Limited
5. Broad Praise Limited
6. Champion Era Limited
7. Charm Prestige Limited
8. Chief Expertise Limited
9. Chiun Mai Communication Systems, Inc.
10. Choice Green Limited
11. Colour Full Limited
12. Diabell Co., Ltd.
13. Eastern Leap Holdings Limited
14. Eastern Source Investments Limited
15. Eliteday Enterprises Limited
16. Evenwell Digitech Inc.
17. Ever Lucky Industrial Limited
18. Excel Loyal International Limited
19. Excel True Holdings Limited
20. Executar International Limited
21. Extra High Enterprises Limited
51. Hangzhou Gengde Electronics Co., Ltd.
52. Hengyang Futaihong Precision Industrial Co., Ltd
53. Hon Hai Precision Industry Co., Ltd.
54. Honxun Electrical Industry (Hangzhou) Co., Ltd.
55. ICI Cayman Limited
56. Immense Talent Limited
57. InFocus Consumer International Pte. Limited
58. InFocus Precision Industry (Shenzhen) Co., Ltd.
59. Innocom Electronics India Private Limited
60. Innomaxx Pte. Limited
61. InnoPower Beijing Technology Co., Ltd
62. Key Master Investments Limited
63. Leap Charm Limited
64. Long Ample Limited
65. Luckfine Limited
66. Mobile Drive Holdings Limited (formerly known as Evenwell Holdings Limited)
67. Mobile Drive Netherlands B.V.
68. Mobile Drive Technology Co., Ltd.
69. Nanning Futaihong Precision Industrial Co., Ltd.
70. Novel Set Limited
71. Pioneer Champion Limited

22. Extra Right Enterprises Limited
23. FIH (Hong Kong) Limited
24. FIH (Nan Jing) Communications Co., Ltd.
25. FIH (Tian Jin) Precision Industry Co., Ltd.
26. FIH Co., Ltd.
27. FIH do Brasil Indústria e Comércio de Eletrônicos Ltda.
28. FIH Europe Limited Liability Company
29. FIH India Developer Private Limited
30. FIH India Private Limited
31. FIH Mexico Industry, S.A. de C.V.
32. FIH Precision Component (Beijing) Co., Ltd.
33. FIH Precision Electronics (Lang Fang) Co., Ltd.
34. FIH RadioShack (Asia) Retail Holdings Limited (under liquidation)
35. FIH Reynosa, S.A. de C.V.
36. FIH Singapore Trading Pte. Ltd. (under liquidation)*;
37. First Honest Enterprises Limited
38. Focal Tech Co., Ltd.
39. Fortunate Luck Limited
40. Foxconn (Far East) Limited
41. Fu Hong Enterprises Limited
42. Fushan Technology (Vietnam) Limited Liability Company
43. Futaijing Precision Electronics (Beijing) Co., Ltd.
44. Futaijing Precision Electronics (Yantai) Co., Ltd.
45. Genuine Giant Limited
46. Granco Industrial Limited
47. Grand Champion Trading Limited
48. Great Promote Limted
49. Great Sign Investments Limited
50. Guizhou FIH Precision Electronics Co., Ltd
72. Power Filled Limited
73. Proper Charm Limited
74. Prospect Right Limited
75. Rising Stars Hi-Tech Private Limited
76. Rocombe Limited
77. Rooti Labs Limited
78. Rosy Ace Limited
79. Rosy Track Limited
80. S&B Industry, Inc.
81. Shenzhen Mobile Drive Technology Co., Ltd. (formerly known as Shenzhen Chaode Communication Co., Ltd.)
82. Shenzhen Fu Hong Xun Technology Co., Ltd.
83. Shenzhen Futaihong Precision Industrial Co., Ltd.
84. SP International, Inc. (under liquidation)
85. Strength Luck Limited
86. Success World Holdings Limited
87. Sutech Holdings Limited
88. Timely Fame Limited
89. TNS Limited
90. TNS Mobile (Beijing) Trading Co., Ltd.
91. TNS Mobile India Private Limited
92. TNS Mobile Oy
93. Topper World Investments Limited
94. Transluck Holding Limited (formerly known as Transworld Holdings Limited)
95. Transworld Communication Systems Inc.
96. Wide-Ranging Investments Limited
97. Wise Excel Limited
98. Worthy Ray Limited
99. Zone Beyond Limited

**FIH Singapore Trading Pte. Ltd, a company incorporated in Singapore, has submitted all relevant documents and has placed the required advertisements for dissolution under Singapore law and there is no means for the entity to be reinstated.*

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purposes of identification of group companies, our Company has considered companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information and such other companies considered material for the purposes of disclosure as a group company in connection with the Offer, as identified in accordance with the Materiality Policy.

Accordingly, in terms of the Materiality Policy, our Board has identified the following as Group Companies of our Company*#:

Sr. No.	Group Company	Registered Office
1.	1st Special Material International Holdings Ltd	No. 3, Zhongshan Road, Peipo Village, Tucheng District, New Taipei City 23680, Taiwan
2.	Aptech Electronics Pte. Ltd	54 Genting Lane, #03-05 Ruby Land Complex-Block II, Singapore 349 562
3.	Best Ever Industries Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
4.	Competition Team Technologies (India) Private Limited	600B, 800B, 900, Indo Space Industrial Park, Orgadam, Block B, Panrutti Village, Oragadam Wallajahbad Road, Sriperumbudur Taluk, Kancheepuram 631 604, Tamil Nadu, India
5.	FIH (Hong Kong) Limited	8/F, Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
6.	FIH India Developer Private Limited	Hi-Tech SEZ Plot No. M-2A and M-2B, SIPCOT Industrial Park, Sunguvarchatram, Sriperumbudur, Kancheepuram 602 105, Tamil Nadu, India
7.	FIH India Private Limited	Flat No. F3, First Floor, Door No. 4/750, St. Xaviers Street, Pannur 602 108, Tamil Nadu, India
8.	FIH Precision Component (Beijing) Co., Ltd.	18, Tongji Middle Road, Beijing Economic and Technological Development Zone, Beijing, People's Republic of China
9.	FIH Precision Electronics (Langfang) Co., Ltd.	No. 18, Furao Road, Longhe Hi-tech Industrial Development Zone, Anci District, Langfang City, Hebei Province, People's Republic of China
10.	Fitipower Integrated Technology Inc.	3F., No. 6-8, Duxing Road, Hsinchu Science Park, Hsinchu City, 30078, Taiwan
11.	Fortunebay Technology Pte. Ltd.	54 Genting Lane, #03-05 Ruby Land Complex-Block II, Singapore 349 562
12.	Foxconn Hon Hai Technology India Mega Development Private Limited	Flat No.1202, B-Wing, Building No.43, Venus Tower, Veera Desai Road, Azad Nagar, Andheri West, Mumbai 400 053, Maharashtra, India
13.	Foxconn Interconnect Technology Singapore Pte. Ltd.	54 Genting Lane, #03-05 Ruby Land Complex-Block II, Singapore 349 562
14.	Foxconn Technology Co., Ltd.	No. 3-2, Zhongshan Road, Tucheng District, New Taipei City 236, Taiwan
15.	Foxconn Technology India Private Limited	SIPCOT Hi-Tech SEZ, SIPCOT Industrial Park, Phase II, Chennai-Bangalore Highway (NH-4), Sunguvarchatram, Sriperumbudur 602 106, Tamil Nadu, India
16.	Foxteq Services India (Private) Limited	No.28 (North Phase), Thiru-vi-ka Industrial Estate, Ekkaduthangal, Guindy, Chennai 600 097, Tamil Nadu, India
17.	Fushan Technology (Vietnam) Limited Liability Company	No. 8, Road 6, VSIP Bac Ninh Industrial Park, Phu Chan Ward, Tu Son City, Bac Ninh Provincial, Vietnam
18.	Futaihua Industrial (Shenzhen) Co., Ltd.	No. 2, 2nd Donghuan Road, Yousong Industrial Zone, Longhua Street, Baoan District, Shenzhen City, People's Republic of China
19.	Futaijing Precision Electronics (Beijing) Co. Ltd	No. 9, Jinxiu Street, Beijing Economic and Technological Development Zone Beijing, Beijing, 100176, People's Republic of China
20.	Great Promote Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
21.	Guizhou FIH Precision Electronics Co Ltd	Electronics & Industries, Parkguian New Area, Guizhou Province, 561113, People's Republic of China
22.	Hong Fu Jin Precision Electronics (Zhengzhou) Co., Ltd.	Comprehensive Bonded Area, Chang'an East, Airport Area, Zhengzhou, China
23.	Hong Fu Jin Precision Industry (Shenzen) Co., Ltd.	Yousong Tenth Industrial Zone, Longhua Street, Baoan District, Shenzhen City, People's Republic of China

Sr. No.	Group Company	Registered Office
24.	Honhai Precision Industry Co. Ltd.	No. 2, Ziyou Street, Tucheng Industrial District, Tucheng District, New Taipei City 236, Taiwan
25.	Innocom Electronics India Private Limited	#27, Kamrajar Colony, 3rd Street, Arcot Road, Kodambakam, Chennai 600 024, Tamil Nadu, India
26.	Innolux Corporation	No.160, Kesyue Road, Jhunan Township, Hsinchu Science Park, Miaoli County 35053, Taiwan
27.	Jusda India Supply Chain Management Private Limited	RMZ One Paramount, Ground Floor, No.110, Poonamallee Road, Porur Chennai 600 116, Tamil Nadu, India
28.	Jusda International Limited	Suite 1222, 12/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
29.	Pan-International Industrial Corp.	No. 97, Anxing Road, Xindian, New Taipei City, Taiwan
30.	Shenzhen Futaihong Precision Technology Co. Ltd.	2nd Floor, Building 3, K1 District, FoxconnTechnology Park, No. 2, Donghuan 2nd Road, Longhua Office, Longhua New District, Shenzhen, People's Republic of China
31.	TNS Mobile India Private Limited	Flat No. 820-A, 8th Floor, 21 Naurang House, New Delhi, Central Delhi 110 001, India
32.	UR Materials Industry (Shenzhen) Co Ltd	Zone F, 1st Floor, Building B, No.2, 2nd Donghuan Road, Longhua New District, Shenzhen, People's Republic of China

* *An exemption application dated 21 December 2021 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing Garuda International Limited, Sharp Hongkong Ltd., Sharp Business Systems (India) Private Limited and Cheng Uei Precision Industry Co., Ltd. as Group Companies in accordance with the SEBI ICDR Regulations.*

\# *The Company entered into transactions with three related parties, View Great Limited, a company incorporated in the British Virgin Islands, Shih Hua Technology Limited, a company incorporated in Taiwan and FIH Singapore Trading Pte. Ltd, a company incorporated in Singapore. However, View Great Limited has dissolved with effect from 10 May 2021, Shih Hua Technology Limited has dissolved with effect from 31 August 2021, FIH Singapore Trading Pte. Ltd submitted all relevant documents and has placed the required advertisements for dissolution under Singapore law and there is no means for the entity to be reinstated . Accordingly, such companies have not been included in the list of Group Companies in the DRHP.*

Details of our top five Group Companies

1. Fitipower Integrated Technology Inc.

The registered office of Fitipower Integrated Technology Inc. is situated at 3F., No. 6-8, Duxing Road, Hsinchu Science Park, Hsinchu City, 30078, Taiwan, R.O.C.

Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of Fitipower Integrated Technology Inc. at www.fitipower.com.

2. Foxconn Technology Co., Ltd.

The registered office of Foxconn Technology Co., Ltd. is situated at No. 3-2, Zhongshan Road, Tuchen District, New Taipei City 236, Taiwan.

Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of Foxconn Technology Co., Ltd. at www.foxconntech.com.tw.

3. Pan-International Industrial Corp.

The registered office of Pan-International Industrial Corp. is situated at No. 97, Anxing Road, Xindian, New Taipei City, Taiwan.

Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of Pan-International Industrial Corp. at www.panpi.com.tw/en.

4. Honhai Precision Industry Co. Ltd.

The registered offices of Honhai Precision Industry Co. Ltd. is situated at No. 2, Ziyou Street, Tucheng Industrial District, Tucheng District, New Taipei City 236, Taiwan.

Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of Honhai Precision Industry Co. Ltd. at www.honhai.com.

Listed Debt Securities

Particulars	Information										
Year of issue	9 May 2018	27 July 2018	22 October 2019	1 January 2020	14 May 2020	9 September 2020	28 December 2020	12 March 2019	12 March 2019	28 october 2020	28 october 2020
Type of issue	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public
Currency	NT$	NT$	NT$	NT$	NT$	NT$	NT$	US$	US$	US$	NT$
Amount of issue	9 billion	9 billion	5.95 billion	6.2 billion	6.6 billion	8.25 billion	12 billion	0.7 billion	0.3 billion	0.8 billion	0.6 billion
Interest rate	0.76%~1.35 %	0.73%~1.30 %	0.68%~1.10 %	0.81%~1.12 %	0.8%~1.00 %	0.69%~1.00 %	0.53%~0.90 %	3.75%	4.25%	1.63%	2.50%
Year of issuer	3Y~10Y	3Y~10Y	3Y~10Y	5Y~10Y	5Y~10Y	5Y~12Y	5Y~15Y	5Y	10Y	5Y	10Y
Date of closure of issue	9 May 2028	27 July 2028	22 October 2029	1 January 2030	14 May 2030	9 September 2032	28 December 2035	12 March 2024	12 March 2029	28 october 2025	28 october 2030

The debt securities are listed on Taiwan Stock Exchange.

5. Innolux Corporation

The registered offices of Innolux Corporation is situated at No.160, Kesyue Road, Jhunan Township, Hsinchu Science Park, Miaoli County 35053, Taiwan.

Listed Debt Securities

Particulars	Information
Name of the company	Innolux Corporation
Stock exchange	Taiwan Stock Exchange
Year of issue	2020
Type of issue	0% first unsecured overseas convertible bonds
Amount of issue	US$ 300
Maturity period	5 years from issue date (22 January 2020 to 22 January 2025)
Redemption	In cash at face value on date of maturity

Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years shall be hosted on the website of Innolux Corporation at www.innolux.com.

*In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated above. These are collectively referred to as the "**Group Company Financial Information**".*

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given below should not be relied upon or used as a basis for any investment decision.

Neither our Company nor any of the BRLMs or the Promoter Selling Shareholder nor any of the Company's, BRLMs' or Promoter Selling Shareholder's respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above.

Nature and extent of interests of our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company. Our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft Red Herring Prospectus. Except as disclosed under "***Restated Financial Information***" on page 222, our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery. Except as disclosed under "***Restated Financial Information***" on page 222 and in the ordinary course of business, our Group Companies do not have or currently propose to have any business interest in our Company.

Related Business Transactions

Except as set forth in "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260, no other related party transactions have been entered into between our Group Companies and our Company.

Common pursuits of our Group Companies

As there is no formal non-compete arrangement between the Company's promoters and the Company, the promoters, along with members of the Company's promoter group and the Foxconn Technology Group, may in certain circumstances, pursue business opportunities or undertake corporate strategies which may not be aligned with the Company's interests. As a result, our Group Companies may have conflicts of interest with the Company. Also see "***Risk Factors – Our Promoters will continue to hold a significant equity stake and continue to control our Company after the completion of the Offer and their interests may not be aligned with the interests of other Shareholders***." on page 35.

Litigation

As on date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and the Companies Act, 2013. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition of our Company. The dividend distribution policy of our Company was approved and adopted by our Board on 14 December 2021 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, which, amongst others, include, (i) net profits and cash flow of our Company during the relevant Financial Year (or period, in case of interim dividend); (ii) funds required for business diversification or expansion; (iii) funds required for mergers and acquisitions; (iv) proposals for major capital expenditures or investments; (v) government policies and the economic environment; (vi) cost of funds; (vii) taxation and other regulatory concerns viii) competition and industry landscape (ix) working capital requirements, cash planning of the company, clientele effect and healthy capital structure etc.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among other, our results of operations, financial condition, cash requirements, business prospects, the Group's business outlook and strategy, financial performance and cash flow generated from operations, projected working capital and capital structure, future expansion plans and capital expenditure and capital requirements, cash position and any other financing arrangements. Our Company may also, from time to time, pay interim dividends.

Our Company has not paid any dividend on the Equity Shares during the current or the last three Financial Years, the six month period ended 30 September 2021 and the period from 30 September 2021 until the date of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend, see "***Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***" on page 39.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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Deloitte Haskins & Sells LLP

Chartered Accountants
ASV Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai-600 017
Tamil Nadu, India

Tel: +91 44 6688 5000

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
Bharat FIH Limited (formerly known as Bharat FIH Private Limited / Rising Stars Mobile India Private Limited)
M2/A-1, DTS Area, Sipcot Industrial Park, Phase II, Chennai Bangalore National Highway, NH 4, Sunguvarchatram, Sriperumpudur, Kanchipuram, Tamil Nadu - 602106

Dear Sirs,

1. We have examined the attached Restated Financial Information of Bharat FIH Limited (formerly known as Bharat FIH Private Limited / Rising Stars Mobile India Private Limited) (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September, 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the six month period ended 30 September, 2021 of the Group and Restated Statement of Assets and Liabilities as at 30 September, 2020, 31 March, 2021, 2020 and 2019, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows, the Restated Statement of Changes in Equity for the six month period ended 30 September, 2020 and for the years ended March 31, 2021, 2020 and 2019 of the Company, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on December 14, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation and presentation stated in note 2.1(a) to the Restated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of

DELOITTE HASKINS & SELLS LLP CHENNAI CHARTERED ACCOUNTANTS preparation of this Restated Financial Information by the Board of Directors of the Company, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the Group / company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated 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 18 December, 2021 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

   a) Audited special purpose consolidated interim financial statements of the Group as at and for the six month period ended 30 September, 2021 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on 14 December, 2021.

   b) Audited special purpose interim financial statements of the Company as at and for the six month period ended 30 September 2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on 14 December, 2021.

   c) Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 20, 2021, November 30, 2020 and September 30, 2019 respectively.

5. For the purpose of our examination, we have relied on:

   a) Auditors' reports issued by us dated 18 December, 2021 on Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six-month period ended 30 September, 2021.

b) Auditors' reports issued by us dated 18 December, 2021 on Special Purpose Interim Financial Statements of the Company as at and for the six-month period ended 30 September, 2020; and

c) Auditors' reports issued by us dated 20 October, 2021, 30 November, 2020 and 30 September, 2019 on the Ind AS financial statements of the Company as at and for the for the year ended 31 March, 2021, 2020 and 2019, respectively, as referred in Paragraph [4] above; and

6. As indicated in our audit reports referred in paragraph 5(a) above, we did not audit financial statements of two subsidiaries whose share of total assets, total revenues, net cash inflows / (outflows) for the relevant years / periods is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at / for the six-month period ended September 30, 2021
Total assets	574.47
Total revenue	Nil
Net cash inflow/ (outflows)	574.47

Our opinion on the Special Purpose Consolidated Interim Financial Statements is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report submitted by the other auditors on their audit of financial statements of the subsidiaries mentioned in paragraph 6 above, we report that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March, 2021, 2020 and 2019 and in the six-month period ended 30 September, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended 30 September, 2021;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. 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.

9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Consolidated Interim Financial Statements, Special Purpose Interim Financial Statements and Audited Ind AS Financial Statements mentioned in paragraph [4] above.

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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 Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number 117366W/W-100018

DELOITTE HASKINS & SELLS LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

P Usha Parvathy
Partner
Membership Number 207704

Place: Chennai
Date: 18 December 2021
UDIN: 21207704AAAAEE4451

Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Restated Statement of Assets and Liabilities
(All amounts in INR millions, except share data or as otherwise stated)

	Particulars	Note No.	As at 30 September 2021 (Consolidated) Rs.	As at 30 September 2020 (Standalone) Rs.	As at 31 March 2021 (Standalone) Rs.	As at 31 March 2020 (Standalone) Rs.	As at 31 March 2019 (Standalone) Rs.
A	**ASSETS**						
1	**Non-Current Assets**						
	(a) Property, plant and equipment	5A	6,993.71	6,896.08	7,543.47	7,127.15	7,384.53
	(b) Right of use assets	5B	538.39	597.12	582.00	531.42	686.54
	(c) Capital work-in-progress	5C	142.55	710.03	93.92	749.45	448.21
	(d) Financial assets						
	(i) Other financial assets	6	450.33	417.10	508.13	596.65	465.06
	(e) Non-current tax assets (net)	7	-	82.15	-	781.02	1,775.60
	(f) Deferred tax assets (net)	36.4	393.00	206.26	230.48	189.89	-
	(g) Other non-current assets	8	52.21	42.73	57.09	64.04	77.72
	Total non-current assets		**8,570.19**	**8,951.47**	**9,015.09**	**10,039.62**	**10,837.66**
2	**Current Assets**						
	(a) Inventories	9	18,132.08	27,077.38	24,760.40	21,897.88	30,963.99
	(b) Financial assets						
	(i) Trade receivables	10	33,421.92	42,329.52	36,087.64	37,689.30	35,930.48
	(ii) Cash and cash equivalents	11	19,595.33	2,295.93	8,612.82	11,463.46	6,251.51
	(iii) Bank balances other than (ii) above		110.00	-	110.00	-	-
	(iv) Loans	12	150.68	155.44	152.03	156.33	84.67
	(v) Other financial assets	13	609.67	272.71	114.25	114.43	91.02
	(c) Other current assets	14	6,542.14	8,631.44	8,268.68	4,870.50	4,839.82
	Total current assets		**78,561.82**	**80,762.42**	**78,105.82**	**76,191.90**	**78,161.49**
	Total Assets		**87,132.01**	**89,713.89**	**87,120.91**	**86,231.52**	**88,999.15**
B	**EQUITY AND LIABILITIES**						
1	**Equity**						
	(a) Equity share capital	15	23,809.45	23,809.45	23,809.45	23,809.45	16,659.45
	(b) Other equity		5,445.47	3,814.65	4,547.90	2,929.33	(981.46)
	Total Equity		**29,254.92**	**27,624.10**	**28,357.35**	**26,738.78**	**15,677.99**
2	**Non-current liabilities**						
	(a) Financial liabilities						
	(i) Lease Liabilities	34	480.65	575.63	517.23	449.96	429.36
	(b) Provisions	16	94.32	72.30	89.59	66.50	45.49
	Total non-current liabilities		**574.97**	**647.93**	**606.82**	**516.46**	**474.85**
3	**Current liabilities**						
	(a) Financial liabilities						
	(i) Borrowings	17	-	1,178.56	-	-	10,662.01
	(ii) Lease Liabilities	34	91.10	45.15	94.17	99.95	299.77
	(iii) Trade payables						
	(A) Total outstanding dues of micro enterprises and small enterprises (Refer Note 30.2)	19	79.39	14.35	49.19	12.28	7.66
	(B)total outstanding of dues and creditors other than micro enterprises and small enterprises		51,691.44	53,749.36	52,387.75	56,424.34	58,598.05
	(iv) Other financial liabilities	20	825.50	274.84	986.26	293.85	1,110.58
	(b) Provisions	21	107.68	102.41	109.71	83.54	35.27
	(c) Current tax liabilities (net)	22 a	813.99	-	365.00	-	-
	(d) Other Current liabilities	22 b	3,693.02	6,077.19	4,164.66	2,062.32	2,132.97
	Total current liabilities		**57,302.12**	**61,441.86**	**58,156.74**	**58,976.28**	**72,846.31**
	Total Liabilities		**57,877.09**	**62,089.79**	**58,763.56**	**59,492.74**	**73,321.16**
	Total Equity and Liabilities		**87,132.01**	**89,713.89**	**87,120.91**	**86,231.52**	**88,999.15**

See accompanying notes forming part of restated financial information

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Reg. No:117366W/W - 100018

P Usha Parvathy
M.No: 207704
Partner

Place: Chennai
Date: 18 December 2021

For and on behalf of the Board of Directors
Bharat FIH Limited (Formerly Known as Bharat FIH Private Limited / Rising Stars Mobile India Prviate Limited)

Kam Wah Danny Tam
Director
Place: Taipei
Date: 14 December 2021

Hui Chung Chen
Director
Place: Taipei
Date: 14 December 2021

Clement Joshua Foulger
Managing Director
Place: Chennai
Date: 14 December 2021

Ramachandran Kunnath
Chief Financial Officer and Company Secretary
Place: Chennai
Date: 14 December 2021

DELOITTE HASKINS & SELLS LLP * CHENNAI-17 * CHARTERED ACCOUNTANTS

Bharat FIH Limited (formerly known as Bharat FIH Private Limited / Rising Stars Mobile India Private Limited)
Restated Statement of Profit and Loss
(All amounts in INR millions, except share data or as otherwise stated)

	Particulars	Note No.	For the six month period ended 30 September 2021 (Consolidated)	For the six month period ended 30 September 2020 (Standalone)	For the year ended 31 March 2021 (Standalone)	For the year ended 31 March 2020 (Standalone)	For the year ended 31 March 2019 (Standalone)
			Rs.	Rs.	Rs.	Rs.	Rs.
1	Revenue from operations	23	1,01,557.92	63,945.78	1,58,548.58	2,66,355.58	3,43,453.89
2	Other income	24	140.43	332.85	517.99	337.68	469.84
3	**Total Income (1+2)**		**1,01,698.35**	**64,278.63**	**1,59,066.57**	**2,66,693.26**	**3,43,923.73**
4	**Expenses**						
	(a) Cost of materials consumed	25	93,931.55	58,572.67	1,46,350.31	2,46,654.59	3,29,638.27
	(b) Changes in inventories of finished goods and work-in-progress	26	1,002.98	179.70	580.23	2,326.42	(2,960.05)
	(c) Employee benefits expense	27	1,531.27	1,356.64	2,999.82	2,757.54	2,929.66
	(d) Finance costs	28	52.64	170.24	236.11	281.26	689.55
	(e) Depreciation and amortisation expense	5	1,351.05	1,107.48	2,186.15	2,255.44	1,624.35
	(f) Other Expenses	29	2,633.78	2,043.55	4,748.90	7,684.27	14,115.20
	Total Expenses		**1,00,503.27**	**63,430.28**	**1,57,101.52**	**2,61,959.52**	**3,46,036.98**
5	**Restated Profit/ (Loss) before tax (3 - 4)**		**1,195.08**	**848.35**	**1,965.05**	**4,733.74**	**(2,113.25)**
6	**Tax expense:**						
	(a) Current tax		467.35	305.90	708.58	1,026.62	-
	(b) Adjustment of Current Tax Relating to Earlier Years		-	(57.34)	(57.34)	-	-
	(c) Deferred tax (net)		(163.98)	(282.08)	(305.34)	(190.01)	115.46
			303.37	**(33.52)**	**345.90**	**836.61**	**115.46**
7	**Restated Profit/(Loss) For The Year/Period (5 - 6)**		**891.71**	**881.87**	**1,619.15**	**3,897.13**	**(2,228.71)**
8	**Restated Other comprehensive Income/(Loss)**						
	A (i) Items that will not be reclassified to profit or loss						
	(a) remeasurement of the defined benefit plans		5.82	4.61	(0.78)	0.37	(4.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.47)	(1.16)	0.20	(0.13)	1.40
	(iii) Foreign Exchange Reserve		1.51	-			-
	Restated Total other comprehensive Income/ (Loss)		**5.86**	**3.45**	**(0.58)**	**0.24**	**(2.60)**
9	**Restated Total comprehensive income/(Loss) (7 + 8)**		**897.57**	**885.32**	**1,618.57**	**3,897.37**	**(2,231.31)**
10	**Restated Earnings Per Share**	35					
	- Basic (Face Value of Rs. 10 each)		0.37	0.37	0.68	2.08	(1.57)
	- Diluted (Face Value of Rs. 10 each)		0.37	0.37	0.68	2.08	(1.57)
	See accompanying notes forming part of restated financial information						

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Reg. No:117366W/W - 100018

P Usha Parvathy
M.No: 207704
Partner

Place: Chennai
Date: 18 December 2021

For and on behalf of the Board of Directors
Bharat FIH Limited (Formerly Known as Bharat FIH Private Limited / Rising Stars Mobile India Prviate Limited)

Kam Wah Danny Tam
Director
Place: Taipei
Date: 14 December 2021

Hui Chung Chen
Director
Place: Taipei
Date: 14 December 2021

Clement Joshua Foulger
Managing Director
Place: Chennai
Date: 14 December 2021

Ramachandran Kunnath
Chief Financial Officer and Company Secretary
Place: Chennai
Date: 14 December 2021

DELOITTE HASKINS & SELLS LLP
CHENNAI-17
CHARTERED ACCOUNTANTS

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Restated Statement of Cashflow
(All amounts in INR millions, except share data or as otherwise stated)

Particulars	For the six month period ended 30 September 2021 (Consolidated)	For the six month period ended 30 September 2020 (Standalone)	For the year ended 31 March 2021 (Standalone)	For the year ended 31 March 2020 (Standalone)	For the year ended 31 March 2019 (Standalone)
	Rs.	Rs.	Rs.	Rs.	Rs.
I. CASH FLOW FROM OPERATING ACTIVITIES					
Restated Profit/ (Loss) before tax	1,195.08	848.35	1,965.05	4,733.74	(2,113.25)
Adjustments to reconcile loss before tax to net cash flows:					
Depreciation and Amortisation Expense	1,351.05	1,107.48	2,186.15	2,255.44	1,624.35
Interest and Finance Charges paid (including interest towards lease liabilities)	52.64	170.24	236.11	281.26	689.55
Loss/ (Gain) on Property, Plant & Equipment Sold / Scrapped / Written off (Net)	(15.54)	182.61	244.83	36.95	103.28
Liabilities No Longer Required Written Back	(0.16)	(96.86)	(96.86)	-	-
Profit on termination of leases	-	(0.99)	(1.35)	0.43	-
Interest Income from Bank Deposits & Others	(120.42)	(234.99)	(419.78)	(338.11)	(444.95)
Provision for VAT Incentive	-	-	-	-	12.53
Provision for other recievable	-	(34.40)	34.47	-	-
Fair Value Loss/(gain) on deposits	2.70	43.09	-	-	-
Unrealised Exchange Loss / (gain) (net)	(36.26)	(406.19)	40.55	901.48	(1,394.20)
Operating Profit Before Working Capital/Other Changes	**2,429.09**	**1,578.34**	**4,189.17**	**7,871.19**	**(1,522.71)**
Adjustments for decrease/(increase) in operating assets:					
Inventories	6,628.31	(5,179.49)	(2,862.52)	9,066.10	959.83
Trade Receivables	2,665.72	(4,640.23)	1,601.66	(1,758.82)	9,165.91
Other Non Current Fiancial Assets	57.82	136.46	88.52	(131.59)	27.06
Loans (Current Financial Assets)	1.35	0.89	4.30	(71.66)	(2.21)
Other Current Financial Assets	(498.12)	(123.87)	(28.00)	(23.41)	(31.57)
Other Current and Non Current Assets	1,738.97	(3,739.64)	(3,391.24)	(17.00)	3,138.52
Adjustments for (decrease)/ increase in operating liabilities:	-	-	-	-	-
Trade Payables	(628.17)	(2,169.85)	(3,943.37)	(3,069.44)	(16,109.69)
Other Financial Liabilities (Current)	(160.75)	(19.01)	692.41	(816.74)	590.27
Other Liabilities (Current and Non-Current)	(471.64)	4,014.86	2,102.35	(70.65)	(545.63)
Provisions (Current and Non-Current)	2.72	26.36	49.26	69.28	45.61
Cash Used in Operations	**11,765.30**	**(10,115.18)**	**(1,497.46)**	**11,047.26**	**(4,284.61)**
Direct Taxes (Paid)/ Refund (net)	(12.57)	759.16	736.72	(32.17)	(1,044.64)
Net Cash Generated from/ (Used in) Operating Activities	**11,752.73**	**(9,356.02)**	**(760.74)**	**11,015.09**	**(5,329.25)**
II. CASH FLOW FROM INVESTING ACTIVITIES					
Capital Expenditure (including capital advances, net of Payables on	(675.54)	(840.69)	(1,937.99)	(2,054.55)	(5,784.35)
Loans Given	-	-	-	-	(40.00)
Deposit Balances not considered as Cash & Cash equivalents	-	-	(110.00)	-	12.00
Interest Received on Bank Deposits	112.85	163.53	413.48	337.68	443.04
Net Cash Used in Investing Activities	**(562.69)**	**(677.16)**	**(1,634.51)**	**(1,716.87)**	**(5,369.31)**
III. CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of Short Term Borrowings (net)	-	-	-	(10,662.01)	-
Proceeds from issue of equity shares	-	-	-	7,150.00	3,680.25
Proceeds from borrowings (Net)	-	1,178.57	-	-	10,662.01
Payment of Lease Liabilities	(180.05)	(167.75)	(324.81)	(347.67)	(319.92)
Interest and Finance Charges paid	(27.48)	(145.17)	(130.58)	(226.59)	(605.33)
Net Cash (Used in)/ Generated from Financing Activities	**(207.53)**	**865.65**	**(455.39)**	**(4,086.27)**	**13,417.01**
IV. Net Increase in Cash and Cash Equivalents (I + II + III)	10,982.51	(9,167.53)	(2,850.64)	5,211.95	2,718.45
V. Cash and Cash Equivalents at the Beginning of the Year/Period	**8,612.82**	**11,463.46**	**11,463.46**	**6,251.51**	**3,533.06**
VI. Cash and Cash Equivalents at the End of the Year/Period(Refer Note 11A)	**19,595.33**	**2,295.93**	**8,612.82**	**11,463.46**	**6,251.51**
VII. Reconciliation for Cash and Cash Equivalents					
(a) Cash on Hand	0.05	0.05	0.05	0.05	0.05
(b) Balances with Banks					
(i) In Current Accounts	260.82	2,295.88	582.77	313.41	581.46
(ii) In Deposit Accounts	-	-	-	-	-
Original maturity less than 3 months	19,334.46	-	8,030.00	11,150.00	5,670.00
	19,595.33	**2,295.93**	**8,612.82**	**11,463.46**	**6,251.51**

See accompanying notes forming part of restated financial information

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Reg. No:117366W/W - 100018

P Usha Parvathy
M.No: 207704
Partner

Place: Chennai
Date: 18 December 2021

For and on behalf of the Board of Directors
Bharat FIH Limited (Formerly Known as Bharat FIH Private Limited / Rising Stars Mobile India Prviate Limited)

Kam Wah Danny Tam
Director
Place: Taipei
Date: 14 December 2021

Hui Chung Chen
Director
Place: Taipei
Date: 14 December 2021

Clement Joshua Foulger
Managing Director
Place: Chennai
Date: 14 December 2021

Ramachandran Kunnath
Chief Financial Officer and Company Secretary
Place: Chennai
Date: 14 December 2021

DELOITTE HASKINS & SELLS LLP * CHENNAI-17 * CHARTERED ACCOUNTANTS

Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Restated Statement of Changes in Equity
(All amounts in INR millions, except share data or as otherwise stated)

A. Equity share capital (Refer Note 15)

Particulars	Rs.
Balance as at 31 March 2018	**12,979.20**
Changes in equity share capital during the year 2018-19	3,680.25
Balance as at 31 March 2019	**16,659.45**
Changes in equity share capital during the year 2019-20	7,150.00
Balance as at 31 March 2020	**23,809.45**
Changes in equity share capital during the period 1 April 2020 to 30 September 2020	-
Balance as at 30 September 2020	**23,809.45**
Changes in equity share capital during the year 2020-21	-
Balance as at 31 March 2021*	**23,809.45**
Changes in equity share capital during the period 1 April 2021 to 30 September 2021	-
Balance as at 30 September 2021	**23,809.45**

*- During the year 2020-21, the Board of directors in their meeting held on 8th May 2020 and the members of the Group in the extraordinary general meeting held on 29th May 2020, approved the sub-division of equity shares from face value of Rs. 100/- per share into face value of Rs. 10/- each.Consequently the number of shares in the authorised capital has increased from 239,810,000 of Rs.100/- each to 2,398,100,000 of Rs.10/- each and the number of shares in the issued, subscribed, paid up share capital has increased from 238,094,498 of Rs.100/- each to 2,380,944,980 of Rs.10/- each.
- Number of equity shares outstanding as on 30 September 2021 is 238,09,44,980.

Reporting period	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year/period	Balance at the end of the current reporting period
Year ended 31 March 2019	12,979.20	-	-	3,680.25	16,659.45
Year ended 31 March 2020	16,659.45	-	-	7,150.00	23,809.45
Year ended 31 March 2021	23,809.45	-	-	-	23,809.45
Period ended 30 September 2020	23,809.45	-	-	-	23,809.45
Period ended 30 September 2021	23,809.45	-	-	-	23,809.45

B. Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total Rs.
	Retained Earnings Rs.	General Reserve Rs.	Remeasurement of the defined benefit plans	Foreign Currency Translation Reserve	
Balance as at 31 March 2018	**1,248.45**	-	**1.40**	-	**1,249.85**
Restated Loss for the year 2018-19	(2,228.71)	-	-	-	(2,228.71)
Other comprehensive income/ (loss) for the year 2018-19	-	-	(4.00)	-	(4.00)
Income-tax on items in other comprehensive income/ (loss) for the year 2018-19	-	-	1.40	-	1.40
Total comprehensive income/(loss) for the year 2018-19	(2,228.71)	-	(2.60)	-	(2,231.31)
Balance as at 31 March 2019 (restated)	**(980.26)**	-	**(1.20)**	-	**(981.46)**
Ind AS 116 transition adjustment (refer note 1 Statement of Restatement Adjustment to Audited Financial Statements)	**13.42**	-	-	-	**13.42**
Balance as at 31 March 2019 (audited)	**(966.84)**		**(1.20)**	-	**(968.04)**
Restated for the year 2019-20	3,897.13	-	-	-	3,897.13
Other comprehensive income/ (loss) for the year 2019-20	-	-	0.37	-	0.37
Income-tax on items in other comprehensive income/ (loss) for the year 2019-20	-	-	(0.13)	-	(0.13)
Total comprehensive income/(loss) for the year 2019-20	3,897.13	-	0.24	-	3,897.37
Balance as at 31 March 2020	**2,930.29**	-	**(0.96)**	-	**2,929.33**
Restated Profit for the period ended 30 September 2020	881.87	-	-	-	881.87
Other comprehensive income/ (loss) for the period ended 30 September 2020	-	-	4.61	-	4.61
Income-tax on items in other comprehensive income/ (loss) for the period ended 30 September 2020	-	-	(1.16)	-	(1.16)
Total comprehensive income/(loss) for the period ended 30 September 2020	881.87	-	3.45	-	885.32
Balance as at 30 September 2020	**3,812.16**	-	**2.49**	-	**3,814.65**
Restated Profit for the year 2020-21	1,619.15	-	-	-	1,619.15
Other comprehensive income/ (loss) for the year 2020-21		-	(0.78)	-	(0.78)
Income-tax on items in other comprehensive income/ (loss) for the year 2020-21		-	0.20	-	0.20
Total comprehensive income/(loss) for the year 2020-21	1,619.15	-	(0.58)	-	1,618.57
Balance as at 31 March 2021	**4,549.44**	-	**(1.54)**	-	**4,547.90**
Restated Profit for the period ended 30 September 2021	891.71	-	-	-	891.71
Other comprehensive income/ (loss) for the period ended 30 September 2021	-	-	5.82	-	5.82
Income-tax on items in other comprehensive income/ (loss) for the period ended 30 September 2021	-	-	(1.47)	-	(1.47)
Foreign Exchange reserve	-	-	-	1.51	1.51
Total comprehensive income/(loss) for the period ended 30 September 2021	891.71	-	4.35	1.51	897.57
Balance as at 30 September 2021 (consolidated)	**5,441.15**	-	**2.81**	**1.51**	**5,445.47**

See accompanying notes forming part of restated financial information

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Reg. No:117366W/W - 100018

P Usha Parvathy
M.No: 207704
Partner

Place: Chennai
Date: 14 December 2021

DELOITTE HASKINS & SELLS LLP
CHENNAI-17
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Bharat FIH Limited (Formerly Known as Bharat FIH Private Limited / Rising Stars Mobile India Prviate Limited)

Kam Wah Danny Tam
Director
Place: Taipei
Date: 14 December 2021

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Director
Place: Taipei
Date: 14 December 2021

Clement Joshua Foulger
Managing Director
Place: Chennai
Date: 14 December 2021

Ramachandran Kunnath
Chief Financial Officer and Company Secretary
Place: Chennai
Date: 14 December 2021

Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Notes to the Restated Financial Information
(All Amounts are in INR millions, unless otherwise stated)

1. Part A: Statement of Restatement Adjustment to Audited Financial Statement

Reconciliation between audited and restated total comprehensive income	As at 31-Mar-19
Audited total comprehensive income /(loss)	**(2,217.90)**
Restatement adjustments- Ind AS 116 adoption (Refer Note 36.5 for Deferred Tax)	13.42
Restated total comprehensive income / (loss)	**(2,231.31)**

Detailed reconciliation between audited and restated profit	As at 31-Mar-19
Profit after tax (as per audited financial statements)	**(2,215.30)**
Restatement adjustments	
A) Impact of Ind AS 116	
(Increase)/decrease in total expenses	
Depreciation of Right-of-use assets	(272.80)
Interest on lease liabilities	(63.95)
Other expenses- Rent	323.32
Total impact on adjustments	13.42
Restated loss after tax for the period / year	**(2,228.71)**

Reconciliation between audited equity and restated equity	As at 31-Mar-19
A. Audited equity	**15,691.40**
C. Material restatement adjustments	
Change in accounting policies- Ind AS 116 Leases*	13.42
C. Total Equity as per Restated Statement of Assets and Liabilities	**15,677.99**

*Cumulative effect of restatement adjustment on total equity upto 31 March 2019 relating to IndAS 116 has not been carried forward to Total equity balance as at 1 April 2019 (date of transition to IndAS 116 as per the Guidance Note on reports in Company Prospectuses (revised 2019) issued by The Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Notes to adjustments

Ind AS 116 - Leases has been notified and effective for financial statements from 01 April 2019 which prescribes the accounting of the lease contracts entered in the capacity of the lessee and a lessor. The Group has applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from 01 April 2019. For the purpose of preparing restated financial information, Ind AS 116 has been applied retrospectively with effect from 01 April 2018, which is the earliest period presented.

Effective 01 April 2018, following the modified retrospective approach, the Group has recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of Use asset at an amount equivalent to lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Part B: Material regrouping

Appropriate groupings have been made in the Restated Summary Statements of Assets and Liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Group prepared in accordance with Schedule III of Companies Act, 2013 (as amended), 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.

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS *
CHENNAI-17

1.1 Corporate information

Bharat FIH Limited (formerly known as Bharat FIH Private Limited) ("the Group") was incorporated on 01-May-2015 having registered office in Tamil Nadu, India. the Group is in the business of manufacturing mobile phones. the Group operates in Sunguvachatram-Tamil Nadu, Sricity-Andhra Pradesh caters to the domestic mobile market. the Group started to extend its operations to other diversified businesses. the Group formed two wholly owned subsidiary namely "Rising Stars Hi-Tech Private Limited - India" and "Bharat Taiwan Coporation - Taiwan". The Parent Company, and its subsidiaries together is referred as "the Group".

The name of the Company was changed to Bharat FIH Limited with effect from 02-November-2021

2 Significant accounting Policies

2.1(a) Basis of Preparation and Presentation

The Restated Financial Information comprises of the Restated Consolidated Statement of Assets and Liabilities as at 30-September-2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the six month period ended 30-September-2021 of the Group ; Restated Statement of Assets and Liabilities as at 30-September-2020, 31-March-2021, 2020 and 2019, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows, the Restated Statement of Changes in Equity for the six month period ended 30-September-2020 and for the years ended 31-March-2021, 2020 and 2019 of The Company; and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Restated Financial Information').

These Restated Financial Information have been prepared by the Management of The Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') prepared by the Group in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

a)Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Financial Information have been compiled by the Management from:

a) Audited special purpose consolidated interim financial statements of the Group as at and for the six month period ended 30-September-2021 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on 14 December 2021.

b) Audited special purpose interim financial statements of The Company as at and for the six month period ended 30-September-2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on 14 December 2021.

c) Audited Ind AS financial statements of The Company as at and for the years ended 31-March-2021, 2020 and 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Ind AS Financial Statements"), which have been approved by the Board of Directors at their meetings held on 20 October 2021,30 November 2020 and 30 September 2019 respectively.

Since Rising Stars Hi-Tech Private Limited and Bharat Taiwan Corporation (the "Subsidiaries") were incorporated on 29 April 2021 and 30 June 2021 respectively, the financial information for such entities has been consolidated for the period from the date of their incorporation till 30-September-2021 in accordance with Ind AS 110 "Consolidated Financial Statements". As at and for the years ended 31-March-2021, 2020 and 2019 and as at and for the six month period ended 30-September-2020 The Company did not have any subsidiaries and accordingly the Group was not required to prepare consolidated financial statements.

The accounting policies have been consistently applied by the Group in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of special purpose interim consolidated financial statements as at and for the six month period ended 30-September-2021.

The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited financial statements mentioned above.

The Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31-March-2021, 2020, and 2019 and period ended 30 September, 2020 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six month period ended 30-September-2021.

b)do not require any adjustment for modification as there is no modification in the underlying audit reports.

The Restated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. millions, except when otherwise indicated.

DELOITTE HASKINS & SELLS LLP * CHENNAI-17 * CHARTERED ACCOUNTANTS

2.1(b) Basis of consolidation

The restated financial information comprise the financial statements of the Parent Company and its subsidiaries (incorporated in financial year 2021-2022) for the period ended 30 September 2021.

Subsidiary information

Equity Instruments in subsidiary	No of Shares	As at 30 September 2021 Rs.	% of Holding
Rising Star Hi-Tech Private Limited (w.e.f.29-April-2021)	49,999,999	500.00	100%
Bharat Taiwan Corporation (w.e.f 28-June-2021)	2,800,000	73.09	100%

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
ii) Exposure, or rights, to variable returns from its involvement with the investee, and
iii) The ability to use its power over the investee to affect its returns.

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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the years are included in the restated consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary. Restated consolidated financial information 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 information for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's summary statements in preparing the restated consolidated financial information to ensure conformity with the Group's accounting policies. The restated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e. period ended on 30 September 2021.

Consolidation procedure:
i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated consolidated financial information at the acquisition date.
ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill/ reserve.
iii. 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 (if any), such as inventory, are eliminated in full]. Intragroup losses may indicate an impairment that requires recognition in the restated consolidated financial information. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and
losses resulting from intragroup transactions.

Restated Statement of profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary
ii. Derecognises the carrying amount of any non-controlling interests
iii. Derecognises the cumulative translation differences recorded in equity
iv. Recognises the fair value of the consideration received
v. Recognises the fair value of any investment retained
vi. Recognises any surplus or deficit in profit and loss
vii. Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

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2.2 Summary of significant accounting policies

These restated financial information have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.
In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Inventories

Inventories are valued at the lower of cost and net realisable value.
The cost of raw materials, components, consumable stores and spare parts and stock in trade are determined on a weighted average basis.
Cost includes freight, taxes and duties and other charges incurred for bringing the goods to the present location and condition and is net of credit under the cenvat scheme and VAT/GST, where applicable.
The valuation of manufactured finished goods and work-in-progress includes the combined cost of material, labour and manufacturing overheads incurred in bringing the goods to the present location and condition.
Due allowance is estimated and made by the Management for slow moving/ non-moving items and defective items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

2.4 Cash and Cash Equivalents (for the purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.6 Revenue Recognition

The Company derives revenue primarily from manufacture and sale of mobile phones. The Company recognises revenue when a performance obligation is satisfied, i.e. upon transfer of control of promised products or services to customers in an amount that reflects the fair value of the consideration which the Company expects to receive in exchange for those products or services . A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.
Transaction Price:
Revenue is measured based on the transaction price, which is the fixed consideration, amounts payable to customer, principal versus agent considerations and any other rights and obligations as specified in the contract with the customer.

Principal versus agent considerations:
The Company is a principal and records revenue on a gross basis when the Company is primarily responsible for fulfilling the obligation of sale of mobile phones to the customer, has discretion in establish pricing and controls the promised good before transferring it to the customer.

Amounts payable to customer:
Consideration payable to a customer includes amounts that an entity pays, or expects to pay, to the customer (or to other parties that purchase the company's goods or services from the customer). The company accounts for consideration payable to a customer based on a detailed assessment of facts and circumstances of the contract with the customer. When the Company determines it obtained control of the goods or services purchased from the customer , the Company accounts for the goods or services purchased from customer as noncash consideration received from the customer. The fair value of the noncash consideration, measured at contract inception, is included in the transaction price.

Other Claims
Recovery claims are accounted for as and when there is no uncertainty in realizing the same.

Interest Income
Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form part of an integral part of the effective interest, transaction costs and other premium or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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2.7 Property, Plant and Equipment

Cost of Properties includes import duties and non-refundable taxes, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised seperately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Capital Work-in-Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

Depreciation:

Depreciation on property, plant and equipment is provided on the straight-line method, pro-rata from the month of capitalisation over the period of use of the assets, assessed as below:

Particulars	Useful Lives
Plant and Equipments	
- Jigs and Fixtures	1 Year to 2 Years
- Others	3 Years to 10 Years
Furniture and Fittings	5 Years
Office and Other Equipments	5 Years
Data Processing Equipments	3 Years to 5 Years
Leasehold Improvements	Amortised over the primary lease period or estimated useful life, whichever is less

Individual PPE costing less than Rs. 20,000 each are depreciated in the month of purchase considering the type and usage pattern of these assets.

The useful lives mentioned above are different from the useful lives specified for these assets, where applicable, as per Schedule II of the Companies Act, 2013. The useful lives followed in respect of these assets are based on Management's assessment, based on technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is accelerated on Property, Plant and Equipment, based on their condition, usability, etc. as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.8 Foreign Currencies

In preparing the restated financial information of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Restated Statement of Profit and Loss in the period in which they arise, except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.9 Government Grants and Export Benefits

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Restated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Restated Statement of Profit and Loss on a systematic and rational basis.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Restated Statement of Profit and Loss in the period in which they became receivable.

The benefit of a government loan at a below-market rate interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

Export benefits in the nature of duty drawback are recognised in the Statement of Profit and Loss in the year of exports based on eligibility/expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the Restated Statement of Profit and Loss when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations.

Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

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2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are recognised immediately in the Restated Statement of profit and loss.

2.11 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the carrying amount of FVTOCI monetary financial assets relating to changes in foreign currency rates are recognised in profit or loss. Other changes in the carrying amount of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Impairment of financial assets:

the Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amotised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occuring as the weights. Credit loss 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 Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). the Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of the financial instrument.

the Group measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within the 12 months after reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in risk of default occuring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the date of initial recognition.

For trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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De-recognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

• Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currecy rates are recognised in other comprehensive income.

• For the purposes of recognising foreign exchange gains or losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Restated Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.12 Financial liabilities and equity instruments

Classification as a debt or equity:

Debt and equity instruments issued by the Group as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Restated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on amortised cost of the instruments and are recognised in the Statement of Profit and Loss.

The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses recognised in the Restated Statement of profit and Loss.

Decreognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised the Restated Statement of Profit and Loss.

Offsetting:
Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, the Company currently has a legally enforceable right to set off amounts and it indents either to settle them on a net basis or to realise the asset and settle the liability simultaneously

2.13 Employee Benefits

Retirement benefit costs and termination benefits:
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Restated Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

2.14 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. the Group assesses whether a contract 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 Group 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.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Restated Balance Sheet and lease payments have been classified as financing cash flows.

Transition:

Effective 01-April-2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01-April-2019 resulting in recognition of right of use assets and measured the lease liabilities at an equal amount as on the date of transition and hence no impact to reserves. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

For the purpose of preparing Restated Financial Information, Ind AS 116 has been applied by applying transition provisions as disclosed above with effect from 01-April-2018.

2.15 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxation

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. the Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

MAT Credit:
Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. the Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period.

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2.17 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the restated statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.18 Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal/ constructiive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Contingent Liability:
Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.19 Segment Reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.20 Goods and Services Tax Input Credit

Goods and Services tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.21 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted and to the extent there is no uncertainty in receiving the claims.

3 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the other significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

(i)Revenue Recognition:

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e., the Company is a principal) or to arrange for the other party to provide those goods or services (i.e., the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it is the primary obligor to deliver the promised good or service and also controls a promised good or service before it transfers the control to the customer. The Company recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services on behalf of another party. The Company recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Judgement is also applied to determine the transaction price of the contract with customer. Management based on detailed assessment of the underlying facts and the overall substance of the transaction with the customer, determines if each performance obligation is distinct and consequently determines the transaction price which forms the basis for revenue recognition.

(ii) Useful lives of Property, plant and equipment (Refer Note 2.7)

(iii)Provision for taxation (Refer Note 2.16)

(iv) Fair value of financial assets and financial liabilities (Refer Notes 2.11 and 2.12)

(v) Provision for inventory obsolescence (Refer Note 2.3)

Determination of functional currency:

Currency of the primary economic environment in which the Group operates ("the functional currency") is Indian Rupee (INR) in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

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(All amounts in INR millions, except share data or as otherwise stated)

Note 5A Property, Plant and Equipment

I. 2018-19

Property, Plant and Equipment - Owned/ Acquired	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2018 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	Balance as at 31 March 2019 Rs.	Balance as at 1 April 2018 Rs.	Depreciation Expense Rs.	Elimination on Disposal / Adjustments of Assets Rs.	Balance as at 31 March 2019 Rs.	Balance as at 31 March 2019 Rs.
(a) Plant and Equipment	2,473.08	4,181.36	19.13	6,635.31	243.93	951.77	14.54	1,181.16	5,454.15
(b) Furniture and Fittings	138.18	-	0.34	137.84	40.95	24.03	0.34	64.64	73.20
(c) Office and Other Equipments	54.37	17.14	0.12	71.39	18.51	10.78	0.12	29.17	42.22
(d) Data Processing Equipments	439.81	297.20	-	737.01	91.51	121.56	-	213.07	523.94
(e) Leasehold Improvements	1,150.41	585.84	5.58	1,730.67	196.24	243.41	-	439.65	1291.02
Total	**4,255.85**	**5,081.54**	**25.17**	**9,312.22**	**591.14**	**1,351.55**	**15.00**	**1,927.69**	**7,384.53**

II. 2019-20

Property, Plant and Equipment - Owned/ Acquired	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2019 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	Balance as at 31 March 2020 Rs.	Balance as at 1 April 2019 Rs.	Depreciation Expense Rs.	Elimination on Disposal/ Adjustments of Assets Rs.	Balance as at 31 March 2020 Rs.	Balance as at 31 March 2020 Rs.
(a) Plant and Equipment	6,635.31	1,521.61	141.20	8,015.72	1,181.16	1,296.02	74.50	2,402.68	5,613.04
(b) Furniture and Fittings	137.84	15.76	0.21	153.39	64.64	27.30	0.05	91.89	61.50
(c) Office and Other Equipments	71.39	2.64	0.70	73.33	29.17	13.64	0.25	42.56	30.77
(d) Data Processing Equipments	737.01	81.58	13.40	805.19	213.07	157.11	2.69	367.49	437.70
(e) Leasehold Improvements	1,730.67	142.44	0.20	1,872.91	439.65	449.12	-	888.77	984.14
Total	**9,312.22**	**1,764.03**	**155.71**	**10,920.54**	**1,927.69**	**1,943.19**	**77.49**	**3,793.39**	**7,127.15**

III. 30 September 2020

Property, Plant and Equipment - Owned/ Acquired	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2020 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	Balance as at 30 September 2020 Rs.	Balance as at 1 April 2020 Rs.	Depreciation Expense Rs.	Elimination on Disposal/ Adjustments of Assets Rs.	Balance as at 30 September 2020 Rs.	Balance as at 30 September 2020 Rs.
(a) Plant and Equipment	8,015.72	683.03	21.25	8,677.50	2,402.68	672.47	21.25	3,053.90	5,623.60
(b) Furniture and Fittings	153.39	1.90	-	155.29	91.89	12.24	-	104.13	51.16
(c) Office and Other Equipments	73.33	0.15	-	73.48	42.56	6.27	-	48.83	24.65
(d) Data Processing Equipments	805.19	31.23	-	836.42	367.49	84.96	-	452.45	383.97
(e) Leasehold Improvements	1,872.91	11.26	-	1,884.17	888.77	182.70	-	1,071.47	812.70
Total	**10,920.54**	**727.57**	**21.25**	**11,626.86**	**3,793.39**	**958.64**	**21.25**	**4,730.79**	**6,896.08**

IV. 2020-21

Property, Plant and Equipment - Owned/ Acquired	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2020 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	Balance as at 31 March 2021 Rs.	Balance as at 1 April 2020 Rs.	Depreciation Expense Rs.	Elimination on Disposal/ Adjustments of Assets Rs.	Balance as at 31 March 2021 Rs.	Balance as at 31 March 2021 Rs.
(a) Plant and Equipment	8,015.72	2,047.01	133.47	9,929.26	2,402.68	1,346.59	126.73	3,622.54	6,306.72
(b) Furniture and Fittings	153.39	6.94	-	160.33	91.89	21.33	-	113.22	47.11
(c) Office and Other Equipments	73.33	36.23	0.00	109.56	42.56	13.93	0.00	56.49	53.07
(d) Data Processing Equipments	805.19	63.05	0.01	868.23	367.49	160.03	0.01	527.51	340.72
(e) Leasehold Improvements	1,872.91	168.67	63.23	1,978.35	888.77	356.97	63.24	1,182.50	795.85
Total	**10,920.54**	**2,321.90**	**196.71**	**13,045.73**	**3,793.39**	**1,898.85**	**190.00**	**5,502.26**	**7,543.47**

V.30 September 2021

Property, Plant and Equipment - Owned/ Acquired	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2021 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	Balance as at 30 September 2021 Rs.	Balance as at 1 April 2021 Rs.	Depreciation Expense Rs.	Elimination on Disposal/ Adjustments of Assets Rs.	Balance as at 30 September 2021 Rs.	Balance as at 30 September 2021 Rs.
(a) Plant and Equipment	9,929.26	492.31	51.68	10,369.89	3,622.54	923.56	39.34	4,506.76	5,863.13
(b) Furniture and Fittings	160.33	29.28	1.52	188.09	113.22	12.06	1.52	123.76	64.32
(c) Office and Other Equipments	109.56	70.86	0.20	180.22	56.49	15.19	0.20	71.48	108.74
(d) Data Processing Equipments	868.23	57.18	0.06	925.35	527.51	74.79	0.06	602.24	323.11
(e) Leasehold Improvements	1,978.35	28.29	46.08	1,960.56	1,182.50	166.60	22.95	1,326.15	634.41
Total	**13,045.73**	**677.92**	**99.54**	**13,624.11**	**5,502.26**	**1,192.20**	**64.07**	**6,630.39**	**6993.71**

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Notes to the Restated Financial Information
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5B Right of Use Assets

Description of Assets	Buildings	Total
I - Gross carrying value		
As at April 01, 2018 (Refer Note 34)	511.55	511.55
Additions	447.79	447.79
Disposals / Adjustments during the year	-	-
As at 31 March 2019	**959.34**	**959.34**
II. Accumulated depreciation and impairment		
As at April 01, 2018		
Charge for the year	272.80	272.80
Disposals / Adjustments during the year	-	-
As at 31 March 2019	**272.80**	**272.80**
III. Net Carrying Value		
As at 31 March 2019	**686.54**	**686.54**
I - Gross carrying value		
As at March 31, 2019 (Refer Note 34)	686.54	686.54
IndAS 116 Restatement adjustment (Refer Note 1)	42.59	42.59
As at April 01, 2019	729.13	729.13
Additions	129.92	129.92
Disposals / Adjustments during the year	(28.00)	(28.00)
As at 31-March-2020	**831.05**	**831.05**
II. Accumulated depreciation and impairment		
As at March 31, 2019	272.80	272.80
IndAS 116 Restatement adjustment (Refer Note 1)	(272.80)	(272.80)
As at April 01, 2019	-	-
Charge for the year	312.24	312.24
Disposals / Adjustments during the year	(12.61)	(12.61)
As at 31 March 2020	**299.63**	**299.63**
III. Net Carrying Value		
As at 31 March 2020	**531.42**	**531.42**
I - Gross carrying value		
As at April 01, 2020 (Refer Note 34)	831.05	831.05
Additions	235.68	235.68
Disposals / Adjustments during the year	(58.16)	(58.16)
As at 30 September 2020	**1,008.57**	**1,008.57**
II. Accumulated depreciation and impairment		
As at April 01, 2020	299.63	299.63
Charge for the year	148.83	148.83
Disposals / Adjustments during the period	(37.01)	(37.01)
As at 30 September 2020	**411.45**	**411.45**
III. Net Carrying Value		
As at 30 September 2020	**597.12**	**597.12**
I - Gross carrying value		
As at April 01, 2020 (Refer Note 34)	831.05	831.05
Additions	364.62	364.62
Disposals / Adjustments during the year	(116.85)	(116.85)
As at 31 March 2021	**1,078.82**	**1,078.82**
II. Accumulated depreciation and impairment		
As at April 01, 2020	299.63	299.63
Charge for the year	287.30	287.30
Disposals / Adjustments during the year	(90.11)	(90.11)
As at 31 March 2021	**496.82**	**496.82**
III. Net Carrying Value		
As at 31 March 2021	**582.00**	**582.00**
I - Gross carrying value		
As at April 01, 2021 (Refer Note 34)	1,078.82	1,078.82
Additions	115.24	115.24
Disposals / Adjustments during the year	-	-
As at 30 September 2021	**1,194.06**	**1,194.06**
II. Accumulated depreciation and impairment		
As at April 01, 2021	496.82	496.82
Charge for the year	158.85	158.85
Disposals / Adjustments during the period		-
As at 30 September 2021	**655.67**	**655.67**
III. Net Carrying Value		
As at 30 September 2021	**538.39**	**538.39**

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
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5C Ageing of capital Work in Progress

Capital Work in Progress	As at 30 September 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress	117.09	11.35	3.04	11.07	142.55
(ii) Projects temporarily suspended	-	-	-	-	
Total	**117.09**	**18.23**	**7.23**	**0.00**	**142.55**

Projects where the cost has exceeded

Capital Work in Progress	As at 30 September 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Warehouse	5.84	-	-	-	5.84
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**5.84**	**0.00**	**0.00**	**0.00**	**5.84**

Projects which are pending for capitalization beyond original planned date of completion

Capital Work in Progress	As at 30 September 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
IT related	0.28	-	-	-	0.28
Project Engineering Department	8.78	-	-	-	8.78
Assembly & Packing	0.06	-	-	-	0.06
Surface Mounting Technology	2.32	-	-	-	2.32
Ware House	35.28	-	-	-	35.28
Others	0.73	8.69	3.03	11.07	23.52
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**47.45**	**8.69**	**3.03**	**11.07**	**70.24**

Capital Work in Progress	As at 30 September 2020				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress	243.38	233.19	219.50	13.96	710.03
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**243.38**	**233.19**	**219.50**	**13.96**	**710.03**

Projects where the cost has exceeded

Capital Work in Progress	As at 30 September 2020				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Project Engineering Department	41.91	0.33	-	-	42.24
Surface Mounting Technology	142.86	5.55	-	-	148.41
Assembly & Packing	4.35	-	-	-	4.35
Total	**189.12**	**5.88**	**0.00**	**0.00**	**195.00**

Projects which are pending for capitalization beyond original planned date of completion

Capital Work in Progress	As at 30 September 2020				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Project Engineering Department	285.06	0.59	-	-	285.65
Surface Mounting Technology	179.98	36.20	-	-	216.18
Assembly & Packing	42.00	-	-	-	42.00
IT	0.26	-	-	-	0.26
Ware House	0.19	16.80	-	-	16.99
Security	1.99	-	-	-	1.99
Others	51.49	-	-	-	51.49
Total	**560.97**	**53.59**	**0.00**	**0.00**	**614.56**

Capital Work in Progress	As at 31 March 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress	48.68	29.49	2.96	12.79	93.92
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**48.68**	**29.49**	**2.96**	**12.79**	**93.92**

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Projects where the cost has exceeded

Capital Work in Progress	As at 31 March 2021 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
IDM6	1.72	-	-	-	1.72
Assembly & Packing	0.13		-		0.13
Total	**1.85**	**-**	**-**	**-**	**1.85**

Projects which are pending for capitalization beyond original planned date of completion

Capital Work in Progress	As at 31 March 2021 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
IDM6	2.78	-	-	-	2.78
Project Engineering Department	2.47	-	-	-	2.47
Surface Mountain technology	22.52	-	-	-	22.52
Warehouse	2.13	-	-	-	2.13
Assesmbly & Packing	0.42	-	-	-	0.42
Others	11.18	19.86	-	-	31.04
Total	**41.50**	**19.86**	**-**	**-**	**61.36**

Capital Work in Progress	As at 31 March 2020 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress	409.33	112.25	227.17	0.70	749.45
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**409.33**	**112.25**	**227.17**	**0.70**	**749.45**

Projects where the cost has exceeded

Capital Work in Progress	As at 31 March 2020 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Project Engineering Department	20.32	-	-	-	20.32
Surface Mounting Technology	44.26	1.99	-	-	46.25
Total	**64.57**	**1.99**	**-**	**-**	**66.57**

Projects which are pending for capitalization beyond original planned date of completion

Capital Work in Progress	As at 31 March 2020 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Project Engineering Department	331.65	22.28	-	-	353.93
Surface Mounting Technology	95.72	68.59	-	-	164.31
Assembly & Packing	46.51	10.28	-	-	56.79
General Services	0.26	0.01	-	-	0.27
IT	0.26	-	-	-	0.26
Ware house	0.45	0.23	-	-	0.68
Others	32.85	25.59	-	-	58.44
Total	**507.70**	**126.98**	**0.00**	**0.00**	**634.68**

Capital Work in Progress	As at 31 March 2019 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress	412.90	35.31	-	-	448.21
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**412.90**	**35.31**	**0.00**	**0.00**	**448.21**

Projects where the cost has exceeded

Capital Work in Progress	As at 31 March 2019 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Surface Mounting Technology	123.88	1.36	-	-	125.24
Project Engineering Department	9.66	-	-	-	9.66
Total	**133.54**	**1.36**	**0.00**	**0.00**	**134.90**

Projects which are pending for capitalization beyond original planned date of completion

Capital Work in Progress	As at 31 March 2019 Amount in CWIP for a period of				
	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) Projects in progress					
Project Engineering Department	6.29	-	-	-	6.29
Surface Mountain Technology	11.34	-	-	-	11.34
Assembly and Package	11.07	-	-	-	11.07
Others	45.08	4.37	22.98	-	72.42
Total	**73.78**	**4.37**	**22.98**	**0.00**	**101.12**

Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
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Note 6 Other Financial Assets (Non-Current) (Unsecured, Considered good)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Security Deposits (at amortised cost)	134.13	100.90	191.93	280.45	161.38
(b) VAT Incentive Receivable	441.56	441.56	441.56	441.56	429.03
Less: Provision on VAT Incentive	(125.36)	(125.36)	(125.36)	(125.36)	(125.35)
	316.20	316.20	316.20	316.20	303.68
Total	**450.33**	**417.10**	**508.13**	**596.65**	**465.06**

Note 7 Non-Current Tax Assets

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Advance Tax / Tax deducted at Source (Net)	-	82.15	-	781.02	1,775.60
Total	**-**	**82.15**	**-**	**781.02**	**1,775.60**

Note 8 Other Non-current assets (Unsecured, Considered good)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Capital Advances	-	-	-	-	8.89
(b) Prepaid expenses	52.21	42.73	57.09	64.04	68.83
Total	**52.21**	**42.73**	**57.09**	**64.04**	**77.72**

Note 9 Inventories
(At Lower of Cost and Net Realisable Value)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Raw Materials and Components	13,017.87	20,085.66	17,637.48	14,381.26	22,784.86
(b) Stock-in-transit (Raw Materials)	2,711.32	3,185.32	3,717.05	3,530.53	1,866.61
(c) Work-in-Progress	1,819.86	2,659.27	2,611.16	2,091.93	3,272.16
(d) Finished Goods	583.03	1,147.13	794.71	1,894.16	3,040.36
Total	**18,132.08**	**27,077.38**	**24,760.40**	**21,897.88**	**30,963.99**

Note 10 Trade Receivables

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Secured, Considered Good	-	-	-	-	-
(b) Unsecured, Considered Good	33,421.92	42,329.52	36,087.64	37,689.30	35,930.48
	33,421.92	42,329.52	36,087.64	37,689.30	35,930.48
Expected Credit Loss Allowance (Refer Note 10.4 below)	-	-	-	-	-
Total	**33,421.92**	**42,329.52**	**36,087.64**	**37,689.30**	**35,930.48**

10.1 Of the trade receivables balance as at 30-September-2021 Rs.30776.02, as at 30-September-2020 Rs.3,98,88.15, as at 31-March-2021 Rs. 3,60,87.64 ,as at 31-March-2020 Rs. 3,76,89.30 as at 31-March-2019 Rs. 3,59,30.48 is due from major customers.

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10.2 Ageing of Trade Receivables:

Particulars	As at 30 September 2021						
	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2 years - 3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Conisdered Good	33,310.73	96.85	13.33	0.76	0.25	-	**33,421.92**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Conisdered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Particulars	As at 30 September 2020						
	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2 years - 3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Conisdered Good	39,409.84	2,510.62	405.20	3.86	-		**42,329.52**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Conisdered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Particulars	As at 31 March 2021						
	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2 years - 3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Conisdered Good	34,377.33	1,708.99	-	1.17	0.15	-	**36,087.64**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Conisdered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Particulars	As at 31 March 2020						
	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2 years - 3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Conisdered Good	32,582.88	4,553.69	536.81	15.92	-	-	**37,689.30**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Conisdered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Particulars	As at 31 March 2019						
	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2 years - 3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Conisdered Good	34,689.72	1,240.76	-	-	-	-	**35,930.48**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Conisdered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

10.3 Based on the historical credit loss experience adjusted for forward-looking information, no allowance for expected credit loss in respect of Trade Receivables is considered necessary as at September 2021,September 2020 and 31-March-2021 and 31-March-2020 and 31-March-2019.

10.4 There are no unbilled revenue dues as at 30-September-2021, 30-September-2020 and 31-March-2021 and 31-March-2020 and 31-March-2019.

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Note 11A Cash and Cash Equivalents

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Cash on Hand	0.05	0.05	0.05	0.05	0.05
(b) Balances with Banks					
(i) In Current Accounts	260.82	2,295.88	582.77	313.41	581.46
(ii) In Deposit Accounts					
Original maturity less than 3 months	19,334.46	-	8,030.00	11,150.00	5,670.00
Total	**#**	**#**	**#**	**#**	**6,251.51**

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Note 11B Other Bank Balances					
Other Bank Balances					
(i) In Deposit Accounts					
Original maturity more than 3 months (Under Lein Refer Note 11 B.1)	110.00	-	110.00	-	-
Total	**110.00**	**-**	**110.00**	**-**	**-**

Note 11. B.1 Deposits amounting to INR 110 Million have been placed with certain banks for obtaining overdraft facility.

Note 12 Loans (Current Financial Assets)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Loans to Related Parties (Refer Note 33.2)	150.00	150.00	150.00	150.00	80.00
(ii) Advances to employees (unsecured, considered good)	0.68	5.44	2.03	6.33	4.67
Total	**150.68**	**155.44**	**152.03**	**156.33**	**84.67**

Note 13 Other Financial Assets (Current) (Unsecured, Considered good)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Interest accrued on loans given to related parties	25.51	17.36	21.07	12.11	5.16
(b) Security deposits	205.98	249.47	83.16	57.66	52.35
(c) Interest accrued, but not due on Fixed Deposits with banks	7.44	1.63	4.30	6.97	3.55
(d) Other Receivables	405.21	38.72	40.19	37.69	29.96
Less Provision for other receivable	(34.47)	(34.47)	(34.47)	-	-
	370.74	4.25	5.72	37.69	29.96
Total	**609.67**	**272.71**	**114.25**	**114.43**	**91.02**

Note 14 Other Current Assets

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Balances Receivable from Government Authorities					
(i) Input Tax Credit (GST)	6,030.07	8,032.57	7,645.42	4,559.71	4,113.11
(ii) GST Refund Receivable	68.85	137.76	147.94	70.85	634.92
(iii) Deposit with Custom Authorities	91.91	67.06	91.91	67.06	-
(b) Advance to Suppliers	337.77	367.68	354.07	165.58	38.31
(c) Prepaid expenses	13.54	26.37	29.34	7.30	53.48
Total	**6,542.14**	**8,631.44**	**8,268.68**	**4,870.50**	**4,839.82**

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Note 15 Share Capital

Particulars	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
(a) **Authorised** *										
Equity shares of Rs. 10 each, with voting rights	2,398,100,000	23,981.00	2,398,100,000	23,981.00	2,398,100,000	23,981.00	239,810,000	23,981.00	166,810,000	16,681.00
(In the year 2019-20 and 2018-19 Equity shares of Rs. 100 each with voting rights)										
(b) **Issued, Subscribed and Fully Paid Up**										
Equity shares of Rs. 10 each, with voting rights	2,380,944,980	23,809.45	2,380,944,980	23,809.45	2,380,944,980	23,809.45	238,094,498	23,809.45	166,594,499	16,659.45
(In the year 2019-20 and 2018-19 Equity shares of Rs. 100 each with voting rights)										
Total		**23,809.45**		**23,809.45**		**23,809.45**		**23,809.45**		**16,659.45**

* During the period, the Board of directors in their meeting held on 12 November 2021 and the members of the Group in the extraordinary general meeting held on 12 November 2021, approved the increase in Authorised Share Capital from INR 23,981,000,000 to INR 28,981,000,000. Consequently the number of shares in the authorised capital has increased from 2,398,100,000 of Rs.10/- each to 2,898,100,000 of Rs.10/- each.

Notes:

15.1 Reconciliation of the Number of Shares and Amount Outstanding at the Beginning and at the End of the Reporting Period:

Particulars	For the period ended 30 September 2021		For the period ended 30 September 2020		For the year ended 31 March 2021		For the year ended 31-March-2020		For the year ended 31-March-2019	
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
Shares outstanding as at the beginning of the year	2,380,944,980	23,809.45	238,094,498	23809.45	238,094,498	23,809.45	166,594,499	16,659.45	129,791,999	12,979.20
Add: Fresh issue of shares during the year	-	-	-	-	-	-	71,499,999	7,150.00	36,802,500	3,680.25
Add: Split in the shares duing the year $	-	-	2,142,850,482	-	2,142,850,482	-	-	-		
Less: Buy-back of shares during the year	-	-	-	-	-	-	-	-	-	-
Shares outstanding as at the end of the year	2,380,944,980	23,809.45	2,380,944,980	23,809.45	2,380,944,980	23,809.45	238,094,498	23,809.45	166,594,499	16,659.45

$ - During the Financial Year ended 31st March 2021, the Board of directors in their meeting held on 8th May 2020 and the members of the Group in the extraordinary general meeting held on 29th May 2020, approved the sub-division of equity shares from face value of Rs. 100/- per share into face value of Rs. 10/- each.Consequently the number of shares in the authorised capital has increased from 239,810,000 of Rs.100/- each to 2,398,100,000 of Rs.10/- each and the number of shares in the issued, subscribed, paid up share capital has increased from 238,094,498 of Rs.100/- each to 2,380,944,980 of Rs.10/- each.

15.2 Details of Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Particulars	As at 30 September 2021			As at 30 September 2020			As at 31 March 2021		
Equity Shares with voting rights	Number of Equity Shares	% Holding in that Class of Shares	% Change during the period	Number of Equity Shares	% Holding in that Class of Shares	% Change during the period	Number of Equity Shares	% Holding in that Class of Shares	% Change during the year
Wonderful Stars Pte Ltd, the holding Company	2,380,308,780	99.97%	-	2,380,308,780	99.97%	-	2,380,308,780	99.97%	900%
Aptech Electronics Pte Ltd	636,200	0.03%	-	636,200	0.03%	-	636,200	0.03%	900%

Particulars	As at 31 March 2020			As at 31st March 2019		
Equity Shares with voting rights	Number of Equity Shares	% Holding in that Class of Shares	% Change during the year	Number of Equity Shares	% of total shares	% Change during the year
Wonderful Stars Pte Ltd, the holding Company	238,030,878	99.97%	42.93%	166,530,882	99.96%	28.37%
Aptech Electronics Pte Ltd	63,620	0.03%	0.00%	63,617	0.04%	0.33%

15.3 Details of Shares held by each Shareholder Holding more than 5% Shares in the Company

Class of Shares / Name of Shareholder	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares
Equity Shares with voting rights										
Wonderful Stars Pte Ltd, the holding Company #	2,380,308,780	99.97%	2,380,308,780	99.97%	2,380,308,780	99.97%	238,030,878	99.97%	166,530,882	99.96%

The Board of directors in their meeting held on 21 october 2021 approved the transfer of 5 equity shares of Rs. 10 each by the Holding Company, Wonderful Stars Pte Ltd to following individuals who shall hold such shares as nominee sharedulders without any beneficial interest :

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Name of the person(s) in whom name the share (s) is/are transferred	No of shares transferred
Kam Wah Danny	1
Hui Chung Chen	1
Clement Joshua Foulger	1
Chih Yu Yang	1
Meng Hsaiao Yi	1

15.4 Promoter Shareholding

Class of Shares / Name of Shareholder	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021	
	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares
Equity Shares with voting rights						
Wonderful Stars Pte Ltd, the holding Company #	2,380,308,780	99.97%	2,380,308,780	99.97%	2,380,308,780	99.97%
Aptech Electronics Pte Ltd	-	0.00%	636,200	0.03%	636,200	0.03%

Class of Shares / Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of Shares held	% Holding in that Class of Shares	Number of Shares held	% Holding in that Class of Shares
Equity Shares with voting rights				
Wonderful Stars Pte Ltd, the holding Company #	238,030,878	99.97%	166,530,882	99.96%
Aptech Electronics Pte Ltd	636,200	0.03%	636,200	0.03%

15.5 Disclosure of Rights

The Group has only one class of equity shares having a par value of Rs. 10 each ((pursuant to the share split from Rs. 100/- to Rs. 10/- per share with effect from 29 May 2020) . Each holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Componay, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 15 B Other Equity

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Retained Earnings					
Balance at the beginning of the period	4,549.44	2,930.29	2,930.29	(966.84)	1,248.45
Add: Profit / (Loss) for the period	891.71	881.87	1,619.15	3,897.13	(2,228.71)
Ind AS 116 transition adjustment (refer note 1 Statement of Restatement Adjustment to Audited Financial Statements)	-	-	-	-	13.42
Balance at the end of the period	**5,441.15**	**3,812.16**	**4,549.44**	**2,930.29**	**(966.84)**
Remeasurement of the defined benefit plans					
Balance at the beginning of the period	(1.54)	(0.96)	(0.96)	(1.20)	1.40
Add: Changes in other comprehensive income	4.35	3.45	(0.58)	0.24	(2.60)
Balance as at the end of the period	2.81	2.49	(1.54)	(0.96)	(1.20)
Foreign Currency Translation Reserve					
Balance at the beginning of the period	-	-	-	-	-
Add: Changes in other comprehensive income	1.51	-	-	-	-
Balance as at the end of the period	1.51	-	-	-	-
Total	**5,445.47**	**3,814.66**	**4,547.90**	**2,929.33**	**(968.04)**

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Note 16 Provisions (Non-Current)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Provision for employee benefits:					
(i) Provision for Gratuity (Refer Note 31.2)	94.32	72.30	89.59	66.50	45.49
Total	**94.32**	**72.30**	**89.59**	**66.50**	**45.49**

Note 17 Borrowings (Current financial liabilities)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Buyer's Credit	-	1,178.56	-	-	10,662.01
Total	**-**	**1,178.56**	**-**	**-**	**10,662.01**

18 Details of Working Capital Facilities from Banks - Unsecured

(a) Amounts repayable to respective banks. Interest of 2.50% - 3.50% per annum is charged on the outstanding loan balances
(b) Working capital facilities from Banks includes buyers credit. Principal and Interest is repaid by the Group on due date. The tenor of the loan varies 30 Days to a maximum of 90 Days.

Note 19 Trade Payables

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Payables:					
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 30.2)	79.39	14.35	49.19	12.28	7.66
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	50,147.39	51,955.89	51,122.41	55,862.64	57,750.60
(iii) Expenses Payable	1,544.05	1,793.47	1265.34	561.70	847.45
Total	**51,770.83**	**53,763.71**	**52,436.94**	**56,436.62**	**58,605.71**

19.1 The average credit period on purchases of goods is 90 days. No interest is charged on overdues. the Group has policies in place to ensure that all payables are paid within the pre-agreed credit terms

19.2 Ageing of trade payables

Particulars	As at 30 Septmeber 2021					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) MSME	76.14	1.36	0.34	0.12	1.43	79.39
(ii) Others	47,068.63	3,515.10	40.02	172.15	895.54	51,691.44
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 30 Septmeber 2020					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) MSME	5.64	6.14	2.51	0.02	0.04	14.35
(ii) Others	49,284.52	3,608.68	156.16	672.90	27.10	53,749.36
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2021					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) MSME	22.78	25.91	0.44	-	0.06	49.19
(ii) Others	39,285.43	12,106.23	146.41	1.02	848.66	52,387.75
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2020					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) MSME	2.68	9.45	0.09	0.03	0.03	12.28
(ii) Others	35,684.11	19,223.14	140.32	1,308.02	68.75	56,424.34
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2019					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 year - 2 years	2 years - 3 years	> 3 years	Total
(i) MSME	4.81	2.64	0.21	-	-	7.66
(ii) Others	49,494.91	7,603.29	1,427.69	9.71	62.44	58,598.04
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

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Note 20 Other Financial Liabilities (Current)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Payable on Purchase of Property,Plant and Equipment	804.88	252.72	965.64	273.73	393.56
(b) Deposits Received from Customers/Others	20.62	22.12	20.62	20.12	19.37
(c) Interest accrued and not due on Borrowings	-	-	-	-	20.23
(d) Other Derivative Liabilities	-	-	-	-	677.42
Total	**825.50**	**274.84**	**986.26**	**293.85**	**1,110.58**

Note 21 Provisions (Current)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Provision for Employee Benefits:					
Provision for Gratuity (Refer Note 31.2)	10.08	6.49	9.28	3.61	0.36
Provision for Compensated Absences (Refer Note 31	97.60	95.92	100.43	79.93	34.91
Total	**107.68**	**102.41**	**109.71**	**83.54**	**35.27**

Note 22 a Current tax liabilities (net)

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for Tax net off advance tax paid	813.99	-	365.00	-	-
Total	**813.99**	**-**	**365.00**	**-**	**-**

Note 22 b Other Current Liabilities

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Advance from Customers	67.46	13.70	10.58	0.33	4.81
(b) Statutory Remittances (Contributions to PF and ESI, Withholding Taxes etc.)	3,625.56	6,063.49	4,154.08	2,061.99	2,128.16
Total	**3,693.02**	**6,077.19**	**4,164.66**	**2,062.32**	**2,132.97**

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Note 23 Revenue from Operations

	Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
(a)	Sale of Products -Mobile Phones and components	100,661.34	63,685.03	158,197.20	263,922.19	342,743.66
(b)	Sale of Products- Others	800.77	-	-	-	-
		101,462.11	63,685.03	158,197.20	263,922.19	342,743.66
(c)	Other Operating Revenues (Refer Note (i) below)	95.81	260.75	351.38	2,433.39	710.23
	Total	**101,557.92**	**63,945.78**	**158,548.58**	**266,355.58**	**343,453.89**

Note	Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
(i)	**Other Operating Revenues:**					
	Sale of Raw Materials	32.38	226.61	254.56	2,199.86	499.80
	Sale of Scrap	59.28	26.47	88.19	188.44	187.30
	Insurance claim	-	-	0.07	10.10	-
	Income from Development and Support Services	4.15	7.67	8.31	30.67	22.09
	Merchandise Export from India Scheme	-	-	0.25	4.32	1.04
	Total - Other Operating Revenues	**95.81**	**260.75**	**351.38**	**2,433.39**	**710.23**

23.1 Disaggregated revenue information:

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Group has identified only one segment as reportable segment. (Refer Note 32)

23.2 Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. In case of customers where the credit is allowed, the same is disclosed in Note 10 - Trade Receivables.

23.3 Transaction price allocated to the remaining performance obligation:

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

23.4 Information about major customers :

Customers from whom the revenue is more than 10 % of the revenue from external customers of the Group are as follows:

Name of the Customers	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Customer A	97,530.63	59,956.56	149,086.78	235,014.92	300,946.54
Customer B	3,082.37	3,623.78	9,053.02	15,098.87	40,902.32
Others*	849.11	104.69	57.40	13,808.40	894.80
Total	**101,462.11**	**63,685.03**	**158,197.20**	**263,922.19**	**342,743.66**

* The Group has no other customers from whom the revenue is more than 10 % of the revenue from external customers of the Group.

Note 24 Other Income

	Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
(a)	Interest Income (Refer Note (i) below)	120.42	235.00	419.78	337.25	469.84
(b)	Gain from Foreign Currency Transactions and Translation (Net)	4.31	-	-	-	-
(c)	Profit on termination of leases	-	0.99	1.35	0.43	-
	Gain on sale of property, plant and equipment	15.54	-	-	-	-
(d)	Provision No Longer Required Written back	0.16	96.86	96.86	-	-
	Total	**140.43**	**332.85**	**517.99**	**337.68**	**469.84**

Note	Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
(i)	Interest Income Comprises:					
	From Banks - Fixed Deposits	115.16	158.29	279.01	310.47	440.02
	Security Deposits carried at amortised cost	-	-	-	13.06	24.89
	Interest on IT Refund	-	71.46	132.07	-	-
	Others	5.26	5.24	8.70	13.71	4.93
	Total - Interest income	**120.42**	**234.99**	**419.78**	**337.24**	**469.84**

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Note 25 Cost of Materials Consumed

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Opening Stock	21,354.53	17,911.80	17,911.80	24,651.47	28,571.35
(b) Add: Purchases	88,306.22	63,931.85	149,793.04	239,914.92	325,718.39
	109,660.75	**81,843.65**	**167,704.84**	**264,566.39**	**354,289.74**
(c) Less: Closing Stock (Refer Note 9 (a) & (b))	15,729.19	23,270.98	21,354.53	17,911.80	24,651.47
Cost of Materials Consumed	**93,931.55**	**58,572.67**	**146,350.31**	**246,654.59**	**329,638.27**

Note 26 Changes in Inventories of Finished Goods and Work-in-progress

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Inventories at the End of the Year/Period: (Refer Note 9)					
Finished Goods	583.03	1,147.13	794.71	1,894.16	3,040.36
Work-in-progress	1,819.86	2,659.27	2,611.16	2,091.94	3,272.16
	2,402.89	**3,806.40**	**3,405.87**	**3,986.10**	**6,312.52**
(b)Inventories at the Beginning of the Year/Period:					
Finished Goods	794.71	1,894.16	1,894.16	3,040.36	1,338.60
Work-in-progress	2,611.16	2,091.94	2,091.94	3,272.16	2,013.87
	3,405.87	**3,986.10**	**3,986.10**	**6,312.52**	**3,352.47**
Net Decrease / (Increase)	**1,002.98**	**179.70**	**580.23**	**2,326.42**	**(2,960.05)**

Note 27 Employee Benefits Expenses

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Salaries, Wages and Bonus	885.63	822.33	1,831.00	1,627.45	1,725.46
(b) Contributions to Provident and Other Funds (Refer Note 31.1)	51.92	54.10	106.16	93.81	70.46
(c) Gratuity Expenses (Refer Note 31.2)	15.94	14.13	31.44	27.34	22.70
(d) Staff Welfare Expenses	577.78	466.08	1031.22	1,008.94	1,111.04
Total	**1,531.27**	**1,356.64**	**2,999.82**	**2,757.54**	**2,929.66**

Note 28 Finance Costs

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Interest expense on:					
(i) Borrowings	-	1.46	1.66	198.11	579.28
(ii) Lease Liabilities	25.15	25.08	49.77	54.66	63.95
(ii) Others	27.49	143.70	184.68	28.49	46.32
Total	**52.64**	**170.24**	**236.11**	**281.26**	**689.55**

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Note 29 Other Expenses

	Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
(a)	Consumption of Stores and Spare Parts	214.87	137.47	369.04	490.34	390.58
(b)	Consumption of packing materials	28.02	15.13	43.61	62.68	63.61
(c)	Power and Fuel	233.64	145.78	366.15	406.34	398.58
(d)	Rent including Lease Rentals	30.83	46.78	88.60	145.12	130.07
(e)	Repairs and Maintenance - Buildings	29.48	13.09	31.87	37.47	31.49
	- Machinery	211.82	123.22	387.66	333.75	289.44
	- Others	96.85	73.85	175.52	188.97	156.07
(f)	Insurance	33.80	24.86	55.34	61.59	48.27
(g)	Chemical charges	24.98	11.52	35.06	46.59	45.88
(h)	Rates and Taxes	4.28	-	2.47	2.20	50.63
(i)	Communication	5.39	5.57	12.37	14.53	19.40
(j)	Travelling and Conveyance	374.45	193.30	592.06	563.82	612.79
(k)	Printing and Stationery	6.00	3.53	14.81	13.21	18.91
(l)	Royalty	-	-	3.52	4.93	1,146.78
(m)	Business Promotion Expenses	1.80	49.98	50.07	2.56	4.89
(n)	Contract Charges	1,158.30	807.38	1,695.00	2,590.96	2,596.95
(o)	Legal and Professional Charges	20.52	11.00	22.25	36.60	25.14
(p)	Payments to Auditors (Refer Note (i) below)	6.93	1.93	3.55	3.95	3.75
(q)	Loss on Property,plant and equipment Sold / Scrapped / Written Off (Net)	-	182.61	244.83	36.95	103.28
(r)	Membership Subscription	4.58	4.19	15.36	17.92	11.57
(s)	Water	11.88	8.33	20.98	24.92	25.08
(t)	Testing and Processing Charges	26.48	14.42	44.52	50.48	55.63
(u)	Loss on Foreign Currency Transactions and Translation (Net)	-	39.86	282.29	2,323.49	7,205.67
(v)	Bank charges	0.76	0.81	1.63	65.54	483.10
(w)	Security Charges	83.89	34.50	113.43	136.29	147.69
(x)	Provision for Other receivable	-	34.40	34.47	-	-
(y)	Provision for VAT Incentive	-	-	-	-	12.53
(z)	Donation -CSR	15.33	12.71	25.43	0.05	3.00
(aa)	Freight and forwarding	-	-	-	-	-
(ab)	Loss on Fair valuation of deposits	2.70	43.10	13.52	-	-
(ac)	Miscellaneous Expenses	6.20	4.23	3.49	23.02	34.42
	Total	**2,633.78**	**2,043.55**	**4,748.90**	**7,684.27**	**14,115.20**

Notes (i) :

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Payments to Auditors Comprises (net of tax input credit):					
To Statutory Auditors					
For Statutory Audit	1.00	1.00	2.00	2.00	2.00
For Tax Audit	0.15	0.15	0.30	0.30	0.30
For Group Reporting	0.63	0.63	1.25	1.25	1.25
For Other Services	5.15	0.15	-	0.40	0.20
Total	**6.93**	**1.93**	**3.55**	**3.95**	**3.75**

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Note 30 Additional information to the financial statements

Note	Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.
30.1	**Commitments**					
	(a) Estimated Amount of Contracts Remaining to be Executed on Capital Account and Not Provided for					
	- Tangible Assets	90.91	621.62	753 52	771.70	302.17
	Contingent Liability					
	(a) Claims against the Group not acknowledged as debt (Refer Note 1 below):					
	- Customs Act	1,225.47	1,225.47	1,225.47	1,225.47	-
	Amount paid as pre deposit	91.91	67.06	91.91	67.06	-

Note 1:
The Group is contesting the demands raised by the authorities, and the management, including its tax advisors, believe that its position is likely to be upheld in the appeal process and ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

30.2 **Disclosures Required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Principal amount remaining unpaid to any supplier as at the end of the	74.86	12.90	46 12	12.09	7.64
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the	4.53	1.45	3.07	0.19	0.01
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-	-
(iv) The amount of interest due and payable for the year	4.53	1.45	3.07	0.19	-
(v) The amount of interest accrued and remaining unpaid at the end of the	4.53	1.45	3.07	0.19	-
(vi) The amount of further interest due and payable even in the succeeding year,	-	-	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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31 Employee Benefits

31.1 Defined Contribution Plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Company's (employer's) contribution to Defined Contribution Plans recognised as expenses in the Statement of Profit and Loss are:

Particulars	For the six month period ended 30 September 2021 Rs.	For the six month period ended 30 September 2020 Rs.	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Employer's Contribution to Provident Fund and Employee State Insurance	51.92	54.10	106.16	93.81	70.46
Total	**51.92**	**54.1**	**106.16**	**93.81**	**70.46**

31.2 Defined Benefit Plans

the Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(a) Amount recognised in the total comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the six month period ended 30 September 2021 Rs.	For the six month period ended 30 September 2020 Rs	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Gratuity:					
Service Cost					
- Current Service Cost	12.52	11.67	25.65	23.81	21.22
- Interest expense on Defined Benefit Obligation	3.42	2.46	4.91	3.53	1.48
- Interest income on plan assets				-	-
Components of defined benefit costs recognised in profit or loss (A)	**15.94**	**14.13**	**30.56**	**27.34**	**22.70**
Remeasurement on the net defined benefit liability :					
Actuarial loss arising from changes in financial assumptions	0.30	(6.41)	(7.09)	(6.83)	11.44
Actuarial (gains) arising from experience adjustments	(6.12)	1.80	7.87	6.51	(7.44)
Components of defined benefit costs recognised in other comprehensive income (B)	**(5.82)**	**(4.61)**	**0.78**	**(0.38)**	**4.00**
Total (A) + (B)	**10.12**	**9.52**	**31.34**	**26.97**	**26.69**

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" line item in the statement of profit & loss under Gratutity expenses.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

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(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Net Asset/(Liability) recognised in the Balance Sheet:					
Gratuity:					
Present value of defined benefit obligation	104.38	78.79	98.87	70.11	45.84
Fair value of plan assets	-	-	-	-	-
Deficit/ (Surplus)	**104.38**	**78.79**	**98.87**	**70.11**	**45.84**
Current portion of the above	10.08	6.49	9.28	3.61	0.36
Non current portion of the above	94.30	72.30	89.59	66.50	45.49

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	For the six month period ended 30 September 2021 Rs.	For the six month period ended 30 September 2020 Rs.	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Change in the obligation during the year:					
Gratuity:					
Present value of defined benefit obligation at the beginning of the year	98.87	70.11	70.11	45.84	19.15
Expenses Recognised in the Statement of Profit and Loss:					
- Current Service Cost	12.52	11.67	25.65	23.81	21.22
- Interest Expense (Income)	3.42	2.46	4.91	3.53	1.48
Recognised in Other Comprehensive Income					
Remeasurement gains / (losses)					
- Actuarial Gain (Loss) arising from:					
i. Financial Assumptions	0.30	(6.41)	(7.09)	(6.88)	11.44
ii. Experience Adjustments	(6.12)	1.80	7.87	6.51	(7.44)
			-	-	-
Benefit payments	(4.60)	(0.84)	(2.59)	(2.70)	-
			-		
Present value of defined benefit obligation at the end of the year	**104.39**	**78.79**	**98.87**	**70.11**	**45.84**

(d) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	For the period ended 30 September 2021 Rs.	For the period ended 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Gratuity:					
Discount rate	6.85%	6.90%	6.90%	7.00%	7.70%
Expected rate of salary increase	11.00%	11.00%	11.00%	12.50%	15.00%
Expected return on plan assets	-	-	-	-	-
Withdrawal Rate	22.00%	0.00%	22.00%	22.00%	22.00%
Mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)

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(e) Experience Adjustments on Present Value of Benefit Obligation and Plan Assets

Particulars	For the Period Ended				
	30-Sep-21	30-Sep-20	31-Mar-21	31-Mar-20	31-Mar-19
(Gain)/Loss on Plan Liabilities	(6.12)	18.00	7.88	6.51	(7.44)
% of Opening Plan Liabilities	-6.19%	2.57%	11.23%	14.20%	-38.86%
Gain/(Loss) on Plan Assets	-	-	-	-	-
% of Opening Plan Assets	0.00%	0.00%	0.00%	0.00%	0.00%

(f) Expected gratuity outflow in the next five years

Years	As on 30 September 2021	As on 30 September 2020	As on 31 March 2021	s on 31 March 202	As on 31 March 2019
1	10.71	6.49	9.28	3.61	0.35
2	16.07	8.38	12.29	0.66	2.86
3	17.34	12.25	16.61	0.61	5.22
4	16.21	12.97	15.82	0.23	6.88
5	13.56	11.93	13.81	3.74	8.09

(g) Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and withdrawal rate. The sensitivity analysis below have been cetermined based on reasonably possible changes for a 100 bais points of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant :

In respect of Gratuity:

Particulars	Defined Benefit Obligation (September 2021)	Defined Benefit Obligation (September 2020)	Defined Benefit Obligation (2020-21)	Defined Benefit Obligation (2019-20)	Defined Benefit Obligation (2018-19)
Under Base Scenario	104.39	78.79	98.87	70.11	45.84
Salary Escalation (Up by 1%)	109.89	83.29	104.25	74.44	49.03
Salary Escalation (Down by 1%)	99.25	74.61	93.85	66.11	42.90
Withdrawal Rates (Up by 1%)	102.62	77.05	96.98	68.06	43.89
Withdrawal Rates (Down by 1%)	106.26	80.63	100.86	72.30	47.94
Discount Rates (Up by 1%)	99.54	74.84	94.13	66.25	42.91
Discount Rates (Down by 1%)	109.70	83.14	104.07	74.39	49.11

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit (PUC) method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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31.3 Compensated Absences

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an Independent Actuary are as given below:

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Assumptions					
Discount Rate	6.85%	6.90%	6.90%	7.00%	7.70%
Future Salary Increase	11.00%	11.00%	11.00%	12.50%	15.00%
Attrition Rate	22.00%	22.00%	22.00%	22.00%	22.00%

31.4 Employee Stock Option Scheme

The Board of the Company in its meeting held on 25 March 2021 has set up the Employee Stock Option Scheme ('ESOS 2021' / 'Scheme') subject the approval of Shareholders of the Company and the shareholders of FIH Mobile Limited. Subsequently, the scheme was approved by the Shareholders of the Company in its meeting held on 25 March 2021 and by the shareholders of FIH Mobile Limited in its meeting held on 28 May 2021.

Through this scheme, the Company intends to recognize the effective contribution towards the Company and its holding company and subsidiary company(ies) by rewarding highly talented employees and attract and retain the employees for the growth of the Organisation.As of September 30, 2021, no options are granted by the Company under this scheme.

32 Segment Reporting

(a) Operating Segments:
The Group operates in only one operating segment, the business of manufacturing of mobile phones. All assets, liabilities, revenue and expenses are related to their one-segment activities.

(b) **Geographical Segments:**

Particulars	For the period ended 30 September 2021 Rs.	For the period ended 30 September 2020 Rs.	For the year ended 31 March 2021 Rs.	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
Revenue from operations by market					
- India	101,530.77	63,945.78	158,452.97	266,271.54	343,015.83
- Others	27.15	-	95.61	84.04	438.06
Total	**101,557.92**	**63,945.78**	**158,548.58**	**266,355.58**	**343,453.89**
Segment Assets (Non current assets)*					
- India	7,726.86	8,328.11	8,276.47	4,886.46	86,261.98
- Others	-	-	-	-	-
Total	**7,726.86**	**8,328.11**	**8,276.47**	**4,886.45**	**86,261.98**
Segment Assets (Total Assets)					
- India	87,010.66	89,644.55	87,100.31	83,730.91	86,261.98
- Others	121.35	69.33	20.60	1,719.60	275.03
Total	**87,132.01**	**89,713.89**	**87,120.91**	**85,450.51**	**86,537.01**
Capital Expenditure					
- India	675.54	840.69	1,937.99	2,054.55	5,784.35
- Others	-	-	-	-	-
Total	**675.54**	**840.69**	**1,937.99**	**2,054.55**	**5,784.35**

*As per Ind AS 108 "Operating Segments" non current assets include assets other than financial instruments, deferred tax assets, postemployment benefit assets and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

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33 Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24

33.1 Names of Related Parties and Nature of Relationship

Description of Relationship	Name of the related party
Ultimate Holding Company of FIH Mobile Limited	HonHai Precision Industry Co Ltd
Holding Company	FIH Mobile limited (wef 1 May 2015)
Immediate Holding Company	Wonderful Stars Pte limited (wef 1 May 2015)
Fellow Subsidiaries (in respect of which the Group had transactions during the year)	Best Ever Industries Limited (wef 18 February 2016)
	Aptech Electronics Pte ltd (wef 1 May 2015)
	Competition Team Technologies (India) Private Limited (17 October 2017)
	Foxconn Hon Hai Technology India Mega Development Private Limited (wef 29 May 2019)
	FIH (Hong Kong) Limited (wef 1 September 2015)
	FIH India Developer Private Limited (wef 1 April 2015)
	FIH India Private Limited (wef 21 July 2015)
	FIH Precision Electronics (Langfang) Co, Ltd.(wef 27 May 2015)
	Futaijing Precision Electronics (Beijing) Co. Ltd. (wef 25 September 2015)
	Great Promote Limited (wef 9 January 2017)
	Shih Hua Technology Ltd. (wef 19 April 2017 till 12 February 2021)
	Foxconn Technology Co Ltd (wef 10 November 2017 till 16 May 2020)
	1St Special Material International Holdings LTD (wef 16 June 2017)
	Guizhou FIH Precision Electronics Co. Ltd (wef 12 April 2017)
	Innolux Corporation (wef 12 August 2016)
	Jusda India Supply Chain Management Pvt Ltd (wef 10 May 2017)
	Sharp Business Systems India Pvt Ltd (wef 6 June 2018)
	Sharp Hongkong Ltd (wef 31 July 2018)
	Cheng Uei Precision Industry Co.,Ltd (wef 11 January 2018)
	Garuda International Limited (wef 10 January 2018)
	Pan-International Industrial Corp(wef 1 November 2018)
	Futaihua Industrial (Shenzhen) Co., Ltd. (wef 22 October 2018)
	Fushan Technology (Vietnam) Limited Liability Company (wef 14 March 2017)
	FIH Singapore Trading Pte Ltd (wef 10 August 2018)
	View Great Limited (wef 4 April 2018)
	TNS Mobile India Pvt Ltd (wef 31 March 2019)
	Fortunebay Technology Pte.Ltd. (wef 20 May 2019)
	Foxconn Interconnect Technology Singapore Pte Ltd (wef 16 March 2016)
	Foxconn Technology India Pvt Ltd (wef 1 November 2019)
	Foxteq Services India Pvt Ltd (wef 4 November 2019)
	Ur Materials Industry (Shenzhen) Co Ltd (wef 19 September 2019)
	Shenzhen Futaihong Precision Industrial Co. ltd (wef 19 April 2021)
	Fitipower Integrated Technology Inc. (wef 16 October 2018)
	Innocom Electronics India Private Limited (wef 30 March 2016)
	FIH Precision Components (Beijing) Co, Ltd. (wef 25 September 2015)
	Hong Fu Jin Precision Industry (Shenzen) Co, Ltd. (wef 30 June 2015)
	Hong Fu Jin Precision Electronics (Zhengzhou) Co., Ltd. (wef 1 September 2015)
	Jusda International Limited (wef 29 July 2020)
Key Managerial Personnel	Yang Shu Hui (Director) (wef 1 May 2015 till 13 September 2021)
	Liu Chien Liang (Director) (wef 1 May 2015 till 1 November 2021)
	Clement Joshua Foulger (Managing Director)
	Ramachandran Kunnath (CFO and Company Secretary)
	Kam Wah Danny Tam (Non- Executive Director)
	Hui Chung Chen (Non- Executive Director)

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33 Disclosure in respect of related parties pursuant to Indian Accounting Standard 24 (Contd.)

33.2 Transactions with the related parties & outstanding balances

Particulars	Category	Related party	Six month period ended 30 September 2021	Six month period ended 30 September 2020	2020-21	2019-20	2018-19
			Rs.	Rs.	Rs.	Rs.	Rs.
Income							
Interest Income	Fellow Subsidiaries	FIH India Developer Private Limited	4.44	5.25	8.70	12.11	3.62
Reimbursement of Expense received		FIH India Developer Private Limited	165.74	91.72	-	-	19.30
		FIH India Private Limited	28.63	-	-	-	-
Sales		FIH (Hong Kong) Limited	27.18	63.33	69.29	31.96	58.32
		Futaijing Precision Electronics (Beijing) Co Ltd	-	-	-	7.85	186.99
		Great Promote Limited	-	14.10	19.28	2,067.73	55.27
		Foxconn Interconnect Technology Singapore Pte Ltd	-	-	-	2.14	-
		Innocom Electronics India Private Limited	0.30	0.32	0.63	0.16	-
		Foxconn Technology India Private Limited	0.33	0.57	0.65	0.27	-
		Cheng Uei Precision Industry Co.,Ltd	-	-	-	1.77	-
		Guizhou Fih Precision Electronics Co.Ltd	-	-	-	18.21	8.50
		Competition Team Technologies (India) Private Limited	-	-	0.49	-	-
Expenses (gross of withholding tax wherever applicable)							
Purchase / (Purchase Returns) of Raw Materials (including stores and consumables)	Fellow Subsidiaries	1St Special Material International Holdings Ltd	-	-	-	1.52	14.30
		Best Ever Industries Limited	3.90	21.76	29.37	73.11	102.20
		FIH (Hong Kong) Limited	48.06	337.77	595.11	2,410.57	6,687.76
		Foxconn Interconnect Technology Singapore Pte Ltd	5.19	13.70	25.67	28.74	267.48
		Foxconn Technology Co Ltd	-	-	-	1.30	22.21
		Futaijing Precision Electronics (Beijing) Co Ltd	4.64	-	-	-	0.72
		Garuda International Limited	1.80	5.28	7.41	7.42	224.91
		FIH Precision Electronics (Langfang) Limited		0.17	4.50	-	38.41
		Great Promote Limited	-	(0.18)	(0.18)	621.53	7,914.46
		Shih Hua Technology Ltd.	-	0.47	1.01	8.51	125.50
		Pan-International Industrial Corp	-	15.78	15.78	55.24	3.39
		Innolux Corporation	-	-	-	74.61	125.91
		Fitipower Integrated Technology Inc	-	-	-	0.07	1.07
		Futaihua Industrial (Shenzhen) Co., Ltd.	-	-	-	-	0.85
		FIH Singapore Trading Pte Ltd	-	-	-	-	11.45
		Guizhou FIH Precision Electronics Co Ltd	-	0.03	0.03	-	0.04
		View Great Limited	-	10.60	10.60	258.03	466.99
		Sharp Honkong Limited	-	-	-	-	406.80
		Cheng Uei Precision Industry Co.,Ltd	-	-	-	-	156.41
		Ur Materials Industry (Shenzen) Co Ltd	8.19	26.08	67.12	14.93	-
		Jusda International Limited		-	1.99	-	-
		Fortunebay Technology Pte Ltd	488.13	345.49	1,047.59	680.37	-
	Ultimate Holding Company of FIH Mobile Limited	Honhai Precission Industry Company Limited	612.82	256.42	938.33	-	-
Rent	Fellow Subsidiaries	FIH India Developer Private Limited	63.59	104.23	143.73	146.52	158.44
Reimbursement of expense paid	Fellow Subsidiaries	FIH India Developer Private Limited	-	-	281.85	332.88	311.06
		FIH India Private Limited	-	-	-	0.26	0.58
Other Expenses	Fellow Subsidiaries	Jusda India Supply Chain Management India Private Limited	100.87	177.29	381.66	274.31	644.72
		1St Special Material International Holdings Ltd	-	-	-	0.78	-
		FIH (Hong Kong) Limited	1.40	3.05	4.95	26.98	-
		FIH Precision Electronics (Langfang) Limited	18.50	0.56	12.91	18.59	-
		Foxconn Technology India Pvt Ltd	-	12.48	12.48	19.32	-
		Foxconn Technology Co Ltd	-	-	-	0.16	-
		Great Promote Limited	-	-	375.07	11.38	-
		Guizhou FIH Precision Electronics Co. Ltd	-	-	-	0.38	-
		Innolux Corporation	-	-	-	86.17	-
		Sharp Business Systems India Private Limited	2.08	1.14	3.42	4.29	-
		Shih Hua Technology Ltd.	-	-	-	0.34	-
	Ultimate Holding Company of FIH Mobile Limited	Honhai Precission Industry Company Limited	0.01	-	0.10	-	-

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Remuneration	Key Management Personnel	Clement Joshua Foulger	3.33	-	-	-	-
		Liu Chien Liang (Director)	1.20	1.20	2.40	2.00	1.80
		Ramachandran Kunnath (CFO and	3.92	3.31	-	-	-
Others							
Purchase/(Purchase Returns) of Capital Goods	Fellow Subsidiaries	Competition Team Technologies (India) Private Limited	24.82	-	-	-	0.13
		FIH (Hong Kong) Limited	20.69	47.95	33.83	145.90	2.11
		FIH India Developer Private Limited	-	-	(0.03)	1.18	-
		FIH Precision Electronics (Langfang) Limited	-	0.48	9.19	38.59	232.52
		Foxteq Services India Pvt Ltd	-	-	-	0.18	-
		Fushan Technology (Vietnam)	-	0.79	0.90	4.78	-
		Guizhou FIH Precision Electronics Co. Ltd	-	-	-	78.88	2.90
		Great Promote Limited	-	0.02	(5.58)	136.53	58.08
		Hong Fu Jin Precision Industry (Shenzen) Co., ltd	-	-	-	-	6.93
		Futaijing Precision Electronics (Beijing) Co. Ltd.	1.47	-	-	5.14	4.82
		Jusda India Supply Chain Management India Private Limited	4.25	5.68	-	-	6.80
		Sharp Business Systems India	-	-	-	-	2.04
		FIH India Private Limited	-	-	565.56	-	-
		TNS Mobile India Pvt Ltd	-	-	-	-	39.68
Sale of Assets	Fellow Subsidiaries	FIH India Developer Private Limited	54.39	-	-	-	-
Allotment of Shares	Immediate Holding Company	Wonderful Stars Pte Limited	-	-	-	7,150.00	3,680.23
	Promoter Group	Aptech Electronics Pte Limited	-	-	-	0.03	0.02

Particulars		Related party	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
			Rs.	Rs.	Rs.	Rs.	Rs.
Receivables (including contractually reimbursable expenses)	Fellow Subsidiaries	FIH India Developer Private Limited	50.88	57.68	39.75	-	70.77
		Futaijing Precision Electronics (Beijing) Co., Ltd	0.00	-	0.00	0.94	178.46
		Great Promote Limited	12.03	9.44	12.25	1,837.21	27.79
		FIH (Hong Kong) Limited	34.32	58.77	7.93	6.55	56.84
		Guizhou Fih Precision Electronics Co Ltd	0.41	0.41	0.41	0.42	5.64
		Innocom Electronics India Private Limited	0.12	0.30	0.71	0.87	-
		Best Ever Industries Limited	-	-	-	-	0.05
		Foxconn Hon Hai Technology India Mega Development Private Limited	1.84	5.64	1.84	4.40	-
		Foxconn Technology (India) Pvt Ltd	0.33	0.12	0.17	0.27	-
		Innolux Corporation	0.00	-	-	-	-
Short Term Loan	Fellow Subsidiaries	FIH India Developer Private Limited	150.00	150.00	150.00	150.00	80.00
Lease Deposits	Fellow Subsidiaries	FIH India Developer Private Limited	193.67	187.47	193.67	173.67	70.40
Accrued Interest on Loan	Fellow Subsidiaries	FIH India Developer Private Limited	25.51	17.36	21.07	12.11	-
Payables (net of TDS wherever applicable)	Fellow Subsidiaries	FIH (Hong Kong) Ltd	16.84	132.85	52.45	252.80	1,702.30
		FIH Precision Electronics (Langfang) Limited	8.05	-	-	1.38	12.95
		Hongfujin Precision Electronics (Zhenghou) co ltd	0.49	0.48	-	0.49	-
		FIH India Private Limited	565.56	0.27	0.27	0.27	0.05
		FIH India Developer Private Limited	-	-	-	86.99	34.47
		Best Ever Industries Limited	3.91	6.69	-	5.82	-
		Foxconn Interconnect Technology Singapore Pte Ltd.	5.21	5.19	7.02	3.34	6.86
		Foxconn Techncology Co Ltd	-	-	-	0.16	5.81
		Great Promote Limited	378.43	375.22	392.57	1,036.66	3,771.87
		Shih Hua Technology Ltd	-	-	-	3.20	4.24
		1St Special Material InternationalHoldings Ltd	0.01	-	0.01	0.01	0.17
		Sharp Business Systems India	0.22	0.50	-	-	-
		Fushan Technology (Vietnam)	-	-	-	0.44	14.82
		Cheng Uei Precision Industry Co Ltd	-	-	-	-	11.37
		Futaihua Industry (Shenzhen)Co.,Ltd	-	-	-	-	0.52
		Garuda International Limited	1.16	0.03	1.13	-	28.15
		Innolux Corporation	-	-	0.00	-	26.49
		Jusda India Supply Chain Management	32.94	32.83	36.18	6.84	29.38
		Pan-International Industrial Corp	0.05	10.85	0.05	29.29	1.05
		Fitipower Integrated Technology Inc.	-	-	-	-	0.05
		View Great Limited	0.09	0.09	0.03	35.25	9.15
		Guizhou Fih Precision Electronics	1.40	1.39	-	12.56	0.93
		Ur Materials Industry (Shenzhen) Co Ltd	5.90	11.21	0.01	5.52	-
		Fortunebay Technology Pte.Ltd.	488.95	158.61	250.54	-	-
		Honhai Precision Industry Co., Ltd	356.55	157.88	14.45	-	-
		Foxteq Services India Pvt Ltd	0.02	-	-	-	-
		Jusda International Limited	1.97	1.96	1.95	-	

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Notes to the Restated Financial Information
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Payable on Purchase of Property, Plant & Equipment	Fellow Subsidiaries	Hongfujin Precision Electronics (Zhenghou) co ltd	-	-	-	-	0.45
		FIH Honkong Limited	3.13	45.24	-	-	0.66
		Guizhou Fih Precision Electronics Co Ltd	10.99	10.90	-	-	100.33
		Great Promote Limited	19.62	19.45	-	-	-
		FIH India Private Limited	101.76	-	667.59	-	-
		Sharp Business Systems India	-	-	0.38	0.35	0.27
		Shenzshen Futaihong Precision	3.04	-	-	-	-
		Fih Precision Electronics (Langfang) Co Ltd	0.55	1.39	6.60	-	-
		Guizhou Fih Precision Electronics Co Ltd	-	-	12.23	-	-

33.3 Transactions with related parties eliminated on consolidation

Particulars	Category	Related Party	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
			Rs.	Rs.	Rs.	Rs.	Rs.
Reimbursement of Expense received	Subsidiaries	Rising Star Hi-Tech Private Limited	4.44	-	-	-	-
Investment in subsidiaries	Subsidiaries	Rising Star Hi-Tech Private Limited	500.00				
		Bharat Taiwan Corporation	73.09				

Balance outstanding with related parties eliminated on consolidation

Particulars	Category	Related Party	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
			Rs.	Rs.	Rs.	Rs.	Rs.
Investment in subsidiaries	Subsidiaries	Rising Star Hi-Tech Private Limited	500.00				
		Bharat Taiwan Corporation	73.09				

33.4

Loans to related parties	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Type of Borrower	**Six month PE September 2021**	**Six month PE September 2021**
Related parties - Fellow Subsidiary		
FIH India Developer Private Ltd	150.00	99.55%
Total loans and advances	**150.68**	**100%**

Loans to related parties	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Type of Borrower	**Six month PE September 2020**	**Six month PE September 2021**
Related parties - Fellow Subsidiary		
FIH India Developer Private Ltd	150.00	96.50%
Total loans and advances	**155.44**	**100%**

Loans to related parties	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Type of Borrower	**2020-21**	**2020-21**
Related parties - Fellow Subsidiary		
FIH India Developer Private Limited	150.00	98.67%
Total loans and advances	**152.03**	**100%**

Loans to related parties	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Type of Borrower	2019-20	2019-20
Related parties - Fellow Subsidiary		
FIH India Developer Private Limited	**150.00**	**96%**
Total loans and advances	**156.33**	**100%**

Loans to related parties	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Type of Borrower	2018-19	2018-19
Related parties - Fellow Subsidiary		
FIH India Developer Private Limited	**80.00**	**94%**
Total loans and advances	**84.67**	**100%**

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34 Obligations Towards Operating Leases

The Group has adopted IND AS 116 "Leases" with effect from 01-April-2018 for the purpose of preparation of restated financial information. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach which resulted in recognition of Right of Use Asset (ROU) and equivalent Lease Liability.

The following is the summary of practical expedients elected on initial application:
1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities :

Particulars	As at 30-September-2021	As at 30-September-2020	As at 31-March 2021	As at 31-March 2020	As at 31-March 2019
Current lease liabilities	91.10	45.15	94.17	99.95	299.77
Non-current lease liabilities	480.65	575.63	517.23	449.96	429.36
Total	**571.75**	**620.78**	**611.40**	**549.91**	**729.13**

B. Movement in Lease Liabilities

Particulars	As at 30-September-2021	As at 30-September-2020	As at 31-March 2021	As at 31-March 2020	As at 31-March 2019
Opening Balance	611.40	549.91	549.91	729.13	537.32
Additions	115.24	235.68	364.62	129.92	447.78
Finance costs accrued during the period	25.15	25.08	49.77	54.66	63.95
Deletions	-	(22.14)	(28.09)	(16.14)	-
Payment of Lease liabilities	(180.04)	(167.75)	(324.81)	(347.66)	(319.92)
Total	**571.75**	**620.78**	**611.40**	**549.91**	**729.13**

C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 30-September-2021	As at 30-September-2020	As at 31-March 2021	As at 31-March 2020	As at 31-March 2019
Less than one year	274.73	273.54	333.53	229.72	299.77
One to five years	319.49	340.80	360.56	282.71	325.22
More than five years	90.26	141.83	116.04	167.62	219.19

D. Amounts recognized in statement of profit and loss

Particulars	Six month period ended September 2021	Six month period ended September 2020	2020-21	2019-20	2018-19
Interest on lease liabilities	25.15	25.08	49.77	54.66	63.95
Depreciation on right of use asssets	-	299.63	831.05	-272.80	272.80
Expenses relating to short- term leases and low value assets	30.83	46.78	88.60	145.12	130.07

35 Earnings per Share

Particulars	For the six month period ended 30 September 2021	For the six month period ended 30 September 2020	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Profit after Tax - Rs.	891.71	881.87	1,619.15	3,897.13	(2,228.71)
Weighted average number of Equity Shares	2,380,944,980	2,380,944,980	2,380,944,980	1,874,975,042	1,410,848,209
Earnings per Share - Basic in Rs.	0.37	0.37	0.68	2.08	(1.57)
- Diluted in Rs.	0.37	0.37	0.68	2.08	(1.57)
Face value per Share - in Rs. #	10	10	10	10	10

* On account of change in the face value per share and the consequential share split, as referred to in Note 15.1, which has been approved by the share holders subsequent to the year ended 31-March-2020, the basic and diluted earnings per share for the year ended 31-March-2020 and 31-March-2019, being the corresponding previous years, have been computed based on the new number of shares as prescribed under IND AS 33 Earnings per Share.

#Not annualised for six month period ended 30 September 2020 and 30 September 2021

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(All amounts in INR millions, except share data or as otherwise stated)

36 Taxation

36 Current Tax

Particulars	For the six month period Ended 30 September 2021 Rs.	For the six month period Ended 30 September 2020 Rs.	For the Year Ended 31 March 2021 Rs.	For the Year Ended 31 March 2020 Rs.	For the Year Ended 31 March 2019 Rs.
Current Tax:					
Current Income Tax Charge	467.35	305.90	708.58	1,026.62	-
Adjustment of Current Tax Relating to Earlier Years	-	(57.34)	(57.34)	-	-
Total	**467.35**	**248.56**	**651.24**	**1,026.62**	**-**
Deferred Tax:					
Difference between book balance and tax balance of property, plant and equipment	(155.13)	(69.47)	(160.89)	(325.73)	368.40
In respect of current year origination and reversal of temporary differences	-	(5.35)	87.87	408.56	(433.33)
Provision for compensated absences, gratuity and other employee benefits	(5.97)	-	(12.59)	(82.77)	(71.89)
Provision for Inventory	(2.01)	-	-	-	-
Provision for VAT incentive	-	-	-	-	(4.38)
Provision for other receivables	-	(3.75)	(8.68)	-	-
Unabsorbed depreciation and brought forward loss	-	-	-	561.58	(561.58)
Others	(0.07)	(1.19)	(2.75)	3.74	(25.91)
Net DTA restricted to the extent of DTL	-	-	-	(755.39)	755.39
Creatin and utilisation of MAT Credit	-	(264.56)	(264.56)	-	88.75
Provision for Bonus	-	1.36	3.13	-	-
Provision for Inventory	-	37.94	-	-	-
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168% *	-	22.94	53.13	-	-
Total	**(163.98)**	**(282.08)**	**(305.34)**	**(190.01)**	**115.45**
Total tax expense recognised in statement of profit and loss	**303.37**	**(33.52)**	**345.90**	**836.61**	**115.45**

* During the year 2020-21,the Group has adopted concessational tax rate of 22% as per Sec 115BAA of the Income Tax Act,1961.Consequently the deferred tax amount of Rs.53.12 million has been charged off to the Statement of Profit & Loss.

36 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the six month period ended 30 September 2021		For the six month period ended 30 September 2020		For the year ended 31 March 2021	
	Amount Rs.	Tax Amount Rs.	Amount Rs.	Tax Amount Rs.	Amount Rs.	Tax Amount Rs.
Restated Profit before tax from Operations						
Audited Profit Before tax from Operations	1,195.08	-	848.35	213.51	1,965.05	494.56
Loss from Subsidiary	(9.76)	-	-	-	-	-
Audited Profit Before tax from Operations	1,204.83	303.23	848.35	213.51	1,965.05	494.56
Income Tax using the Group's Tax rate at 25.168% (34.944%)						
Tax Effect of :						
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	-	-	-	-	-
Effect of expenses that are not deductible in determining taxable profit	8.76	2.20	227.72	57.31	526.82	132.59
Effect of Allowances in income tax	(8.18)	(2.06)	(21.43)	(5.39)	(49.63)	(12.49)
Changes in deductible temporary differences	-	-	-	-	-	-
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168% *	-	-	91.16	22.95	211.08	53.14
Adjustment recognised in the current year in relation to the current income tax of prior years	-	-	(1,278.99)	(321.90)	(1,278.99)	(321.90)
		303.37		**(33.52)**		**345.90**

* During the year 2020-21,the Group has adopted concessational tax rate of 22% as per Sec 115BAA of the Income Tax Act,1961.Consequently the deferred tax amount of Rs.53.125 million has been charged off to the Statement of Profit & Loss.

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Amount	Tax Amount	Amount	Tax Amount
Restated Profit before tax from Operations				
Audited Profit Before tax from Operations	4,733.74	1,653.97	(2,113.25)	-
Loss from Subsidiary	-	-	-	-
Audited Profit Before tax from Operations	4,733.74	1,653.97	(2,113.25)	-
Income Tax using the Group's Tax rate at 25.168%				
Tax Effect of :				
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(1,223.33)	(427.43)	-	-
Effect of expenses that are not deductible in determining taxable profit	38.76	13.54	334.41	115.45
Effect of Allowances in income tax	(1,154.75)	(403.47)	-	-
Changes in deductible temporary differences	-	-	-	-
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168% *	-	-	-	-
Adjustment recognised in the current year in relation to the current income tax of prior years	-	-	-	-
		836.61		**115.45**

36 Income Tax on Other Comprehensive Income

Particulars	For the period Ended 30 September 2021	For the period Ended 30 September 2020	For the Year Ended 31 March 2021 Rs.	For the Year Ended 31 March 2020 Rs.	For the Year Ended 31 March 2019 Rs.
Deferred Tax:					
Remeasurement of defined benefit obligation	(1.47)	(1.16)	0.20	(0.13)	1.40
Total	**(1.47)**	**(1.16)**	**0.19**	**(0.13)**	**1.40**

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
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36.4 Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.

Particulars	For the year ended 30th September 2021 Rs.					
	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT Credit utilsiation/Other adjustments	Effect of change in tax rate	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	3.12	(155.13)	-	-	-	(152.01)
Deferred Tax Liabilities (DTL)	**3.12**	**(155.13)**	**-**	**-**	**-**	**(152.01)**
Tax effect of items constituting deferred tax assets:						
Deferred Rent						-
MAT Credit Entilement						-
Provision for VAT incentive receivable	31.55	-	-	-	-	31.55
Provision for Other receivable	8.68	-	-	-	-	8.68
Provision for Inventory	38.39	2.01	-	-	-	40.39
Employee Benefits	91.46	5.97	(1.47)	-	-	95.96
Provision for Bonus	56.14	-	-	-	-	56.14
Others - IND AS 116	7.39	0.87	-	-	-	8.27
Reversal of net DTA restricted to the extent of DTL	-	-	-	-	-	-
Deferred Tax Assets (DTA)	-	-	-	-	-	-
Deferred Tax Assets (DTA)	**233.61**	**8.85**	**(1.47)**	-	-	**240.99**
Net Deferred Tax Assets	**230.49**	**163.98**	**(1.47)**	-	-	**393.00**

Particulars	For the year ended 30 September 2020 Rs.					
	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT Credit utilsiation/Other adjustments	Effect of change in tax rate	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	227.73	(69.47)	-	-	(27.51)	130.74
Employee Benefits						
Deferred Tax Liabilities (DTL)	**227.73**	**(69.47)**	**-**	**-**	**(27.51)**	**130.74**
Tax effect of items constituting deferred tax assets:						
MAT Credit Entilement						
Provision for VAT incentive receivable	43.81	-	-	-	(5.29)	38.52
Provision for Other receivable	-	3.75	-	-	-	3.75
Provision for Inventory	175.29	(37.94)	-	-	(21.18)	116.17
Employee Benefits	109.78	5.35	(1.16)	-	(13.26)	100.71
Provision for Bonus	82.28	(1.36)	-	-	(9.94)	70.98
Others - IND AS 116	6.46	1.19	-	-	(0.78)	6.87
Reversal of DTA restricted to the extent of DTL	-	-	-	-	-	-
MAT Credit availment/utilisation	-	264.56	-	(264.56)	-	-
Deferred Tax Assets (DTA)	**417.62**	**235.55**	**(1.16)**	**-**	**(50.45)**	**337.00**
Net Deferred Tax Assets	**189.89**	**305.02**	**(1.16)**	**-**	**(22.94)**	**206.26**

Particulars	For the year ended 31 March 2021 Rs.					
	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT Credit utilsiation/Other adjustments	Effect of change in tax rate	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	227.73	(160.89)			(63.71)	3.13
Employee Benefits	-					
Deferred Tax Liabilities (DTL)	**227.73**	**(160.89)**	**-**	**-**	**(63.71)**	**3.13**
Tax effect of items constituting deferred tax assets:						
Provision for VAT incentive receivable	43.81	-	-	-	(12.26)	31.55
Provision for Other receivable	0.00	8.68	-	-	-	8.68
Provision for Inventory	175.29	(87.87)	-	-	(49.03)	38.39
Employee Benefits	109.78	12.59	0.20	-	(31.10)	91.47
Provision for Bonus	82.28	(3.13)	-	-	(23.02)	56.13
Others - IND AS 116	6.46	2.74	-	-	(1.81)	7.39
MAT Credit availment/utilisation	0.00	264.56	-	(264.56)	-	-
Deferred Tax Assets (DTA)	**417.62**	**197.57**	**0.20**	**(264.56)**	**(117.22)**	**233.60**
Net Deferred Tax Assets	**189.89**	**358.46**	**0.20**	**(264.56)**	**(53.51)**	**230.48**

Particulars	For the year ended 31 March 2020 Rs.					
	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT Credit utilsiation/Other adjustments	Effect of change in tax rate	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	553.46	(325.73)	-	-	-	227.73
Employee Benefits	-					
Deferred Tax Liabilities (DTL)	**553.46**	**(325.73)**	**-**	**-**	**-**	**227.73**
Tax effect of items constituting deferred tax assets:						
Deferred Rent	10.20	(10.20)	-	-	-	-
Provision for VAT incentive receivable	43.81	-	-	-	-	43.81
Provision for Inventory	583.85	(408.56)	-	-	-	175.29
Employee Benefits	84.17	25.72	(0.13)	-	-	109.78
Provision for Bonus	25.24	57.05	-	-	-	82.28
Unabsorbed Depreciation and brought forward loss	561.58	(561.58)	-	-	-	-
Others - IND AS 116	-	6.46	-	-	-	6.46
Reversal of net DTA restricted to the extent of DTL	(755.39)	755.39	-	-	-	-
Deferred Tax Assets (DTA)	**553.46**	**(135.72)**	**(0.13)**	**-**	**-**	**417.62**
Net Deferred Tax Assets	**0.00**	**190.01**	**(0.13)**	**-**	**-**	**189.89**

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(All amounts in INR millions, except share data or as otherwise stated)

	For the year ended 31 March 2019 Rs.					
Particulars	**Opening balance**	**Recognised in Profit & Loss**	**Recognised in OCI**	**MAT Credit utilsation/Other adjustments**	**Effect of change in tax rate**	**Closing balance**
Tax effect of items constituting deferred tax liabilities:						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	185.05	368.40	-	-	-	553.46
Employee Benefits	0.67	(0.67)	-	-	-	-
Deferred Tax Liabilities	**185.72**	**367.73**	**-**	**-**		**553.46**
Tax effect of items constituting deferred tax assets:						
Deferred Rent	9.00	1.19	-	-	-	10.20
MAT Credit Entitlement	88.75	(88.75)	-	-	-	-
Provision for VAT incentive receivable	39.43	4.38	-	-	-	43.81
Provision for Inventory	151.21	432.64	-	-	-	583.85
Employee Benefits	13.69	71.89	(1.40)	-	-	84.18
Provision for Bonus	-	25.24	-	-	-	25.24
Unabsorbed Depreciation and brought forward loss	-	561.58	-	-	-	561.58
Others	0.50	(0.51)	-	-	-	(0.01)
Restatement adjustment- IndAS 116		14.88				14.88
Deferred Tax Assets	**302.58**	**1,022.54**	**(1.40)**	**-**		**1,323.73**
Net DTA restricted to the extent of DTL		770.27			-	770.27
Net Deferred Tax Asset	**116.86**	**(115.46)**	**(1.40)**	**-**	**-**	**-**

36.5 As at 31-March-2019, the Company had Net Deferred tax assets primarily on account of unabsorbed loss & unabsorbed depreciation (returned loss to the extent of 122.33 MINR) and other temporary differences. However, in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised, the said deferred tax asset has been recognised only to the extent of deferred tax liability.

37 International Transactions

The Group has entered into international transactions with Associated Enterprises. The Management is of the opinion that the Group maintains the necessary documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense.

37.1 Corporate Social Responsibility (CSR)

Particulars	**For the six month period Ended 30 September 2021 Rs.**	**For the six month period Ended 30 September 2020 Rs.**	**For the Year Ended 31 March 2021 Rs.**	**For the Year Ended 31 March 2020 Rs.**	**For the Year Ended 31 March 2019 Rs.**
(i) amount required to be spent by the Group during the year	12.71	12.71	25.43	7.91	12.90
(ii) amount of expenditure incurred,	17.25	-	-	-	3.00
(iii) shortfall at the end of the year,	-4.53	12.71	25.43	7.91	9.90
(iv) total of previous years shortfall,	63.50	50.79	25.36	17.45	7.55
(v) reason for shortfall,	1. Company was in the process of identifying the project suitable for CSR spend. 2. The Group has identified long term/ongoing project and allocated funds to be spent over a period of 3 years. 3. The Group has opened unspent CSR account in April 2021.	1. Company was in the process of identifying the project suitable for CSR spend. 2. The Group has identified long term/ongoing project and allocated funds to be spent over a period of 3 years. 3. The Group has opened unspent CSR account in April 2021.	1. Company was in the process of identifying the project suitable for CSR spend. 2. The Group has identified long term/ongoing project and allocated funds to be spent over a period of 3 years. 3. The Group has opened unspent CSR account in April 2021.	Company was in the process of identifying the project suitable for CSR spend.	Company was in the process of identifying the project suitable for CSR spend.
(vi) nature of CSR activities,	COVID-19 Medical supplies to the general public Odisha Disaster Management Fund COVID-19 Food supplies to the general public	NA	NA	NA	NA
(vii) details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard,	None	NA	NA	NA	NA
(viii)where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Opening Provision: 25.43 Add: Current Year provision 15.33 Less: Payments: (17.25) Closing Balance: 23.51	Opening provision: - Add: Current year provision 12.71 Less: Payments: - Closing balance: 12.71	Opening provision: - Add: Current year provision 25.43 Less: Payments: - Closing balance: 25.43	NA	NA

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38 Financial Instruments

38.1 Capital Management

The Group manages its capital to ensure that it is able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance. the Group determines the amount of capital required on the basis of an annual budgeting exercise, future capital projects outlay etc. The funding requirements are met through equity, internal accruals and short term borrowings.

Gearing Ratio :

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Debt (Refer Note 18)	-	1,178.56	-	-	10,662.01
Cash and Cash equivalents (Refer Note 11)	(19,595.33)	(2,295.93)	(8,612.82)	(11,463.46)	(6,251.51)
Net Debt	**(19,595.33)**	**(1,117.37)**	**(8,612.82)**	**(11,463.46)**	**4,410.51**
Total Equity (Refer Notes 15)	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99
Net Debt to equity ratio	**-67%**	**-4%**	**-30%**	**-43%**	**28%**

38.2 Categories of Financial Instruments

Financial Assets:

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Measured at amortised cost					
- Security Deposits	340.11	350.37	275.09	338.11	213.73
- Trade receivables	33,421.92	42,329.52	36,087.64	37,689.30	35,930.48
- Cash and Cash equivalents	19,705.33	2,295.93	8,722.82	11,463.46	6,251.51
- Loans	150.68	155.44	152.03	156.33	84.67
- Interest on loan to related parties	25.51	17.36	21.07	12.11	5.16
- Other Receivables	370.74	4.25	5.72	37.69	29.96
- VAT Incentive Receivable	316.20	316.20	316.20	316.20	303.68
- Interest accrued, but not due on Fixed Deposits with banks	7.44	1.63	4.30	6.97	3.55
Total	**54,337.93**	**45,470.70**	**45,584.87**	**50,020.17**	**42,822.74**

Financial Liabilities :

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Measured at amortised cost					
- Borrowings	-	1,178.56	-	-	10,662.01
- Trade payables	51,770.83	53,763.71	52,436.94	56,436.62	58,605.71
- Payable on purchase of Property, Plant & Equipment	804.88	252.72	965.64	273.73	393.56
- Deposits received from customers/ others	20.62	22.12	20.62	20.12	19.37
- Interest accrued and not due on borrowings	-		-	-	20.23
-'- Lease Liabilities	571.75	620.78	611.40	549.91	729.13
Other derivative liabilities	-	-	-	-	677.42
Total	**53,168.08**	**55,837.89**	**54,034.60**	**57,280.38**	**71,107.43**

38.3 Financial Risk Management Framework:

The Group is exposed to certain financial risks that could have a significant impact on the Group's operational and financial performance. These risks include market risk, credit risk and liquidity risk. the Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse the exposure by degree and magnitude of risks. The treasury function reports periodically to the Board of Directors of the Group, who monitors the risks and policies implemented to mitigate the risk exposures and have the overall responsibility to ensure the same.

The Group has not offset financial assets and financial liabilities.

38.4 Market Risk:

The Group's activities exposes it primarily to the financial risk of change in foreign currency exchange rates and interest rates.

38.5 Foreign Currency Risk Management:

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuation arises. the Group follows the principle of nature hedge considering that the foreign currency exposures primarily are on account of import of capital goods/raw materials and export of finished goods. the Group does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk. The appropriateness/adequacy of the natural hedging principle is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :
The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

A. Outstanding as at 30 September 2021

Particulars	Currency	Amount in Foreign Currency (Millions)	Rs. (in Millions)
Payables (including Payables on purchase of fixed assets)	EUR	0.09	8.04
	USD	60.40	4,481.17
	JPY	70.67	47.02
Bank Balance - EEFC	USD	-	0.04
	New Taiwan Dollar	27.95	74.47

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B. Outstanding as at 30 September 2020

Particulars	Currency	Amount in Foreign Currency (Millions)	Rs. (in Millions)
Payables (including Payables on purchase of fixed assets)	EUR	0.11	0.98
	USD	370.00	2,721.67
	JPY	0.53	0.37

C. Outstanding as at 31 March 2021

Particulars	Currency	Amount in Foreign Currency (Millions)	Rs. (in Millions)
Payables (including Payables on purchase of fixed assets)	EUR	0.01	0.96
	USD	47.69	3,489.33
	JPY	-	-

D. Outstanding as at 31 March 2020

Particulars	Currency	Amount in Foreign Currency (Millions)	Rs. (in Millions)
Payables (including Payables on purchase of fixed assets)	EUR	0.04	3.39
	USD	239.58	18,056.41
	JPY	-	-

E. Outstanding as at 31 March 2019

Particulars	Currency	Amount in Foreign Currency (Millions)	Rs. (in Millions)
Payables (including Payables on purchase of fixed assets)	EUR	0.07	5.17
	USD	746.50	51,718.48
	JPY	37.24	23.27
Bank Balance - EEFC	USD	0.04	2.62

38.6 Foreign Currency sensitivity analysis :

The Group is mainly exposed to the currencies of USD and EUR

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR Strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

(i) Impact of USD

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Impact on Profit or (Loss) for the year and on total equity as at the end of the reporting period					
Increase by 5%	224.06	136.08	174.47	902.82	2,585.92
Decrease by 5%	(224.06)	(136.08)	(174.47)	(902.82)	(2,585.92)

(ii) Impact of EUR

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Impact on Profit or (Loss) for the year and on total equity as at the end of the reporting period					
Increase by 5%	0.40	0.05	0.05	0.17	0.26
Decrease by 5%	(0.40)	(0.05)	(0.05)	(0.17)	(0.26)

(iii) Impact of JPY

Particulars	As at 30 September 2021 Rs.	As at 30 September 2020 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
Impact on Profit or (Loss) for the year and on total equity as at the end of the reporting period					
Increase by 5%	2.35	0.02	-	-	1.16
Decrease by 5%	(2.35)	(0.02)	-	-	(1.16)

Note :
This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

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38.7 Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. the Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Group. the Group invests its surplus funds in bank fixed deposits which carry minimal mark to market rates.

Liquidity and Interest Risk Tables :

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Less than 1 month	1 to 3 months	3 months to 1 Year	Beyond 1 Year	Total
			Rs.		
30 September 2021					
Fixed interest rate instruments:					
Borrowings (Current)	-	-	-	-	-
Non-interest bearing:					
Trade Payable	10,395.68	31,907.46	7,459.53	2,008.16	51,770.83
Other Financial liabilities	22.47	73.57	703.19	26.28	825.51
Lease liabilities	0.81	13.72	76.57	480.65	571.75
	10,418.96	**31,994.75**	**8,239.29**	**2,515.09**	**53,168.09**
30 September 2020					
Fixed interest rate instruments:					
Borrowings (Current)	-	1,178.57	-	-	1,178.57
Non-interest bearing:					
Trade Payable	24,148.01	27,897.16	852.10	866.44	53,763.71
Other Financial liabilities	2.20	26.10	186.13	60.41	274.84
Lease liabilities	-	-	45.15	575.63	620.78
	24,150.21	**29,101.83**	**1,083.38**	**1,502.48**	**55,837.90**
31 March 2021					
Fixed interest rate instruments:					
Borrowings (Current)	-	-	-	-	-
Non-interest bearing:					
Trade Payable	33,879.86	16,266.68	1,480.17	810.23	52,436.94
Other Financial liabilities	-	986.26	-	-	986.26
Lease liabilities	-	-	94.17	517.23	611.40
Total	**33,879.86**	**17,252.94**	**1,574.34**	**1,327.46**	**54,034.60**
31 March 2020					
Fixed interest rate instruments:					
Borrowings (Current)	-	-	-	-	-
Non-interest bearing:					
Trade Payable	11,384.56	22,159.15	373.30	22,519.61	56,436.62
Other Financial liabilities	-	293.85	-	-	293.85
Lease liabilities	-	-	99.95	449.96	549.91
Total	**11,384.56**	**22,453.00**	**473.25**	**22,969.57**	**57,280.38**
31 March 2019					
Fixed interest rate instruments:					
Borrowings (Current)	10,662.01	-	-	-	10,662.01
Non-interest bearing:					
Trade Payable	42,923.02	12,023.38	1,936.12	1,723.19	58,605.71
Other Financial liabilities	1,092.21	-	15.97	2.40	1,110.58
Lease liabilities	-	-	299.77	429.36	729.13
Total	**54,677.24**	**12,023.38**	**2,251.86**	**2,154.95**	**71,107.44**

(All amounts in INR millions, except share data or as otherwise stated)

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 month	1 to 3 months	3 months to 1 Year	Beyond 1 Year	Total
			Rs.		
September 30 2021					
Cash in hand	0.05	-	-	-	0.05
Balances with Banks held in Current Accounts	260.82	-	-	-	260.82
Trade Receivables	33,315.40	83.73	21.78	1.01	33,421.92
Loans to Related Parties	-	-	-	150.00	150.00
Interest on related parties			25.51		25.51
Advances to Employees	-	-	0.68	-	0.68
Security Deposit	-	-	205.99	134.11	340.10
Other Receivable	-	-	-	370.74	370.74
VAT Receivable	-	-	-	316.20	316.20
Fixed interest rate instruments					-
Fixed Deposits	19,444.47	110.00	-	-	19,554.47
Interest on Fixed Deposits	7.44	-	-	-	7.44
	-	-	-	-	-
	53,028.17	**193.73**	**253.96**	**972.06**	**54,447.92**
September 30 2020					
Non-interest bearing					
Cash in hand	0.05	-	-	-	0.05
Balances with Banks held in Current Accounts	2,295.88	-	-	-	2,295.88
Trade Receivables	28,696.98	13,100.50	527.97	4.07	42,329.52
Loans to Related Parties	-	-	-	150.00	150.00
Interest on related parties	2.09		8.62	6.65	17.36
Advances to Employees	5.44	-	-	-	5.44
Security Deposit	-		249.46	100.90	350.36
Other Receivable	-	4.24	-	-	4.24
VAT Receivable	-	-	-	316.19	316.19
Interest on fixed deposits	1.63				1.63
Total	**31,002.07**	**13,104.74**	**786.05**	**577.81**	**45,470.67**
31 March 2021					
Non-interest bearing					
Cash in hand	0.05	-	-	-	0.05
Balances with Banks held in Current Accounts	582.78	-	-	-	582.78
Trade Receivables	35,804.61	0.18	281.53	1.32	36,087.64
Loans to Related Parties	-	-	150.00	-	150.00
Advances to Employees	-	0.12	-	1.91	2.03
Other Financial Assets	-	-	114.26	508.13	622.39
	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
Fixed Deposits	-	8,030.00	110.00	-	8,140.00
	-	-	-	-	-
Total	**36,387.44**	**8,030.30**	**655.79**	**511.36**	**45,584.89**
31 March 2020					
Non-interest bearing					
Cash in hand	0.05	-	-	-	0.05
Balances with Banks held in Current Accounts	313.41	-	-	-	313.41
Trade Receivables	34,665.15	1,053.42	1,957.43	13.30	37,689.30
Loans to Related Parties	-	-	70.00	80.00	150.00
Advances to Employees	6.33	-	-	-	6.33
Other Financial Assets	56.77	-	-	654.32	711.08
Fixed interest rate instruments					
Fixed Deposits	-	11,150.00	-	-	11,150.00
Total	**35,041.71**	**12,203.42**	**2,027.43**	**747.62**	**50,020.17**
31 March 2019					
Non-interest bearing					
Cash in hand	0.05	-	-	-	0.05
Balances with Banks held in Current Accounts	581.46	-	-	-	581.46
Trade Receivables	35,805.41	98.72	26.35	-	35,930.48
Loans to Related Parties	-	40.00	-	40.00	80.00
Advances to Employees	4.67	-	-	-	4.67
Other Financial Assets	91.02	-	-	465.06	556.08
Fixed interest rate instruments					
Fixed Deposits	5,670.00	-	-	-	5,670.00
Total	**42,152.61**	**138.72**	**26.35**	**505.06**	**42,822.74**

Non-interest rate bearing financial assets disclosed above inludes investments, Trade Receivable, Cash, balances with banks held in current accounts and EEFC accounts, Loans and Other Financial Assets.

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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Bharat FIH Limited (formerly known as Bharat FIH Private Limited/Rising Stars Mobile India Private Limited)
Notes to the Restated Financial Information

38.8 Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. the Group has adopted a policy of only dealing with creditwrothy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. the Group only transacts with entities that are rated the equivalent of investment grade and above. the Group uses publicly available fiancial information and its own trading records to rate its major customers. the Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

39 Fair Value Measurement

39.1 Financial assets and financial liabilities that are measured at fair value on a recurring basis
Financial assets and fianancial liabilities measureed at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements:
*Level 1 - Quoted price in an active market
*Level 2 - Discounted cash flow. Future cash flows are estimated based on forward exchang rates and contract rates, discounted at a rate that reflects the credit risk of various counterparties.
*Level 3 - Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to the Group.

There have been no transfers between Level 1 and Level 2.

39.2 Financial assets and financial liabilities that are not measured at fair value :

The Management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

40 Statutory Group Information

	Net Assets ie. Total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the Group	**As % of consolidated net assets**	**Amount**	**As % of consolidated profit**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Balance as at 30 September 2021								
Parent								
Bharat FIH Limited	100.03%	29,263.16	101.09%	901.46	100.00%	5.86	101.09%	907.32
Subsidiaries								
Rising Star Hi Tech Private Limited	1.68%	490.38	-1.08%	-9.62	-	-	0.00%	-9.62
Bharat Taiwan Corporation	0.25%	74.47	-0.01%	-0.13	-	-	0.00%	-0.13
Consolidation Adjustment	-1.96%	-573.08	0.00%	-	-	-	0.00%	-
Total								
Balance as at 30 September 2021	100.00%	29,254.93	100.00%	891.71	100.00%	5.86	100.00%	897.57

41 RATIOS:

Ratio	Numerator	Denominator	As at 30 September 2021			As at 30 September 2020			Variance
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
a) Current Ratio	Current Assets	Current liabilities	78,561.82	57,302.12	1.37	80,762.42	61,441.86	1.31	4.30%
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity	-	29,254.92	-	1,178.56	27,624.10	4.27%	-100.00%
Reasons for variance (where variance is > 25%):									
Repayment of buyer's credit amounting to INR 1,178.56 million during the year 2020-21									
(c) Debt Service Coverage Ratio	Earnings available for debt service * (PAT+Depreciation & amortization+Interest on borrowings & lease liabilities + Loss on sale of fixed assets+Other non cash adjustements+Any non cash operating expenses)	Debt service (Interest on borrowings & lease liabilities + Lease Payments + Principal repayments of borrowings)	2,234.35	180.05	12.41	1,835.39	2,525.94	0.73	1606%
Reasons for variance (where variance is > 25%):									
Increase in earnings available for debt payment for the period ended 30 Septmber 2021, however there is no debt to be repaid for the six months ended 30 September 2021 as compared to the period ended 30 September 2020. This has resulted in increase in Ratio									
(d) Return on Equity Ratio	Profit available for Equity shareholders (PAT) *	Average Shareholder's Equity	891.71	28,806.13	3.10%	881.87	27,181.44	3.24%	-5%
(e) Inventory turnover ratio	COGS * (Cost of Materials Consumed+Changes in inventories of WIP & Finished Goods)	Average inventory	94,934.53	21,446.24	4.43	58,752.37	24,487.63	2.40	84%
Reasons for variance (where variance is > 25%):									
1. Increase in Cost of Goods sold- The increase was on account of: a. Increase in the cost of materials consumed on account of the recovery in business from mobile phone OEMs resulting in a rebound in our manufacturing operations and the corresponding increase in the purchase of components and other inputs. b. Increase in changes in inventories of finished goods and work in progress on account of the build-up of work-in-progress inventory due to the shortage of critical components and disruption of e-commerce affecting finished goods supply in the six months ended 30 September 2020.									
(f) Trade Receivables turnover ratio	Net credit sales (net of sales returns)*	Average accounts receivable	101,557.92	37,875.72	2.68	63,945.78	40,009.41	1.60	68%
Reasons for variance (where variance is > 25%):									
1. Increase in net sales due to increase in revenue from major customer on account of winning orders for new 5G enabled mobile phone models and demonstrating greater stability in our supply chain compared to competing EMS providers. 2. Decrease in average trade receivables reflecting the improvement in the credit period on account of the market gradually recovering from the effects of the COVID-19 pandemic.									
(g) Trade payables turnover ratio	Net credit purchases (net of purchase returns)*	Average trade payables	88,306.22	52,103.89	1.69	63,931.85	55,100.17	1.16	46%
Reasons for variance (where variance is > 25%):									
Increase in net credit purchases- rebound in manufacturing operations and the corresponding increase in the purchase of components and other inputs.									

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41 RATIOS:

Ratio	Numerator	Denominator	As at 30 September 2021			As at 30 September 2020			Variance
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
(h) Net capital turnover ratio	Net sales (net of sales)*	Working capital Current assets - Current liabilities	101,557.92	21,259.71	4.78	63,945.78	19,320.56	3.31	44%

Reasons for variance (where variance is > 25%):

1. Decline in revenue from operations in financial year 2019-20 in comparison to financial year 2018-19 by 22.45% - Sales volume and revenue declined because of lower mobile phone sales, as a consequence of major customer diversifying its EMS provider base consistent with the practice of OEMs globally, which resulted in a lower volume of orders during the year, and another customer discontinuing sales of smart phones and experiencing lower sales volume for its feature phones. Further the COVID-19 pandemic and resulting lockdowns impacted operations and logistics.
2. Increase in net working capital in financial year 2019-20 in comparison to financial year 2018-19
a. Decline in current assets in financial year 2019-20 due to decrease in inventories reflecting decrease in revenue offset by slight increase in trade receivables as a result of increase in credit period.
b. Decline in current liablities due to repayment of buyer's credit amounting to INR 10,662.012 million and slight decrease in trade payables in line with movement in revenue

Ratio	Numerator	Denominator	30 Sep 2021 Numerator	30 Sep 2021 Denominator	30 Sep 2021 Ratio	30 Sep 2020 Numerator	30 Sep 2020 Denominator	30 Sep 2020 Ratio	Variance
(i) Net profit ratio	PAT*	Net sales (net of sales return)*	891.71	101,557.92	0.88%	881.87	63,945.78	1.38%	-36%

Reasons for variance (where variance is > 25%):

1. Decline in revenue from operations in financial year 2019-20 in comparison to financial year 2018-19 by 22.45% - Sales volume and revenue declined because of lower mobile phone sales, as a consequence of major customer diversifying its EMS provider base consistent with the practice of OEMs globally, which resulted in a lower volume of orders during the year, and another customer discontinuing sales of smart phones and experiencing lower sales volume for its feature phones. Further the COVID-19 pandemic and resulting lockdowns impacted operations and logistics.
2. Increase in profit after tax in financial year 2019-20 in comparison to financial year 2018-19 -profit for the year increased by 274.86% primarily in connection with the decrease in cost of materials consumed and other expenses (majorly constituting movement in Loss on Foreign Currency Transactions and Translation and royalty payment, which more than offset revenue decrease in the same year.

Ratio	Numerator	Denominator	30 Sep 2021 Numerator	30 Sep 2021 Denominator	30 Sep 2021 Ratio	30 Sep 2020 Numerator	30 Sep 2020 Denominator	30 Sep 2020 Ratio	Variance
(j) Return on Capital employed	EBIT (Earnings before interest & tax) = Profit before tax + Finance costs - Other income	Average Capital employed(Tangible net worth + Total debt + Deferred Tax Liability) (Tangible net worth = Total assets-Intangible assets-Total liabilities)#	1,107.29	14,421.71	7.68%	685.74	20,714.03	3.31%	132%

Reasons for variance (where variance is > 25%):

Increase in earnings as compared for the period ended 30 September 2021 as compared to the period ended 30 September 2020. Further there is no borrowings for the period ended 30 September 2021 as compared to the perioed ended 30 September 2020. This has resulted in high Return on capital employed.

Ratio	
(k) Return on investment.	This ratio is not applicable since the company does not have any projects / investments other than current operations

*Not annualised

$ No variance has been provided for September 2020 since there are no comparitive figures

Tangible net worth : Total assets - Intangible assets - Total liabilities
Total assets : Total assets - Right of use assets - Deferred tax assets (net)
Total liabilities : Total liabilities - Lease liabilities - Deferred tax liabilities (net)
Total Debt : Borrowings - Cash & cash equivalents
Average capital employed is considered as the denominator.

41 RATIOS:

Ratio	Numerator	Denominator	As at 31 March 2021			As at 31 March 2020			Variance
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
a) Current Ratio	Current Assets	Current liabilities	78,105.82	58,156.74	1.34	76,191.90	58,976.28	1.29	3.96%
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity				NA			
(c) Debt Service Coverage Ratio	Earnings available for debt service (PAT+Depreciation & amortization+Interest on borrowings & lease liabilities + Loss on sale of fixed assets+Other non cash adjustements+Any non cash operating expenses)	Debt service (Interest on borrowings & lease liabilities + Lease Payments + Principal repayments of borrowings)	4,155.63	3,860.15	1.08	7,343.77	72,478.03	0.10	962%
Reasons for variance (where variance is > 25%):									
Movement in earnings available for debt service due to decline in PAT to the extent of 58.45% and consequent movement in other equity in financial year 2020-21 in comparison to financial year 2019-20 principally in connection with the decrease in our revenue in Financial Year 2021, which was largely attributable to lower production volumes on account of the COVID-19 pandemic.									
(d) Return on Equity Ratio,	Profit available for Equity shareholders (PAT)	Average Shareholder's Equity	1,619.15	27,548.07	5.88%	3,897.13	21,208.39	18.38%	-68%
Reasons for variance (where variance is > 25%):									
Decline in PAT to the extent of 58.45% and consequent movement in other equity in financial year 2020-21 in comparison to financial year 2019-20 principally in connection with the decrease in our revenue in Financial Year 2021, which was largely attributable to lower production volumes on account of the COVID-19 pandemic.									
(e) Inventory turnover ratio,	COGS (Cost of Materials Consumed+Changes in inventories of WIP & Finished Goods)	Average inventory	146,930.54	23,329.14	6.30	248,981.02	26,430.94	9.42	-33%
Reasons for variance (where variance is > 25%):									
Decline in cost of goods sold (COGS)- The decrease was on account of a. The lower volume of components and raw materials consumed, given the supply constraints on account of COVID-19 and resultant lockdowns and this was in line with the decrease in manufacturing activities during the financial year b. Decrease in changes in inventories of work in progress and finished goods account of the build-up of work-in-progress inventory due to the shortage of critical components and supply chain disruptions on account of COVID-19 related lockdowns									
(f) Trade Receivables turnover ratio,	Net credit sales (net of sales returns)	Average accounts receivable	158,548.58	36,888.47	4.30	266,355.58	36,809.89	7.24	-41%
Reasons for variance (where variance is > 25%):									
Decline in net sales (revenue from operations)- primarily due to the COVID-19 pandemic which significantly impacted production and, for certain periods, demand from key OEM customers.									
(g) Trade payables turnover ratio,	Net credit purchases (net of purchase returns)	Average trade payables	149,793.04	54,436.78	2.75	239,914.92	57,521.17	4.17	-34%
Reasons for variance (where variance is > 25%):									
Decline in average purchases in line with decline in manufacturing activities and revenue from operations									

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41 RATIOS:

Ratio	Numerator	Denominator	As at 31 March 2021 Numerator	As at 31 March 2021 Denominator	As at 31 March 2021 Ratio	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	Variance
(h) Net capital turnover ratio	Net sales (net of sales)	Working capital Current assets - Current liabilities	158,548.58	19,949.08	7.95	266,355.58	17,215.62	15.47	-49%
Reasons for variance (where variance is > 25%):									
1.Decline in net sales (revenue from operations)- primarily due to the COVID-19 pandemic which significantly impacted production and, for certain periods, demand from key OEM customers. 2.Increase in working capital on account of: a. Increase in current assets- increase in inventories as a result of building additional inventory to mitigate future disruption from supply chain shortages for integrated chipsets and increase in other current assets primarily due to increase in GST input credit offset by slight decline in trade receivables. b. Decrease in current liabilities- primarily on account of decrease in trade payables as a result of the decrease in cost of goods sold									
(i) Net profit ratio	PAT	Net sales (net of sales)	1,619.15	158,548.58	1.02%	3,897.13	266,355.58	1.46%	-30%
Reasons for variance (where variance is > 25%):									
1.Decline in net sales (revenue from operations)- primarily due to the COVID-19 pandemic which significantly impacted production and, for certain periods, demand from key OEM customers. 2. Decline in PAT to the extent of 58.45% and consequent movement in other equity in financial year 2020-21 in comparison to financial year 2019-20 principally in connection with the decrease in our revenue in Financial Year 2021, which was largely attributable to lower production volumes on account of the COVID-19 pandemic.									
(j) Return on Capital employed,	EBIT (Earnings before interest & tax) = Profit before tax + Finance costs - Other income	Average Capital employed(Tangible net worth + Total debt + Deferred Tax Liability) (Tangible net worth = Total assets-Intangible assets-Total liabilities)#	1,683.18	17,323.68	9.72%	4,677.33	17,617.48	26.55%	-63%
Reasons for variance (where variance is > 25%):									
Decline in PBIT- reflecting the reduction in revenues and increase in variable costs on account of COVID-19 related safety protocols.									
(k) Return on investment.	This ratio is not applicable since the company does not have any projects / investments other than current operations								

Tangible net worth : Total assets - Intangible assets - Total liabilities
Total assets : Total assets - Right of use assets - Deferred tax assets (net)
Total liabilities : Total liabilities - Lease liabilities - Deferred tax liabilities (net)
Total Debt : Borrowings - Cash & cash equivalents
Average capital employed is considered as the denominator.

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41 RATIOS:

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
a) Current Ratio	Current Assets	Current liabilities	76,191.90	58,976.28	1.29	78,161.49	72,846.31	1.07	20.41%
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity	-	26,738.78	-	10,662.01	15,677.99	0.68	-100%

Reasons for variance (where variance is > 25%):

Repayment of buyer's credit amounting to INR 10,662.012 million during the financial year 2019-20

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
(c) Debt Service Coverage Ratio	Earnings available for debt service (PAT+Depreciation & amortization+Interest on borrowings & lease liabilities + Loss on sale of fixed assets+Other non cash adjustements+Any non cash operating expenses)	Debt service (Interest on borrowings & lease liabilities + Lease Payments + Principal repayments of borrowings)	7,343.77	72,478.03	0.10	-1,252.08	97,845.76	-0.01	-892%

Reasons for variance (where variance is > 25%):

Significant increase in Earnings available for debt service due to increase in Profit after tax in financial year 2019-20 in comparison to financial year 2018-19 profit for the year increased by 274.86% primarily in connection with the decrease in cost of materials consumed and other expenses (majorly constituting movement in Loss on Foreign Currency Transactions and Translation and royalty payment) which more than offset revenue decrease in the same year.

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
(d) Return on Equity Ratio,	Profit available for Equity shareholders (PAT)	Average Shareholder's Equity	3,897.13	21,208.39	18.38%	(2,228.71)	14,953.52	-14.90%	-223%

Reasons for variance (where variance is > 25%):

1. Increase in profit after tax in financial year 2019-20 in comparison to financial year 2018-19 -profit for the year increased by 274.86% primarily in connection with the decrease in cost of materials consumed and other expenses (majorly constituting movement in Loss on Foreign Currency Transactions and Translation and royalty payment) which more than offset revenue decrease in the same year.
2. Increase in shareholder's equity- due to increase in equity share capital purusuant to infusion of fresh capital amounting to INR 7150 million

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
(e) Inventory turnover ratio,	COGS (Cost of Materials Consumed+Changes in inventories of WIP & Finished Goods)	Average inventory	248,981.02	26,430.94	9.42	326,678.22	31,443.90	10.39	-9%
(f) Trade Receivables turnover ratio,	Net credit sales (net of sales returns)	Average accounts receivable	266,355.58	36809.89	7.24	343,453.89	40,513.43	8.48	-15%
(g) Trade payables turnover ratio,	Net credit purchases (net of purchase returns)	Average trade payables	239,914.92	57,521.17	4.17	325,718.39	66,360.15	4.91	-15%
(h) Net capital turnover ratio	Net sales (net of sales)	Working capital Current assets - Current liabilities	266,355.58	17,215.62	15.47	343,453.89	5,315.18	64.62	-76%

Reasons for variance (where variance is > 25%):

1. Increase in net sales due to increase in revenue from major customer on account of winning orders for new 5G enabled mobile phone models and demonstrating greater stability in our supply chain compared to competing EMS providers.
2. Increase in working capital on account of:
a. Decrease in current assets- decrease in inventories due to measures taken to streamline our inventory and the partial easing up of global input shortages. Decrease in trade receivables reflecting the improvement in the credit period on account of the market gradually recovering from the effects of the COVID-19 pandemic.
b. Decrease in current liabilities- decrease in short term borrowings due to repayment of buyer's credit outstanding as on 30 September 2020 and decrease in trade payables reflecting the gradual improvement in business

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
(i) Net profit ratio,	PAT	Net sales (net of sales)	3,897.13	266,355.58	1.46%	(2,228.71)	343,453.89	-0.65%	-325%

Reasons for variance (where variance is > 25%):

Increase in net sales due to increase in revenue from major customer on account of winning orders for new 5G enabled mobile phone models and demonstrating greater stability in our supply chain compared to competing EMS providers.

Ratio	Numerator	Denominator	As at 31 March 2020 Numerator	As at 31 March 2020 Denominator	As at 31 March 2020 Ratio	As at 31 March 2019 Numerator	As at 31 March 2019 Denominator	As at 31 March 2019 Ratio	Variance
(j) Return on Capital employed,	EBIT (Earnings before interest & tax) = Profit before tax + Finance costs - Other income	Average Capital employed(Tangible net worth + Total debt + Deferred Tax Liability) (Tangible net worth = Total assets-Intangible assets-Total liabilities)#	4,677.33	17,617.48	26.55%	-1,893.56	15,355.10	-12.33%	-315%

Reasons for variance (where variance is > 25%):

Movement in PBIT- due to decrease in the decrease in foreign currency translation losses and royalty payments in financial year 2019-20 in comparison to financial year 2018-19

(k) Return on investment. This ratio is not applicable since the company does not have any projects / investments other than current operations

\# Tangible net worth : Total assets - Intangible assets - Total liabilities
Total assets : Total assets - Right of use assets - Deferred tax assets (net)
Total liabilities : Total liabilities - Lease liabilities - Deferred tax liabilities (net)
Total Debt : Borrowings - Cash & cash equivalents
Average capital employed is considered as the denominator.

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(All amounts in INR millions, except share data or as otherwise stated)

42 Estimatation uncertainity during COVID-19 outbreak

The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial information in determining the impact on various elements of its financial information. the Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of Trade receivables, Inventories, Other financial assets, Other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these Restated Financial Information.

43 Approval of Restated Financial Information

In connection with the preparation of the Restated Financial Information, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Group and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Group and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the restated financial information. In addition, the Board has also confirmed the carrying value of the non-current assets in the restated financial information. The Board, duly taking into account all the relevant disclosures made, has approved these restated financial information in its meeting held on 14 December, 2021

For and on behalf of the Board of Directors
Bharat FIH Limited (Formerly Known as Bharat FIH Private Limited / Rising Stars Mobile India Prviate Limited)

Kam Wah Danny Tam **Director**	**Hui Chung Chen** **Director**	**Clement Joshua Foulger** **Managing Director**	**Ramachandran Kunnath** **Chief Financial Officer and Company Secretary**
Place: Taipei Date: 14 December 2021	Place: Taipei Date: 14 December 2021	Place: Chennai Date: 14 December 2021	Place: Chennai Date: 14 December 2021

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OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company for the years ended 31 March 2021, 31 March 2020, and 31 March 2019, together with all the annexures, schedules and notes thereto ("**Standalone Financial Statements**") are available on https://www.bharatfih.com/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, its Subsidiaries 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. None of our Company, its Subsidiaries or any entity in which it or its shareholders have significant influence or any of its advisors, nor any of the BRLMs or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹, except share data)

Particulars	For the six months period 30 September 2021 (Consolidated)	For the six months period 30 September 2020 (Standalone)	For Financial Year 2021 (Standalone)	For Financial Year 2020 (Standalone)	For Financial Year 2019 (Standalone)
Restated Profit / (Loss) for the year/ period (A)	891.71	881.87	1,619.15	3,897.13	(2,228.71)
Weighted average number of equity shares (B)	2,380,944,980	2,380,944,980	238,0944,980	187,4975,042	1,410,848,209
Earnings per Equity Share (C) (in ₹)					
Basic (C = A/B)	0.37	0.37	0.68	2.08	(1.57)
Diluted (C = A/B)	0.37	0.37	0.68	2.08	(1.57)
Total equity (D)	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99
Return on net worth (E) (%)[1]	3.05%	3.19%	5.71%	14.57%	(14.22)%
Total assets (F)	87,132.01	89,713.89	87,120.91	86,231.52	88,999.15
Total liabilities (G)	57,877.09	62,089.79	58,763.56	59,492.74	73,321.16
Net asset value (H=F-G)	29,254.92	27,624.10	28,357.35	26,738.78	15,677.99
NAV per Equity Share) (I)					
NAV per Equity Share (Basic) (I=H/B)[2][3]	12.29	11.60	11.91	14.26	11.11
NAV per Equity Share (Diluted) (I=H/B)[2][3]	12.29	11.60	11.91	14.26	11.11
EBITDA (in million) (J) [4]	2,458.34	1,793.22	3,869.32	6,932.76	(269.19)
EBITDA Margin (K) (%)	2.42%	2.80%	2.44%	2.60%	(0.08)%

(1) *Return on net worth = Restated Profit or (loss) after Tax/Total equity*

(2) *NAV per Equity Share = (Total assets- total liabilities)/Weighted average number of Equity Shares*

(3) *Pursuant to a resolution passed by the Shareholders in the EGM held on 29 May 2020, our Company has subdivided its authorised share capital, such that 239,810,000 equity shares of ₹ 100 each aggregating to ₹ 23,981,000,000 were sub-divided into 2,398,100,000 Equity Shares of ₹ 10 each aggregating to ₹ 23,981,000,000. Accordingly, 238,094,498 issued, subscribed and paid-up Equity Shares of face value of ₹ 100 each were sub-divided into 2,380,944,980 Equity Shares of face value of ₹ 10 each*

(4) *EBITDA = Restated profit or (loss) before tax + finance costs+ depreciation and amortization -other income*

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

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e., Ind AS 24 read with the SEBI ICDR Regulations, for Financial Years 2021, 2020 and 2019, and as reported in the Restated Financial Information, see "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at 30 September 2021, on the basis of amounts derived from our Restated 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***", on pages 25, 222 and 283, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at 30 September 2021	As adjusted for the proposed Offer[1]
Non-Current Borrowings		
Total non-current borrowings (A)	-	[●]
Current borrowings		
Total Current Borrowings (B)	-	[●]
Total Borrowings (C) = (A+B)	-	**[●]**
Equity		
Equity share capital*	23,809.45	[●]
Other equity*	5,445.47	[●]
Total Equity (D)	**29,254.92**	**[●]**
Capitalisation E=(C) + (D)	**29,254.92**	**[●]**
Non-current borrowings/Total equity ratio (A/D)	-	[●]
Total borrowings/Total equity ratio (C/D)	-	[●]

[1] *The corresponding post offer capitalisation data for each of amounts mentioned in the above table is not determinable at this stage pending the completion of book building process and hence the same has not been provided in above table.*

**All terms shall carry the meaning as per Schedule III Division II of the Companies Act, 2013.*

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

The following discussion of our financial condition and results of operations for Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2020 and 2021 is based on the Restated Financial Information, including the notes thereto and the report thereon, which appear elsewhere in this Draft Red Herring Prospectus.

*Our Restated Financial Information has been prepared in accordance with Ind AS, which differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "**Risk Factors**" beginning on page 25 and "**Forward Looking Statements**" beginning on page 15.*

References herein to Financial Year 2019, 2020 and 2021 are to our financial year ended 31 March of each of those years.

OVERVIEW

We are the largest Electronic Manufacturing Services (EMS) provider in India. In addition to our EMS services, which mainly comprise manufacturing services, we are building the capabilities to provide Original Equipment Manufacturers (OEMs), who are our brand-owning customers, with a comprehensive, vertically integrated "one-stop solution" comprising a range of Original Design Manufacturing (ODM) services including product design and development, component manufacturing and sourcing, logistics, and after-sales services.

Since we commenced operations in 2015, we have focused on the manufacturing of mobile phones. Since April 2021 we have been expanding our business into industries other than mobile phones, with a focus on high-growth industries including mechanics, electric vehicles, televisions, and hearables. Given the significant under-penetration and increasing per capita usage of these products in India, the country's addressable EMS/ODM market is expected to grow to US$135 billion by 2026 with a CAGR of 30% between Financial Years 2021 and 2026, giving us substantial growth opportunities to diversify into these new high-growth industries and provide new categories of customers with a range of service offerings. We have, within a few months, been successful in obtaining business from market leading brands in some of the new industries we are expanding into. In addition, we are closely involved in, and expect to benefit from, regulatory support such as production-linked incentive schemes (PLIs), which are part of the Government of India's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which seeks to provide a range of PLIs and other benefits for manufacturing in India.

We conduct our operations across three campuses based in the states of Andhra Pradesh and Tamil Nadu in India. Our campuses comprise an aggregate of 94 production lines, and are staffed by a workforce of over 25,000, of whom approximately 85% are women. Our operations are enhanced by our R&D capabilities, which will enable us to offer customers innovative EMS and ODM solutions, and also provide technological solutions to increase operational and cost efficiencies in our own processes.

Within six years since we commenced operations, our revenue from operations grew to ₹343,453.89 million in Financial Year 2019. In Financial Years 2020 and 2021, our business experienced revenue contraction on account of market factors affecting the mobile phone industry and our OEM customers, as well as the effects of the COVID-19 pandemic. We are experiencing a recovery in our business in the current Financial Year, and expect that as we continue our diversification into new ODM services and high-growth industries, our revenues will become less dependent on our mobile phone OEM customers and our margins will improve. Despite the revenue challenges in Financial Years 2020 and 2021, our business has generated stable cash flows, and our return on capital employed illustrates the efficiency of our capital allocation across our business. We have a stable working capital cycle, and our working capital position is due to, among other things, careful management of inventory, trade receivables and trade payables, favourable credit terms in our customer contracts which enable us to mitigate the risk of foreign exchange fluctuations, as well as recent changes in tax regulations. We had no outstanding external debt as at 30 September 2021, which provides us with headroom for financial leverage and the ability to improve our Return on Equity. Our financial position and cash flows, together with investment from our Promoters, have enabled us to make sufficient capital expenditure to increase our production capacity, provide us with a highly scalable business model, and diversify into new service areas without having to depend on debt financing, and to also sustain our operations during the COVID-19 pandemic.

FACTORS AFFECTING RESULTS OF OPERATIONS

Our results of operations in Financial years 2019, 2020 and 2021 and the six months ended 30 September 2021 have been, and will in future periods continue to be, affected by the following factors:

Effects of the COVID-19 pandemic on our results of operations

The COVID-19 pandemic contributed to the reduction in our revenue in Financial Year 2020, and materially and adversely affected our results of operations in Financial Year 2021. The COVID-19 outbreak in China in late 2019 and early 2020 resulted in widespread lockdowns across that country, impacting factories, transportation links, and other logistics facilities. As a result, we experienced shortages of some of the key components required for our mobile phone manufacturing business. Starting in early 2020, the COVID-19 outbreak spread to India and caused a nationwide lockdown that resulted in the closure of our factories for the last week of Financial Year 2020. These factors resulted in a reduction in our production of mobile phones in the fourth quarter of Financial Year 2020, which partially contributed to the 22.45% decrease in our revenue from operations to ₹266,355.58 million in Financial Year 2020 from ₹343,453.89 million in Financial Year 2019.

The COVID-19 pandemic resulted in widespread and prolonged lockdowns throughout India for most of Financial Year 2021. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our factories, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. The lockdowns in India and in other countries, specifically China, caused major supply chain disruptions in Financial Year 2021, including shortages of materials, components and other inputs and, to a lesser extent, integrated chipsets. These shortages were exacerbated by the unprecedented demand for smartphones, tablets and personal computers necessitated by home-working and the upsurge in e-commerce, and the large amount of stockpiling of semiconductors and integrated chipsets by OEMs in various sectors. In addition, the nationwide lockdown in India during March and April 2020 resulted in the full closure of our factories in the first six weeks of Financial Year 2021, resulting in no production for that period. We were able to continue operations in our factories during subsequent lockdowns, with special permission from state government authorities as a "continuous process industry". However, social distancing requirements during this period meant that significantly fewer workers were able to come into our factories, which materially reduced our production capacity. These factors resulted in our revenue from operations decreasing by 40.47% to ₹158,548.58 million in Financial Year 2021 from ₹266,355.58 million in Financial Year 2020. Furthermore, for certain periods in Financial Year 2021 when the COVID-19 pandemic was spreading rapidly in India, various state governments restricted e-commerce companies from selling non-essential items (including mobile phones), which significantly impacted mobile phone sales to end customers and consequently, decreased demand from our key OEM customers.

The "second wave" of the COVID-19 pandemic in India started in April 2021 and continued until June 2021. The second wave caused widespread mortality and severely strained healthcare resources across the country. However, the impact of the second wave and subsequent COVID-19 related developments on our business was more limited, with increased vaccination and relaxation in social distancing norms easing operations at our campuses. These factors contributed to the increased volume of operations and sales in the six months ended 30 September 2021, despite the ongoing global shortage of integrated chipsets.

Market position of our key OEM customers in the mobile phone industry

We derive most of our revenue from OEM customers in the mobile phone industry. Our largest customer is Xiaomi, India's largest selling mobile phone OEM, which accounted for 87.81%, 89.05%, 94.24% and 96.13% of our revenue from operations in Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021. Our second largest customer is HMD, which markets and sells Nokia-branded mobile phones and accounted for 11.93%, 5.72%, 5.72% and 3.04% of our revenue in Financial Years 2019, 2020 and 2021 and the six months ended 30 September 2021. The continued growth of India's mobile phone market, and these customers in particular, has had and will continue to have a significant effect on our results of operations and financial condition. Given the relative under-penetration of mobile phones in India compared to several other major economies and the substantial growth in e-commerce and other mobile phone applications, sales of mobile phones in India are expected to grow at a CAGR of 11.5% between Financial Years 2021 and 2026, with smart phone sales expected to grow at a CAGR of 17.3% and feature phones sales at a CAGR of 0.2% for the same period, according to the F&S Report. Given Xiaomi's leadership position in smart phones and HMD's leadership position in feature phones, we expect these key OEM customers to benefit from the expected growth in their respective markets. As their largest EMS provider, we in turn expect to benefit from their growth. However, our revenues from these customers have exhibited a declining trend during the financial years under discussion, with revenues from Xiaomi declining to ₹149,086.78 million in Financial Year 2021 from ₹235,014.92 million in Financial Year 2020 and ₹300,946.54 million in Financial Year 2019, and revenues from HMD declining to ₹9,053.02 million in Financial Year 2021 from ₹15,098.87 million in Financial Year 2020 and ₹40,902.32 million in Financial Year 2019. While the decline in Financial Year 2021 is largely explained by the effects of the COVID-19 pandemic, the decline in Financial Year 2020 was on account of industry and customer factors, as further discussed under "***– Results of Operations – Financial Year Ended 31 March 2020 Compared with Financial Year Ended 31 March 2019***" on page on page 294. Our business from Xiaomi has started recovering in the six months ended 30 September 2021, with revenue from Xiaomi increasing by 62.67% to ₹97,530.63 million in the six months ended 30 September 2021 from ₹59,956.56 million in the six months ended 30 September 2020. Revenue from HMD decreased by 14.94% to ₹3,082.37 million from ₹3,623.78 million in those respective periods. See "***– Results of Operations – Six Months Ended 30 September 2021 Compared with the Six Months Ended 30 September 2020***" on page 290. If these key OEM customers lose market share or otherwise reduce the volume of EMS business they provide us, or change pricing or other contract terms in a manner adverse to us, our revenues and profitability could be negatively impacted. We have commenced business with Neolync (which manufactures Jio-branded smart phones) and are in active negotiations with other mobile phone OEMs, with a view towards diversifying our business in this industry and reducing our revenue dependence on Xiaomi and, to a lesser extent, HMD.

Pricing

For our manufacturing services business, we enter into master framework agreements with our key OEM customers. These agreements include general terms of sale, quality and specification requirements and pricing policy, and typically require the customers to provide indicative rolling forecasts of the quantities of the products required. Based on the master agreement, we reserve manufacturing capacity for the relevant customer. For each new product the customer launches, it issues a tender to us and one or more competing EMS providers, stating the "bill of materials" for the particular product. We bid for the project by quoting a margin over the bill of materials. Upon acceptance of our bid by the OEM customer, we are issued a purchase order containing the specific terms related to pricing and quantities. Our profitability depends on determining the optimal margin for each product we manufacture, which we do by carefully assessing the complexity of the product, variable costs such as the production line, time and labour resources required to manufacture the product, the amount of scrap material we expect to generate, and any PLIs or other incentives that may be available, among others. Pricing under purchase orders is typically subject to re-assessment and, if required, revision, on a quarterly basis. Our profit margins further depend on our ability to manage our variable costs and keep them within the budgeted amounts, and on carefully controlling our fixed costs such as rent and other overheads. For certain early-stage customers, we may adopt alternative pricing strategies so as to de-risk our working capital and cash flows in the early stages of the customer relationship, when the customer's creditworthiness and payment cycles are yet to be established.

As we expand into other service areas, we intend to adopt a pricing approach that is suited to the respective services. For example, we will determine pricing terms for component manufacturing services based on various factors, including the complexity and specifications of the components offered, the cost of raw materials, size of the order, manufacturing costs, desired profitability and prices offered by competitors. Our pricing will also have to account for other costs that we will incur as we diversify our service offerings, for example, royalties payable to licensors such as Qualcomm for their technologies. Pricing for our other services will be along the lines of customary market practice.

Component sourcing and inventory management

Our manufacturing operations rely on the timely purchase of components and other raw materials, and the efficient management of inventory so as to address our OEM customers' time-to-market, volume-to-market and time-to-volume requirements. We mainly source components and other inputs, including PCBs, integrated chipsets, cameras, speakers, displays and mechanics used in our manufacturing operations, from suppliers identified by our OEM customers.

These components and inputs may not always be readily available, and we may not obtain them in a timely manner to meet our production schedules. In Financial Year 2021 and the six months ended 30 September 2021 we have faced a significant shortage of materials, components and other inputs because of global supply shortages, which had a material and adverse effect on our manufacturing operations and revenues in Financial Year 2021. We have also faced shortages in the supply of integrated chipsets, driven by the unprecedented demand for smartphones, tablets and personal computers necessitated by home-working and the upsurge in e-commerce during the COVID-19 pandemic, among other factors. In addition, there has been a significant amount of stockpiling of semiconductors and integrated chipsets by OEMs in various sectors. Integrated chipset shortages have intensified in the current Financial Year. While our relationship with the Foxconn Technology Group has ensured that we have had better access to global supply sources than many of our competitors, our business continues to be dependent on the global integrated chipset supplies stabilising in the near term.

The effect of component shortages is particularly acute when there are significant fluctuations in the demand for our OEM customers' products. Our ability to respond to such demand is dependent on our ability to maintain optimal levels of component inventory. To do so, we frequently need to manage long lead times in inventory sourcing and procurement, and rely on resource planning systems such as our in-house integrated supplier relationship management (SRM) system to coordinate the sourcing, shipment, tracking and delivery schedules for our inventory. See "***Our Business – Supply Chain Management***" on page 171. We generally hold a certain amount of excess inventory of components which allows us to meet unexpected increases in purchase orders. However, we may not have sufficient inventories of finished products or components at any given time to meet sharp increases in our customers' requirements. Moreover, if a customer reduces or cancels orders after we have increased our inventory levels, we may experience problems with excess inventory of components and other supplies and semi-finished goods, which could increase our inventory holding costs. We usually have advance visibility from our customers of the discontinuation of products, enabling us to "ramp down" in a planned manner and manage any end-of-life inventory that may remain (for which we are usually compensated by the customer).

Ability to rapidly "ramp up" and "ramp down" production

Our ability to rapidly "ramp up" and "ramp down" production is a key value proposition that we provide to our OEM customers. Our ramp up capabilities enable us to commence large-scale production of technically complex products on short timeframes. This is particularly important for our mobile phones SBU, the end products of which have a short product lifecycle and where time-to-market and time-to-volume is critical. Equally important is our ability to "ramp down", by rapidly discontinuing production of obsolete products and models and re-configuring the relevant production lines to manufacture new products and models. Our ability to rapidly ramp up and ramp down depends on the flexibility of our manufacturing facilities and processes, and our usage of technology (including our enterprise resource planning system which will be upgraded to SAP HANA and our in-house manufacturing execution system). We manage the utilisation of our manufacturing facilities carefully, by operating three shifts a day, seven days a week, with high utilisation but also maintaining sufficient buffer capacity to ramp up production and address spikes in order volumes. Our results of operations have been, and will continue to be, affected by our ability to fulfil, on a timely basis, the product requirements of our customers, and our ability to achieve greater efficiencies in cost, time, quality and scale in our manufacturing processes.

Diversification into new industries

Since April 2021 we have been expanding our business into industries other than mobile phones, with a focus on high-growth industries that benefit from market tailwinds, including mechanics, electric vehicles, televisions and hearables. Given the significant under-penetration and increasing per capita usage of these products in India, the country's addressable EMS market is expected to grow to US$135 billion by Financial Year 2026 with a CAGR of 30% between Financial Years 2021 and 2026, according to the F&S Report, giving us substantial growth opportunities to diversify into new industries and provide new categories of customers with a broad range of service offerings. We have, within a few months, been successful in obtaining business from market leaders in some of the new industries we are expanding into, as illustrated below:

	Industry	**Finished Products**	**Service Offering**	**Date of First Invoice**	**Revenue in the six months ended 30 September 2021 (₹ million)**
A major global telecom company	Telecom and Networking Products	Base Trans Receiver and Base Band	PCBA	3 June 2021	582.60
boAt	Hearables	True Wireless Stereos / Head Sets	Final Assembly	25 June 2021	24.69
VU	Televisions	Television	Final Assembly	13 August 2021	180.57

	Industry	Finished Products	Service Offering	Date of First Invoice	Revenue in the six months ended 30 September 2021 (₹ million)
Neolync	Mobile Phone	Main Printed Circuit Board Assembly	PCBA	27 August 2021	45.53
Ather Energy	Electric Vehicles	Battery Management System	PCBA	2 July 2021	11.46
		Dashboard	PCBA and Box Build		
		Control Board and Drive Power Board	PCBA and Box Build		
Ola Electric	Electric Vehicles	Battery Management System	PCBA	15 September 2021	1.46
		Vehicle Control Unit	PCBA and Box Build		
		Head Unit	PCBA and Box Build		
ZTE	Telecom and Networking Products	Home Gateways	Final Assembly	N/A	N/A

The success of our entry into these new industries depends on a number of factors, including a sufficient understanding of OEMs in these industries and their end markets, timely and successful product development by us or our OEM customers in those industries, and market acceptance of the products we manufacture and the services we offer. We will also need to market our existing capabilities and service offerings which we are developing to new OEM customers in those industries. We are currently strengthening our R&D efforts, which will help us provide value added services to those customers. Our future results of operations will depend on the growth of those industries, the extent to which OEMs in those industries outsource EMS and ODM functions to external providers, and our ability to generate material order volumes from those OEMs.

Expanding our EMS business into higher margin ODM services and vertically integrating our service portfolio

In addition to our established manufacturing and assembly capabilities, we are building our capabilities to provide a wide range of services across the ODM value chain. We already have the capabilities to provide OEM customers with some component manufacturing and sourcing services, and some logistics services. We are building the capabilities to expand these service offerings and provide product design development and after-sales services. We are aiming to vertically integrate our portfolio of service offerings and provide OEMs with comprehensive solutions that enable us to satisfy their fast time-to-market, time-to-volume and time-to-money demands in a market where product life-cycles are becoming shorter. Vertical integration will also enable us to capture higher margin services in the ODM value chain and benefit from barriers to entry in those higher margin areas. We are undertaking R&D efforts and intend to continue building our R&D teams to provide product design and development and other value-added ODM services, and to keep pace with technological developments. Our future results of operations, and profit margins, will depend on our ability to further develop new service capabilities which meet evolving customers' needs, vertically integrate these capabilities and maintain technological leadership. This will enable us to successfully move up the EMS/ODM value chain and increase our share of the higher margin service offerings that OEM customers require.

Availability of Performance Linked Incentives and other regulatory incentives

Our business benefits from regulatory support such as PLIs under the Government of India's "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign, which seeks to provide a range of PLIs and other benefits for manufacturing in India. The Company has been awarded a PLI for mobile phone manufacturing which provides a revenue subsidy of 4-6% on the incremental revenue from mobile phones priced above ₹15,000. The aggregate maximum potential incentive for the Company under this scheme is ₹60,004 million over the Financial Years 2022 to 2026. In addition, our subsidiary RSHT has been awarded a PLI for (i) IT hardware with aggregate maximum potential incentive of ₹12,450 million over the Financial Years 2022 to 2026 and (ii) telecom and networking products with aggregate maximum potential incentive of ₹4,025 million over the Financial Years 2022 to 2026. These PLIs are reflected as a revenue subsidy in our statement of profit and loss. We also intend to apply for the electric vehicles (components category) and hearables PLI schemes as and when applications are invited.

We are also eligible, and have applied for, the Modified Special Incentive Package Scheme (M-SIPS), which provides a capital subsidy of 20-25% for investment in capital expenditure for mobile phone manufacturing. The maximum potential incentive under this scheme is ₹2,032 million over the Financial Years 2022 to 2026. We also have a capital and revenue subsidy from the government of Andhra Pradesh for investments in that state, where the maximum potential incentive is ₹3,433 million over the Financial Years 2022 to 2026. We are currently awaiting the approval order from the governmentThese incentives are also time-bound. These incentives are subject to various conditions, including meeting certain minimum and cumulative targets, and the amount of incentive we will be able to receive will depend on our ability to meet or exceed those targets and other conditions. Also see "***Risk Factors – Our business and prospects are dependent on the success of the "Make in India" initiatives of the Government of India, including the "Aatmanirbhar Bharat Abhiyaan", or Self-Reliant India, campaign and general economic and political conditions in India.***" on page 47.

The continued availability of these governmental schemes, policies and incentives will be an additional enabler of our growth strategies and results of our operations in future periods. See "***Key Regulations and Policies***" beginning on page 183.

Financing

Our business is capital intensive, requiring us to regularly invest in new production facilities and state-of-the-art equipment and technologies. Our manufacturing facilities also require significant amounts of operational and maintenance expenditure. In addition, we have a work force of over 25,000 which we expect will grow as our business expands. While we have historically been able to finance a material portion of our capital expenditure through equity contributions from our Promoter, this will not be the case once we are a publicly listed company. This means we will have to finance our future growth from internal accruals and external debt financing, which may result in the incurrence of interest expenses and exposure to interest rate risks. Our future results of operations as a listed company will require disciplined capital and liquidity management and access, when required, to external financing sources on acceptable terms. We had no outstanding borrowings as at 30 September 2021, and the absence of debt provides us with headroom for financial leverage and improving our Return on Equity.

Seasonality

Our mobile phone revenues are subject to seasonality. The main festival season in India occurs between late October and January and includes Diwali, Christmas and various regional new year festivals. This is also the bonus season for many businesses, resulting in increased consumer spending and gift-giving. Our OEM customers frequently release new mobile phone products around Diwali and e-commerce companies announce festival schemes and shopping incentives during this period. Our OEM customers typically require us to ramp up production in advance of the festival season, which typically results in increased production and sales from August to October. As we expand into new industries, we will become subject to any seasonal factors affecting business in those industries.

PRINCIPAL INCOME STATEMENT COMPONENTS

Revenue from Operations

Our revenue from operations primarily consists of sale of mobile phones that we manufacture and assemble for our key mobile phone OEM customers, in particular Xiaomi and to a lesser extent, HMD. In Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021, revenue from the sale of mobile phones and components accounted for 99.79%, 99.09%, 99.78% and 99.12% of our revenue from operations in the respective periods.

During the periods under discussion we also had an immaterial amount of other operating revenues, principally comprising sale of raw materials and sale of scrap. In Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021, our other operating revenue accounted for 0.21%, 0.91%, 0.22% and 0.09% of our revenue from operations in the respective periods.

From April 2021 we have been generating revenues from providing EMS and ODM services to customers in industries other than mobile phones, mainly electric vehicles (Ather Energy and Ola Electric), televisions (VU), hearables (boAt) and telecom and networking products (for a major global telecom network customer). Our revenue from products other than mobile phones and components accounted for 0.79% of our revenue from operations in the six months ended 30 September 2021.

Expenses

Our expenses primarily consist of (i) cost of materials consumed; (ii) other expenses, principally comprising loss on foreign currency transactions and translation, contract charges, royalty and travelling and conveyance; (iii) employee benefit expenses and (iv) depreciation and amortization expenses.

Cost of materials consumed represents costs of the materials that are consumed for the manufacture of our products, primarily mobile phones. These materials include PCBs, integrated chipsets, cameras, speakers, enclosures and other components required for the manufacture and assembly of mobile phones. In Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021, cost of materials consumed accounted for 95.98%, 92.60%, 92.31% and 92.49% of our revenue from operations in the respective periods.

In Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021, our other expenses accounted for 4.11%, 2.88%, 3.00% and 2.59% of our revenue from operations in the respective periods. Loss on foreign currency transactions and translation (net) represents loss resulting from the foreign exchange differences between the currencies in which some of our transactions are conducted or some of our assets are denominated and our reporting currency. In Financial Year 2019, 2020 and 2021, loss on foreign currency transactions and translation (net) accounted for 51.05%, 30.24% and 5.94% of our other expenses in the respective periods. In the six months ended 30 September 2021, gain from foreign currency transactions and translation (net) accounted for 3.07% of our other income. Contract charges, which represent the costs of our contract workers, accounted for 18.40%, 33.72%, 35.69% and 43.98% of our other expenses in Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021.

Employee benefit expenses, which primarily include salaries, wages, bonuses and welfare expenses of our full-time employees, accounted for 0.85%, 1.04%, 1.89% and 1.51% of our revenue from operations in Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021.

Depreciation and amortization expenses accounted for 0.47%, 0.85%, 1.38% and 1.33% of our revenue from operations in Financial Year 2019, 2020, 2021 and the six months ended 30 September 2021.

RESULTS OF OPERATIONS

The following table sets forth selected financial data from our Restated Statement of Profit and Loss for Financial Year 2019, 2020, 2021 and the six months ended 30 September 2020 and 2021, the components of which are also expressed as a percentage of total income for such period.

	Six months ended 30 September 2021		Six months ended 30 September 2020		Financial year					
					2021		2020		2019	
Particulars		% of total income (consolidated)		% of total income (standalone)		% of total income (standalone)		% of total income (standalone)		% of total income (standalone)
(₹ in millions, except percentages)										
Income										
Revenue from operations	101,557.92	99.86%	63,945.78	99.48%	158,548.58	99.67%	266,355.58	99.87%	343,453.89	99.86%
Other income	140.43	0.14%	332.85	0.52%	517.99	0.33%	337.68	0.13%	469.84	0.14%
Total income	**101,698.35**	**100.00%**	**64,278.63**	**100.00%**	**159,066.57**	**100.00%**	**266,693.26**	**100.00%**	**343,923.73**	**100.00%**
Expenses										
Cost of materials consumed	93,931.55	92.36%	58,572.67	91.12%	146,350.31	92.01%	246,654.59	92.49%	329,638.27	95.85%
Changes in inventories of finished goods and work-in-progress	1,002.98	0.99%	179.70	0.28%	580.23	0.36%	2,326.42	0.87%	(2,960.05)	(0.86)%
Employee benefits expense	1,531.27	1.51%	1,356.64	2.11%	2,999.82	1.89%	2,757.54	1.03%	2,929.66	0.85%
Finance costs	52.64	0.05%	170.24	0.26%	236.11	0.15%	281.26	0.11%	689.55	0.20%
Depreciation and	1,351.05	1.33%	1,107.48	1.72%	2,186.15	1.37%	2,255.44	0.85%	1,624.35	0.47%

Particulars	Six months ended 30 September 2021		Six months ended 30 September 2020		Financial year 2021		Financial year 2020		Financial year 2019	
		% of total income (consolidated)		% of total income (standalone)		% of total income (standalone)		% of total income (standalone)		% of total income (standalone)
amortization expense										
Other expenses	2,633.78	2.59%	2,043.55	3.18%	4,748.90	2.99%	7,684.27	2.88%	14,115.20	4.10%
Total expenses	**100,503.27**	**98.82%**	**63,430.28**	**98.68%**	**157,101.52**	**98.76%**	**261,959.52**	**98.23%**	**346,036.98**	**100.61%**
Restated/ Profit/ (loss) before tax	**1,195.08**	**1.18%**	**848.35**	**1.32%**	**1,965.05**	**1.24%**	**4,733.74**	**1.77%**	**(2,113.25)**	**(0.61)%**
Tax expense										
Current tax	467.35	0.46%	305.90	0.48%	708.58	0.45%	1,026.62	0.38%	-	0.00%
Adjustment of Current Tax Relating to Earlier Years	-	0.00%	(57.34)	(0.09)%	(57.34)	(0.04)%	-	0.00%	-	0.00%
Deferred tax	(163.98)	(0.16)%	(282.08)	(0.44)%	(305.34)	(0.19)%	(190.01)	(0.07)%	115.46	0.03%
Total tax expense	**303.37**	**0.30%**	**(33.52)**	**(0.05)%**	**345.90**	**0.22%**	**836.61**	**0.31%**	**115.46**	0.03%
Restated/ Profit/ (loss) for the year/ period	**891.71**	**0.88%**	**881.87**	**1.37%**	**1,619.15**	**1.02%**	**3,897.13**	**1.46%**	**(2,228.71)**	**(0.65)%**

Six Months Ended 30 September 2021 Compared with the Six Months Ended 30 September 2020

Our business and results of operations recovered in the six months ended 30 September 2021 on account of the following:

- rebound in revenues of the mobile phones SBU, led by increased business from, and our increased wallet share with, Xiaomi;
- partial stabilisation of the supply chain shortages we faced in Financial Year 2021 by leveraging the supply chain relationships of the Foxconn Technology Group and building up inventories of components and other inputs that face supply shortages globally, despite the continuing shortage of integrated chipsets; and
- partial stabilisation in workforce availability and attendance at factories on account of established COVID-19 protocols and procedures, despite the disruptions caused by the COVID-19 "second wave" in India.

In addition, in the six months ended 30 September 2021 we generated revenues from the electric vehicles, televisions, hearables and telecom and networking products SBUs. These are new businesses that we commenced in the current Financial Year.

Revenue from operations

Our revenue from operations increased by 58.82% to ₹101,557.92 million in the six months ended 30 September 2021 from ₹63,945.78 million in the six months ended 30 September 2020, primarily due to a 62.67% increase in revenue from Xiaomi to ₹97,530.63 million from ₹59,956.56 million in the respective periods on account of winning orders for new 5G enabled mobile phone models and demonstrating greater stability in our supply chain compared to competing EMS providers. Revenue from HMD decreased by 14.94% to ₹3,082.37 million from ₹3,623.78 million, on account of lower pricing for their feature phones.

Our revenue from the sale of smart phones increased by 62.67% to ₹97,530.63 million in the six months ended 30 September 2021 from ₹59,956.56 million in the six months ended 30 September 2020. We sold 11 million smart phones in the six months ended 30 September 2021, as compared to 6.20 million in the six months ended 30 September 2020, representing a 71.13% increase, on account of increased production and ability to meet customer demand owing to the partial stabilisation of our business as mentioned above and despite the continuing shortage of integrated chipsets. Our revenue from the sale of feature phones decreased by 14.94% to ₹3,082.37 million in the six months ended 30 September 2021 from ₹3,623.78 million in the six months ended 30 September 2020. We sold 4.31 million feature phones in the six months ended 30 September 2021, which was marginally lower than the 4.44 million units we sold in the six months ended 30 September 2020, and the average selling price of our feature phones decreased by 12.10% to ₹715.08 in the six months ended 30 September 2021 from ₹813.51 in the six months ended 30 September 2020, reflecting impact of changes in the model mix.

As a result of the above factors, our revenue from the sale of mobile phones and components increased by 58.06% to ₹100,661.34 million in the six months ended 30 September 2021 from ₹63,685.03 million in the six months ended 30 September 2020.

In addition, in the six months ended 30 September 2021 we generated revenue from the sale of products other than mobile phones and components of ₹800.77 million. This represented revenue from the electric vehicles, televisions, hearables and telecom and networking products SBUs, which are new industries where we have been able to onboard new OEM customers/brands such as Ather Energy, Ola Electric, VU, boAt and a major global telecom network customer within a short period.

Our other operating revenue decreased to ₹95.81 million in the six months ended 30 September 2021 from ₹260.75 million in the six months ended 30 September 2020, mostly reflecting the sale of raw material pertaining to smart phone models discontinued by customers.

Expenses

Our total expenses increased by 58.45% to ₹100,503.27 million in the six months ended 30 September 2021 from ₹63,430.28 million in the six months ended 30 September 2020, principally in connection with increases in the cost of materials consumed and other expenses.

Cost of materials consumed

Our cost of materials consumed increased by 60.37% to ₹93,931.55 million in the six months ended 30 September 2021 from ₹58,572.67 million in the six months ended 30 September 2020. The increase was on account of the recovery in business from mobile phone OEMs, principally Xiaomi, resulting in a rebound in our manufacturing operations and the corresponding increase in the purchase of components and other inputs. As a percentage of revenue from operations, cost of materials increased to 92.49% in the six months ended 30 September 2021 from 91.60% in the six months ended 30 September 2020, reflecting the change in our product mix proportion between feature phones and smart phones.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress increased by 458.13% to ₹1,002.98 million in the six months ended 30 September 2021 from ₹179.70 million in the six months ended 30 September 2020. The increase was on account of the build-up of work-in-progress inventory due to the shortage of critical components and disruption of e-commerce affecting finished goods supply in the six months ended 30 September 2020. . As a percentage of revenue from operations, changes in inventories of finished goods and work-in-progress increased to 0.99% in the six months ended 30 September 2021 from 0.28% in the six months ended 30 September 2020, reflecting the increase in revenue.

Finance costs

Our finance costs decreased by 69.08% to ₹52.64 million in the six months ended 30 September 2021 from ₹170.24 million in the six months ended 30 September 2020. The decrease was on account of the fact that in the six months ended 30 September 2021 we had finance costs on buyer's credit facilities and interest paid on advance tax. As a percentage of revenue from operations, finance costs decreased to 0.05% in the six months ended 30 September 2021 from 0.27% in the six months ended 30 September 2020, on account of the increase in revenue from operations.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 21.99% to ₹1,351.05 million in the six months ended 30 September 2021 from ₹1,107.48 million in the six months ended 30 September 2020. The increase was mainly on account of our investment in the feature phone mechanics business from December 2020. As a percentage of revenue from operations, depreciation and amortization expense decreased to 1.33% in the six months ended 30 September 2021 from 1.73% in the six months ended 30 September 2020, on account of the increase in revenue from operations.

Other expenses

Our other expenses increased by 28.88% to ₹2,633.78 million in the six months ended 30 September 2021 from ₹2,043.55 million in the six months ended 30 September 2020, primarily as a result of increased contract charges and operational expenses attributable to the increase in business. Contract charges are variable in nature and are in proportion to production volume. Our production levels increased by 40% to 14.92 million units in the six months ended September 2021 compared to 10.64 million units in the six months ended September 2020.

Employee benefit expenses

Our employee benefit expenses increased by 12.87% to ₹1,531.27 million in the six months ended 30 September 2021 from ₹1,356.64 million in the six months ended 30 September 2020. This increase was in line with the growth in our business and also reflected our regular annual increments for our employees.

Profit before tax

As a result of the foregoing factors, our profit before tax increased by 40.87% to ₹1,195.08 million in the six months ended 30 September 2021 from ₹848.35 million in the six months ended 30 September 2020.

Tax expense

Our tax expense increased to ₹303.37 million in the six months ended 30 September 2021 from ₹(33.52) million in the six months ended 30 September 2020, due to adjustment of MAT credit amounting to ₹264.56 million in the six months ended 30 September 2020. Our effective tax rate in the six months ended 30 September 2021 was 25.39%, compared to (3.95%) in the six months ended 30 September 2020.

Profit for the period

Our profit for the period increased by 1.12% to ₹891.71 million in the six months ended 30 September 2021 from ₹881.87 million in the six months ended 30 September 2020, principally in connection with the increase in our revenue in the six months ended 30 September 2021, which was largely attributable to increased business for our mobile phones SBU.

Financial Year Ended 31 March 2021 Compared with Financial Year Ended 31 March 2020

Revenue from operations

Our revenue from operations decreased by 40.47% to ₹158,548.58 million in Financial Year 2021 from ₹266,355.58 million in Financial Year 2020, primarily due to the COVID-19 pandemic which significantly impacted our production and, for certain periods, demand from our key OEM customers.

The COVID-19 pandemic resulted in widespread and prolonged lockdowns throughout India for most of Financial Year 2021. As a consequence of these lockdowns, our supply chain was disrupted, large parts of our workforce were unable to attend work at our factories, and social distancing requirements imposed further restrictions on the number of people who could work in our production lines. The lockdowns in India and in other countries, specifically China, caused major supply chain disruptions in Financial Year 2021, including shortages of materials, components and other inputs and, to a lesser extent, integrated chipsets. These shortages were exacerbated by the unprecedented demand for smartphones, tablets and personal computers necessitated by home-working and the upsurge in e-commerce, and the large amount of stockpiling of semiconductors and integrated chipsets by OEMs in various sectors. In addition, the nationwide lockdown in India during March and April 2020 resulted in the full closure of our factories for the first six weeks of Financial Year 2021, resulting in no production for that period. We were able to continue operating our factories during the next major lockdown, with special permission from state government authorities as a "continuous process industry". However, social distancing requirements during this period meant that significantly fewer workers were able to come into our factories, which materially reduced our production capacity.

These factors significantly impacted our ability to manufacture our products in Financial year 2021. Specifically, our PCB assembly volume decreased by 21.7% to 27.10 million units in Financial Year 2021 from 34.16 million units in Financial Year 2020, and our final phone assembly volume decreased by 29.2% to 28.13 million units in Financial Year 2021 from 39.75 million units in Financial Year 2020. Furthermore, for certain periods in Financial Year 2021 when the COVID-19 pandemic was spreading rapidly in India, various state governments banned e-commerce companies from selling non-essential items (including mobile phones), which significantly impacted the demand from our key OEM customers. In addition, OEM customers such as Xiaomi diversified their EMS networks so as to de-risk their supply chain during the COVID-19 pandemic, resulting in a lower share of their business for us. On account of the increase in our operational costs during the pandemic, we bid for new projects conservatively so as to protect our margins, further affecting the volume of new business.

Our revenue from the sale of smart phones decreased by 41.40% to ₹149,144.18 million in Financial Year 2021 from ₹254,510.31 million in Financial Year 2020. We sold 16.27 million smart phones in Financial Year 2021, as compared to 28.17 million in Financial Year 2020, representing a 42.2% decrease, on account of the diversification by Xiaomi of its EMS providers. Our revenue from the sale of feature phones decreased slightly by 3.81% to ₹9,053.02 million in Financial Year 2021 from ₹9,411.88 million in Financial Year 2020. Even though we sold 11.85 million feature phones in Financial Year 2021, which was slightly more than the 11.58 million units we sold in Financial Year 2020, the average selling price of our feature phones decreased by 6.06% to ₹763.65 in Financial Year 2021 from ₹812.94 in Financial Year 2020, reflecting the declining price of mass-market feature phones.

As a result of the above factors, our revenue from sale of mobile phones and components decreased by 40.06% to ₹158,197.20 million in Financial Year 2021 from ₹263,922.19 million in Financial Year 2020.

Our other operating revenue decreased significantly to ₹351.38 million in Financial Year 2021 from ₹2,433.39 million in Financial Year 2020, mostly reflecting the decrease in sale of raw materials. We sold a large amount of excess raw materials in Financial Year 2020 since we experienced an unexpected decrease in demand from HMD in that year.

Expenses

Our total expenses decreased by 40.03% to ₹157,101.52 million in Financial Year 2021 from ₹261,959.52 million in Financial Year 2020, principally in connection with decreases in cost of materials consumed and other expenses, which were partially offset by a slight increase in employee benefit expenses.

Cost of materials consumed

Our cost of materials consumed decreased by 40.67% to ₹146,350.31 million in Financial Year 2021 from ₹246,654.59 million in Financial Year 2020. The decrease was on account of the lower volume of components and raw materials consumed, given the supply constraints discussed above, and was in line with the decrease in our manufacturing activities in Financial Year 2021. As a percentage of revenue from operations, cost of materials decreased to 92.31% in Financial Year 2021 from 92.60% in Financial year 2020, reflecting the change in our product mix.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress decreased by 75.06% to ₹580.23 million in Financial Year 2021 from ₹2,326.42 million in Financial Year 2020. The decrease was on account of the build-up of work-in-progress inventory due to the shortage of critical components and supply chain disruptions on account of COVID-19 related lockdowns. As a percentage of revenue from operations, changes in inventories of finished goods and work-in-progress decreased to 0.37% in Financial Year 2021 from 0.87% in Financial Year 2020, reflecting higher inventory levels due to production and supply chain disruptions.

Finance costs

Our finance costs decreased by 16.05% to ₹236.11 million in Financial Year 2021 from ₹281.26 million in Financial Year 2020. The decrease was on account of the fact that in Financial Year 2021 we had finance costs on buyer's credit facilities and interest paid on advance tax. As a percentage of revenue from operations, finance costs increased to 0.15% in Financial Year 2021 from 0.11% in Financial Year 2020.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 3.07% to ₹2,186.15 million in Financial Year 2021 from ₹2,255.44 million in Financial Year 2020. The decrease is due to the movement in property plant and equipment which is in line with the method of depreciation adopted. As a percentage of revenue from operations, depreciation and amortization expense increased to 1.38% in Financial Year 2021 from 0.85% in Financial Year 2020, reflecting the decrease in revenue due to COVID-19 related effects, including supply chain disruptions.

Other expenses

Our other expenses decreased by 38.20% to ₹4,748.90 million in Financial Year 2021 from ₹7,684.27 million in Financial Year 2020, primarily as a result of the decrease in loss on foreign currency transactions and translation.

This was on account of a change in the way we invoice material costs to our largest OEM customer – after September 2019. Until that time we bore foreign currency risk for the payment period and thereafter we agreed with the customer to fix the exchange rate of Indian Rupees against the US Dollar (which is the currency in which the import costs of those materials are largely denominated) as at the date of import, which effectively results in the counterparty bearing the foreign currency risk over the payment period. We also maintained control over our overhead costs during these periods by imposing a cost reduction programme across our business, including by reducing dormitory and transportation costs during the COVID-19 pandemic.

Employee benefit expenses

Our employee benefit expenses increased by 8.79% to ₹2,999.82 million in Financial Year 2021 from ₹2,757.54 million in Financial Year 2020, mostly due to customary salary increments, which we continued despite the manufacturing challenges posed by the COVID-19 pandemic.

Profit before tax

As a result of the foregoing factors, our profit before tax decreased by 58.49% to ₹1,965.05 million in Financial Year 2021 from ₹4,733.74 million in Financial Year 2020.

Tax expense

Our tax expense decreased by 58.65% to ₹345.90 million in Financial Year 2021 from ₹836.61 million in Financial Year 2020, which was in line with our decrease in profit before tax. Our effective tax rate came down from 17.67% to 17.60%.

Profit for the year

Our profit for the year decreased by 58.45% to ₹1,619.15 million in Financial Year 2021 from ₹3,897.13 million in Financial Year 2020, principally in connection with the decrease in our revenue in Financial Year 2021, which was largely attributable to lower production volumes on account of the COVID-19 pandemic.

Financial Year Ended 31 March 2020 Compared with Financial Year Ended 31 March 2019

Revenue from operations

Our revenue from operations decreased by 22.45% to ₹266,355.58 million in Financial Year 2020 from ₹343,453.89 million in Financial Year 2019. Sales volume and revenue declined because of lower mobile phone sales, as a consequence of Xiaomi diversifying its EMS provider base consistent with the practice of OEMs globally, which resulted in a lower volume of orders to us during the year, and HMD discontinuing sales of smart phones and experiencing lower sales volume for its feature phones. The COVID-19 outbreak in China in late 2019 and early 2020 resulted in widespread lockdowns across that country, impacting factories, transportation links, and other logistics facilities. As a result, we experienced shortages of some of the key components required for our mobile phone manufacturing business. Starting in early 2020 the COVID-19 outbreak spread to India, causing a nationwide lockdown that resulted in the closure of our factories for the last week of Financial Year 2020. These factors resulted in a reduction in our production of mobile phones in the fourth quarter of Financial Year 2020, which partially contributed to the decrease in our revenue from sale of mobile phones and components by 23.00% to ₹263,922.19 million in Financial Year 2020 from ₹342,743.66 million in Financial Year 2019.

Our revenue from the sale of smart phones decreased by 23.00% to ₹254,510.31 million in Financial Year 2020 from ₹330,551.80 million in Financial Year 2019. Sales volume and revenue declined because of lower mobile phone sales, as a consequence of Xiaomi diversifying its EMS provider base consistent with the practice of OEMs globally, which resulted in a lower volume of orders to us during the year. One of our major OEM customers, HMD, discontinued certain smart phone models in Financial Year 2020, which reduced its demand for smart phones. This, together with the supply chain disruptions in India, reduced our final phone assembly amount to 39.75 million in Financial Year 2020, as compared to 49.67 million in Financial Year 2019, representing a 19.98% decrease. This in turn impacted the number of smart phones we sold, which decreased by 23.31% to 28.17 million in Financial Year 2020 from 36.73 million in Financial Year 2019.

Our revenue from the sale of feature phones decreased by 22.80% to ₹9,411.88 million in Financial Year 2020 from ₹12,191.86 million in Financial Year 2019. This was on account of the change in our model mix, lower average selling price and lower number of feature phones sold. We sold 11.58 million feature phones in Financial Year 2020, as compared to 12.94 million in Financial Year 2019, representing a 10.51% decrease.

The decrease in revenue from sale of mobile phones was partially offset by an increase in other operating revenues in Financial Year 2020. Specifically, revenue from sale of raw materials increased by 340.15% from ₹499.80 million in Financial Year 2019 to ₹2,199.86 million in Financial Year 2020, because we sold the excess raw materials that we had due to the unexpected decrease in demand from HMD.

Expenses

Our total expenses decreased by 24.30% to ₹261,959.52 million in Financial Year 2020 from ₹346,036.98 million in Financial Year 2019, principally in connection with the decrease in cost of materials consumed.

Cost of materials consumed

Our cost of materials consumed decreased by 25.17% to ₹246,654.59 million in Financial Year 2020 from ₹329,638.27 million in Financial Year 2019, in line with the decrease in our revenue from sale of products (mobile phones) in the same year. As a percentage of revenue from operations, cost of materials decreased to 92.60% in Financial Year 2020 from 95.98% in Financial year 2019, reflecting change in the product mix.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress increased by 178.59% to ₹2,326.42 million in Financial Year 2020 from ₹(2,960.05) million in Financial Year 2019. The increase was on account of planned production levels, and were in line with our revenue from operations. As a percentage of revenue from operations, changes in inventories of finished goods and work-in-progress increased to 0.87% in Financial Year 2020 from (0.86%) in Financial Year 2019, in line with the change in revenue from operations.

Finance costs

Our finance costs decreased by 59.21% to ₹281.26 million in Financial Year 2020 from ₹689.55 million in Financial Year 2019. The decrease was on account of buyer's credit. As a percentage of revenue from operations, finance costs decreased to 0.11% in Financial Year 2020 from 0.20% in Financial Year 2019, on account of the decrease in revenue from operations.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 38.85% to ₹2,255.44 million in Financial Year 2020 from ₹1,624.35 million in Financial Year 2019. The increase was on account of capitalisation of a PCBA facility amounting to approximately ₹3,089 million and other additions to final assembly capacity. As a percentage of revenue from operations, depreciation and amortization expense increased to 0.85% in Financial Year 2020 from 0.47% in Financial Year 2019, on account of the decrease in revenue from operations and increased capitalisation.

Other expenses

Our other expenses decreased by 45.56% to ₹7,684.27 million in Financial Year 2020 from ₹14,115.20 million in Financial Year 2019, mainly due to the decrease in loss on foreign currency transactions and translation. This was on account of a change in the way we invoice material costs to our largest OEM customer – after September 2019, we bore foreign currency risk for the payment period and thereafter we agreed with the customer to fix the exchange rate of Indian Rupees against the US Dollar (which is the currency in which the import costs of those materials are largely denominated) as at the date of import, which effectively results in the counterparty bearing the foreign currency risk over the payment period. Royalty expenses reduced due to the discontinuance of smart phone models by certain major customers where the contractual obligation to pay royalty existed in the past. In addition, in Financial Year 2020 we commenced a cost stabilization programme with a view to reducing non-productive overheads. Among other things, we closed a plant in Mumbai that had been commissioned in anticipation of a customer order that did not materialize. These measures offset the increases in overhead costs arising from the commencement of our mechanics business in Financial Year 2020.

Employee benefit expenses

Our employee benefit expenses decreased slightly by 5.88% to ₹2,757.54 million in Financial Year 2020 from ₹2,929.66 million in Financial Year 2019, in line with the decrease in our overall employee headcount in the same year.

Profit before tax

As a result of the foregoing factors, we recognized our profit before tax of ₹4,733.74 million in Financial Year 2020, as compared to loss before tax of ₹2,113.25 million in Financial Year 2019.

Tax expense

Our tax expense increased by 624.59% to ₹836.61 million in Financial Year 2020 from ₹115.46 million in Financial Year 2019, principally as a result of the loss incurred in Financial Year 2019.

Profit for the year

Our profit for the year increased by 274.86% to ₹3,897.13 million in Financial Year 2020 from a loss of ₹2,228.71 million in Financial Year 2019, primarily in connection with the decrease in cost of materials consumed and other expenses, which more than offset our revenue decrease in the same year.

NON-GAAP MEASURES

To supplement our Restated Financial Information, which is prepared and presented in accordance with Ind AS, we use EBIT, EBITDA, EBIT Margin, PBT Margin, PAT Margin and EBITDA Margin as non-GAAP measures to review and assess our business performance. We believe that these non-GAAP measures facilitate comparison of our operating performance from period to period by eliminating the potential impact of items that we do not consider to be indicative of our operating performance. We believe that these measures provide useful information to better understand and evaluate our results of operations.

These non-GAAP measures are not defined under or presented in accordance with Ind AS. Our presentation of these non-GAAP measures may not be comparable to similarly titled measures presented by other companies. The use of these non-GAAP measures has limitations as an analytical tool, and as such, they should not be considered in isolation from, or as substitute for an analysis of, our Restated Financial Information.

The following table defines our non-GAAP measures:

Non-GAAP measure	Definition
EBIT	Restated profit/ (loss) for the year/period plus tax expense and finance costs less other income
EBITDA	EBIT plus depreciation and amortisation expenses
EBIT Margin	EBIT divided by revenue from operations
EBITDA margin	EBITDA divided by revenue from operations
PBT Margin	Restated profit /(loss) before tax divided by revenue from operations
PAT Margin	Restated profit/ (loss) for the year/period divided by revenue from operations

The following table reconciles the Non GAAP measures to GAAP measures.

Particulars		Formula	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year		
					2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Restated Profit/(Loss) For The Year/ Period	**A**		**891.71**	**881.87**	**1,619.15**	**3,897.13**	**-2,228.71**
Tax expense	B		303.37	-33.52	345.90	836.61	115.46
Restated Profit/(Loss) before tax	**C**	**(C = A + B)**	**1,195.08**	**848.35**	**1,965.05**	**4,733.74**	**-2,113.25**
Finance costs	D		52.64	170.24	236.11	281.26	689.55
Other income	E		140.43	332.85	517.99	337.68	469.84
EBIT	**F**	**(F = C + D - E)**	**1,107.29**	**685.74**	**1,683.17**	**4,677.32**	**-1,893.54**
Depreciation and amortisation expense	G		1,351.05	1,107.48	2,186.15	2,255.44	1,624.35
EBITDA	**H**	**(H = F + G)**	**2,458.34**	**1,793.22**	**3,869.32**	**6,932.76**	**-269.19**
Revenue from operations	I		1,01,557.92	63,945.78	1,58,548.58	2,66,355.58	3,43,453.89
PAT Margin	**J**	**(J = A / I)**	**0.88%**	**1.38%**	**1.02%**	**1.46%**	**-0.65%**
PBT Margin	**K**	**(K = C / I)**	**1.18%**	**1.33%**	**1.24%**	**1.78%**	**-0.62%**
EBIT Margin	**L**	**(L = F / I)**	**1.09%**	**1.07%**	**1.06%**	**1.76%**	**-0.55%**
EBITDA Margin	**M**	**(M = H / I)**	**2.42%**	**2.80%**	**2.44%**	**2.60%**	**-0.08%**

EBIT and EBIT Margin

EBIT increased from negative ₹1,893.54 million in Financial year 2019 to ₹4,677.32 million in Financial Year 2020, reflecting the decrease in foreign currency translation losses for the reasons discussed above and declined to ₹1,683.17 million in Financial Year 2021, reflecting the reduction in revenues and increase in variable costs on account of COVID-19 related safety protocols. EBIT Margin increased from negative 0.55% in Financial Year 2019 to 1.76% in Financial Year 2020 and declined to 1.06% in Financial Year 2021, for the reasons above.

EBITDA and EBITDA Margin

EBITDA increased from negative ₹269.19 million in Financial Year 2019 to ₹6,932.76 million in Financial Year 2020, reflecting the decrease in foreign currency translation losses for the reasons discussed above, and declined to ₹3,869.32 million in Financial Year 2021, reflecting the reduced revenues for the year and increase in variable costs on account of COVID-19 related safety protocols; however, we continued to benefit from low foreign exchange translation losses and interest costs during Financial Year 2021. EBITDA Margin increased from negative 0.08% in Financial Year 2019 to 2.60% in Financial Year 2020 on account of the customer arrangement resulting in substantially reducing our foreign currency exposure as discussed above, and decreased to 2.44% in Financial Year 2021, on account of COVID-19 related expenses and increase in variable costs due to global raw material shortages.

CAPITAL ALLOCATION

We also use Return on Capital Employed (ROCE), Capital Employed Turnover Ratio (CETR) and Fixed Asset Turnover Ratio (FATR) as non-GAAP measures to review and assess the efficiency of our capital allocation and utilisation across our business.

Return on Capital Employed (RoCE %)

We define Return on Capital Employed (RoCE) as EBIT divided by Average Capital Employed. Average Capital Employed is calculated as tangible net worth (tangible net worth is total assets reduced by right of use assets, deferred tax assets (net) and total liabilities excluding lease liabilities) plus average net debt (net debt is current borrowings less cash and cash equivalents), based on average of the period beginning and period ending balance . Our ROCE was (12.33)%, 26.55% and 9.72% in Financial Years 2019, 2020 and 2021 and 3.31% and 7.68% in the six months ended 30 September 2020 and 2021. Our ROCE for Financial Year 2019 was negative because of our negative EBIT in that year. Our ROCE increased from Financial Year 2019 to Financial Year 2020 because of additional capital infusion amounting to ₹7,150 million in the third quarter of Financial Year 2020. Our ROCE declined from Financial Year 2020 to Financial Year 2021 because of lower EBIT in the latter period on account of the COVID-19 pandemic and the other reasons discussed above.

The calculation for ROCE is set forth below:

Particulars		Formula	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year		
					2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Restated Profit/ (Loss) before tax	A		1,195.08	848.35	1,965.05	4,733.74	-2,113.25
Finance costs	B		52.64	170.24	236.11	281.26	689.55
Other income	C		140.43	332.85	517.99	337.68	469.84
EBIT	**D**	**(D = A + B - C)**	**1,107.29**	**685.74**	**1,683.17**	**4,677.32**	**-1,893.54**
Total Assets	E		87,132.01	89,713.89	87,120.91	86,231.52	88,999.15
Right of use assets	F		538.39	597.12	582.00	531.42	686.54
Deferred tax assets (net)	G		393.00	206.26	230.48	189.89	-
Tangible assets	H	(H = E - F - G)	86,200.62	88,910.51	86,308.43	85,510.21	88,312.61
Total Liabilities	I		57,877.09	62,089.79	58,763.56	59,492.74	73,321.16
Lease Liabilities (Current)	J		91.10	45.15	94.17	99.95	299.77
Lease Liabilities (Non-current)	K		480.65	575.63	517.23	449.96	429.36
Net Liabilities	L	(L = I - J - K)	57,305.34	61,469.01	58,152.16	58,942.83	72,592.03
Tangible Net Worth	M	(M = H - L)	28,895.29	27,441.50	28,156.27	26,567.38	15,720.58
Borrowings (current)	N		-	1,178.56	-	-	10,662.01

Particulars		Formula	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year		
					2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Cash and cash equivalents	O		19,595.33	2,295.93	8,612.82	11,463.46	6,251.51
Net Debt	P	(P = N - O)	-19,595.33	-1,117.37	-8,612.82	-11,463.46	4,410.50
Capital Employed	Q	(Q = M + P)	9,299.96	26,324.14	19,543.46	15,103.92	20,131.08
Average Capital Employed	**R**	**(R = (Opening Q + Closing Q) / 2)**	**14,421.71**	**20,714.03**	**17,323.69**	**17,617.50**	**15,355.11**
RoCE %	**S**	**(S = D / R)**	**7.68%**	**3.31%**	**9.72%**	**26.55%**	**-12.33%**

Capital Employed Turnover Ratio

We define Capital Employed Turnover Ratio (CETR) as revenue from operations divided by Average Capital Employed. Average Capital Employed is calculated as tangible net worth (tangible net worth is total assets reduced by right of use assets, deferred tax assets (net) and total liabilities excluding lease liabilities) plus average net debt (average net debt is current borrowings less cash and cash equivalents), based on average of the period beginning and period ending balance. Our CETR was 22.37, 15.12 and 9.15 in Financial Years 2019, 2020 and 2021 and 3.09 and 7.04 (without annualising) in the six months ended 30 September 2020 and 2021.

The calculation for CETR is set forth below:

Particulars		Formula	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year		
					2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Total Assets	A		87,132.01	89,713.89	87,120.91	86,231.52	88,999.15
Right of use assets	B		538.39	597.12	582.00	531.42	686.54
Deferred tax assets (net)	C		393.00	206.26	230.48	189.89	-
Tangible assets	D	(D = A - B - C)	86,200.62	88,910.51	86,308.43	85,510.21	88,312.61
Total Liabilities	E		57,877.09	62,089.79	58,763.56	59,492.74	73,321.16
Lease Liabilities (Current)	F		91.10	45.15	94.17	99.95	299.77
Lease Liabilities (Non-current)	G		480.65	575.63	517.23	449.96	429.36
Net Liabilities	H	(H = E - F - G)	57,305.34	61,469.01	58,152.16	58,942.83	72,592.03
Tangible Net Worth	I	(I = D - H)	28,895.29	27,441.50	28,156.27	26,567.38	15,720.58
Borrowings (current)	J		-	1,178.56	-	-	10,662.01
Cash and cash equivalents	K		19,595.33	2,295.93	8,612.82	11,463.46	6,251.51
Net Debt	L	(L = J - K)	-19,595.33	-1,117.37	-8,612.82	-11,463.46	4,410.50
Capital Employed	M	(M = I + L)	9,299.96	26,324.14	19,543.46	15,103.92	20,131.08
Average Capital Employed	**N**	**(N = (Opening M + Closing M) / 2)**	**14,421.71**	**20,714.03**	**17,323.69**	**17,617.50**	**15,355.11**
Revenue from operations	**O**		**1,01,557.92**	**63,945.78**	**1,58,548.58**	**2,66,355.58**	**3,43,453.89**
Capital employed turnover ratio	**P**	**(P = O / N)**	**7.04**	**3.09**	**9.15**	**15.12**	**22.37**

Fixed Asset Turnover Ratio

We define Fixed Asset Turnover Ratio (FATR) as Revenue from Operations divided by Average Property, Plant and Equipment (based on the average of the period beginning and period ending amounts). Our FATR was 62.17 36.71 and 21.61 in Financial Years 2019, 2020 and 2021 and 9.12 and 13.97 (without annualising) in the six months ended 30 September 2020 and 2021.

The calculation for FATR is set forth below:

Particulars		Formula	Six months ended 30 September 2021 (Consolidated)	Six months ended 30 September 2020 (Standalone)	Financial Year 2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
Revenue from operations	**A**		**1,01,557.92**	**63,945.78**	**1,58,548.58**	**2,66,355.58**	**3,43,453.89**
Property, plant and equipment	B		6,993.71	6,896.08	7,543.47	7,127.15	7,384.53
Average Property, plant and equipment	**C**	**(C = (Opening B + Closing B) / 2)**	**7,268.59**	**7,011.62**	**7,335.31**	**7,255.84**	**5,524.62**
Fixed Asset Turnover Ratio	**D**	**(D = A / C)**	**13.97**	**9.12**	**21.61**	**36.71**	**62.17**

DISCUSSION OF KEY BALANCE SHEET ITEMS

The table below sets forth certain key balance sheet items as at the dates indicated:

	As at 30 September 2021 (Consolidated)	As at 31 March 2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
		(₹ in millions, except percentages)		
Non-Current Assets				
Property, plant and equipment	6,993.71	7,543.47	7,127.15	7,384.53
Current Assets				
Inventories	18,132.08	24,760.40	21,897.88	30,963.99
Financial assets				
Trade receivables	33,421.92	36,087.64	37,689.30	35,930.48
Current liabilities				
Trade payables	51,770.83	52,436.95	56,436.62	58,605.71

Property, Plant and Equipment

Our property, plant and equipment decreased by 7.29% to ₹6,993.71 million as at 30 September 2021 from ₹7,543.47 million as at 31 March 2021, reflecting additions amounting to ₹677.92 million in the normal course of business and depreciation charged during the period amounting to ₹1,192.20 million. Our property, plant and equipment increased by 5.84% to ₹7,543.47 million as at 31 March 2021 from ₹7,127.15 million as at 31 March 2020, reflecting our investments in plant and equipment for our manufacturing and assembly operations as well as the construction of a new building in Financial Year 2021 for the final assembly of mobile phones. Our property, plant and equipment decreased by 3.49% to ₹7,127.15 million as at 31 March 2020 from ₹7,384.53 million as at 31 March 2019 since the Company closed a plant in Mumbai as part of our cost stabilization program.

Inventories

Our inventories decreased by 26.77% to ₹18,132.08 million as at 30 September 2021 from ₹24,760.40 million as at 31 March 2021, reflecting measures we took to streamline our inventory and the partial easing up of global input shortages. Our inventories increased by 13.07% to ₹24,760.40 million as at 31 March 2021 from ₹21,897.90 million as at 31 March 2020, as a result of building additional inventory to mitigate future disruption from supply chain shortages for integrated chipsets. Our inventories decreased by 29.28% to ₹21,897.88 million as at 31 March 2020 from ₹30,963.99 million as at 31 March 2019, reflecting the decrease in revenue between Financial Year 2019 and Financial Year 2020.

Trade Receivables

Our trade receivables decreased by 7.39% to ₹33,421.92 million as at 30 September 2021 from ₹36,087.64 million as at 31 March 2021, reflecting the improvement in the credit period which reduced from 85 days in 31 March 2021 to 62 days as at 30 September 2021 on account of the market gradually recovering from the effects of the COVID-19 pandemic. Our trade receivables decreased slightly by 4.25% to ₹36,087.64 million as at 31 March 2021 from ₹37,689.30 million as at 31 March 2020, as a result of lower revenue which was partially offset by an increase in the credit period to approximately 85 days in Financial Year 2021 compared to approximately 50 days in Financial Year 2020. Our trade receivables increased slightly by 4.90% to ₹37,689.30 million as at 31 March 2020 from ₹35,930.48 million as at 31 March 2019, as a result of an increase in the credit period to approximately 50 days in Financial Year 2021 compared to approximately 43 days in Financial Year 2020.

Trade Payables

Our trade payables decreased by 1.27% to ₹51,770.83 million as at 30 September 2021 from ₹52,436.95 million as at 31 March 2021, reflecting the gradual improvement in business as discussed above. Our trade payables decreased by 7.09% to ₹52,436.95 million as at 31 March 2021 from ₹56,436.62 million as at 31 March 2020, as a result of the decrease in cost of goods sold which was partially offset by an increase in the credit period to approximately 135 days in Financial Year 2021 compared to approximately 84 days in Financial Year 2020. Our trade payables decreased slightly by 3.70% to ₹56,436.62 million as at 31 March 2020 from ₹58,605.71 million as at 31 March 2019, in line with the change in our revenue from operations.

Working Capital Days

Working capital days in the normal course of our business range between 9 and 15 days, and in Financial Years 2019 and 2020 our working capital days were 10 and 11. In Financial Year 2021 our working capital days increased to 23. We deliberately built-up inventories in response to the global shortage of integrated chipsets and to guard against further COVID-19 related disruption. Accounts receivable days increased as customers delayed payment to conserve cash during the pandemic, the effects of which were offset by a corresponding increase in our accounts payable days. In the six months ended 30 September 2021 our working capital days reduced to 17, reflecting recovery from the effects of the pandemic and the gradual normalisation of payment cycles.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance the working capital needs for our manufacturing and assembly operations. We have met these requirements through cash flows from operations, equity infusions from our Promoters and, to a small extent, proceeds from borrowings. Our working capital position has been aided by the reversal of the inverted GST structure, which was in effect until 31 March 2020. Under that structure, we had to pay GST at an average rate of 18% on procurement, compared to GST of 12% on finished goods, resulting in blockage of 6% on every procurement. Moreover, refunds from the GST department were made on a delayed basis. Under the current GST structure there is a balanced 18% rate on inputs and sales, as a consequence of which there is no inversion. This has stabilised our working capital cycle and reduced our dependence on working capital borrowings, thereby reducing our interest costs to near zero.

As at 30 September 2021 we had ₹19,595.33 million in cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital.

Cash Flows

The table below summarizes the statement of cash flows, as per our Restated Cash Flow Statements, for the periods indicated:

	Six months ended 30 September 2021 (Consolidated)	**Financial Year**		
		2021 (Standalone)	**2020 (Standalone)**	**2019 (Standalone)**
		(₹ in millions)		
Net cash generated from/ (used in) operating activities	11,752.73	(760.74)	11,015.09	(5,329.25)
Net cash (used in) investing activities	(562.69)	(1,634.51)	(1,716.87)	(5,369.31)
Net cash generated from/ (used in) financing activities	(207.53)	(455.39)	(4,086.27)	13,417.01
Cash and cash equivalents at the	**8,612.82**	**11,463.46**	**6,251.51**	**3,533.06**

	Six months ended 30 September 2021 (Consolidated)	Financial Year 2021 (Standalone)	2020 (Standalone)	2019 (Standalone)
beginning of the period/year				
Cash and cash equivalents at the end of the period/year	**19,595.33**	**8,612.82**	**11,463.46**	**6,251.51**

Operating activities

Net cash generated from operating activities for the six months ended 30 September 2021 was ₹11,752.73 million, while our operating profit before working capital and other changes was ₹2,429.09 million. The difference was primarily attributable to a decrease in inventories of ₹6,628.31 million, a decrease in trade receivables of ₹2,665.72 million and a decrease in other assets (current and non-current) of ₹1,738.97 million which was partially offset by a decrease in trade payables of ₹628.17 million and a decrease in other liabilities (current and non-current) of ₹471.64 million, principally on account of the reasons discussed under "***Discussion of Key Balance Sheet Items***" beginning on page 299.

Net cash used in operating activities for Financial Year 2021 was ₹760.74 million, while our operating profit before working capital and other changes was ₹4,189.17 million. The difference was primarily attributable to a decrease in trade payables of ₹3,943.37 million, an increase in other current and non-current assets of ₹3,391.24 million and an increase in inventories of ₹2,862.52 million which was partially offset by an increase in other liabilities (current and non-current) of ₹2,102.35 million, principally on account of the reasons discussed under "***Discussion of Key Balance Sheet Items***" beginning on page 299.

Net cash generated from operating activities for Financial Year 2020 was ₹11,015.09 million, while our operating profit before working capital and other changes was ₹7,871.19 million. The difference was primarily attributable to a decrease in inventories of ₹9,066.10 million which was partially offset by a decrease in trade payables of ₹3,069.44 million and an increase in trade receivables of ₹1,758.82 million, principally on account of the reasons discussed under "***Discussion of Key Balance Sheet Items***" beginning on page 299.

Net cash used in operating activities for Financial Year 2019 was ₹5,329.25 million, while our operating loss before working capital and other changes was ₹1,522.71 million. The difference was primarily attributable to a decrease in trade payables of ₹16,109.69 million which was partially offset by a decrease in trade receivables of ₹9,165.91 million and a decrease in other current and non-current assets of ₹3,138.52 million, principally on account of the reasons discussed under "***Discussion of Key Balance Sheet Items***" beginning on page 299.

Investing activities

Net cash used in investing activities for the six months ended 30 September 2021 was ₹562.69 million, primarily including capital expenditure of ₹675.54 million in connection with regular capital expenditure relating to jigs and fixtures., which was partially offset by interest received on bank deposits of ₹112.85 million.

Net cash used in investing activities for Financial Year 2021 was ₹1,634.51 million, primarily including capital expenditure of ₹1,937.99 million in connection with the purchase of plants and machinery for our business operations and the construction of a new building for the final assembly of mobile phones, which was partially offset by interest received on bank deposits of ₹413.48 million.

Net cash used in investing activities for Financial Year 2020 was ₹1,716.87 million, primarily including capital expenditure of ₹2,054.55 million in connection with investments in model-specific tools and equipment for our manufacturing activities, which was partially offset by interest received on bank deposits of ₹337.68 million.

Net cash used in investing activities for Financial Year 2019 was ₹5,369.31 million, primarily including capital expenditure of ₹5,784.35 million in connection with investments in our manufacturing facilities, which expanded our annual PCB assembly capacity from 36.66 million units in Financial Year 2019 to 60.90 million units in Financial Year 2020. Our investment in manufacturing facilities was partially offset by interest received on bank deposits of ₹443.04 million.

Financing activities

Net cash used in financing activities for the six months ended 30 September 2021 was ₹207.53 million, primarily including payment of lease liabilities of ₹180.05 million on account of lease of premises for operations and dormitory facilities.

Net cash used in financing activities for Financial Year 2021 was ₹455.39 million, primarily including payment of lease liabilities of ₹324.81 million on account of lease of premises for operations and dormitory facilities, and interest and finance charges paid of ₹130.58 million.

Net cash used in financing activities for Financial Year 2020 was ₹4,086.27 million, primarily including repayment of short-term borrowings (net) of ₹10,662.01 million on account of closure of a buyer's credit facility, which was partially offset by proceeds from issue of equity shares of ₹7,150.00 million.

Net cash generated from financing activities for Financial Year 2019 was ₹13,417.01 million, primarily including proceeds from borrowings (net) of ₹10,662.01 million under a buyer's credit facility and proceeds from issue of equity shares of ₹3,680.25 million, which was partially offset by interest and finance charges paid (including interest towards lease liabilities) of ₹605.33 million.

Indebtedness

As at 30 September 2021, we had no outstanding external borrowings.

The following table sets forth certain information relating to our indebtedness as at 30 September 2021:

(in ₹ million)

Category of borrowings	Outstanding amount
Secured borrowings	
Buyer's Credit	Nil
Cash Credit/ Overdraft	Nil
Other Short Term borrowings (import finance)	Nil
Total secured borrowings (A)	Nil
Unsecured borrowings	
Buyer's Credit	Nil
Cash Credit/ Overdraft	Nil
Other Short Term borrowings (import finance)	Nil
Total unsecured loans (B)	Nil
Total indebtedness (A+B)	Nil

Principal terms of the facilities availed by our Company

In the event we draw down amounts under our borrowing arrangements, we would be subject to compliance with the terms of availing such arrangements. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

Security: In terms of our borrowings where security needs to be created, such security typically includes letters of comfort or support from FIH Mobile Limited in relation to maintenance of shareholding and management and lien over security deposits/ balances in FCNR/ NRE/ NRO/ domestic term deposit/ special term deposit accounts.

Key Covenants: The arrangements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters such as any scheme of merger, amalgamation, reorganization, compromise or reconstruction; any amendments in our Company's constitutional documents; to create, assume or incur any further encumbrance on the assets of the Company or enter into any borrowing arrangement with any bank or financial institution; any change in the general line of business; any capital expenditure other than in the ordinary course of business, change in management or control; and to sell, assign, mortgage or otherwise dispose of fixed assets of our Company.

Events of Default: In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of the following, among others, constitute an event of default: (a) failure of our promoter, FIH Mobile, to maintain direct and indirect equity ownership interest at a minimum of 100% and management control over our Company at all times, so long as any amount remains outstanding under our borrowing arrangements; (b) shareholding pattern of the Company is wholly or substantially changed; (c) non-payment or defaults of any amounts due under the facility documents; (d) modification or revocation of any consents, authorizations, licences, approvals, waivers or resolutions required for the utilization of the facilities; (e) any legal proceedings, investigations, suits, arbitrations or any other actions instituted against our Company; (f) cessation or change in the scope of business of our Company; (g) occurrence of a cross default or a default under any foreign exchange or derivative transactions; and (h) curtailment of the authority or substantial change in the management of our Company.

Consequences of occurrence of events of default: In terms of our borrowing arrangements for the facilities availed by us, upon the occurrence of events of default, our lenders may: (a) terminate or cancel the facilities and declare them to be immediately due and payable and cancel amounts that have not been drawn down; (b) procure the complete and unconditional release from all their obligations and liabilities under the facility documents; (c) apply any sum repaid by or Company towards the settlement and discharge of our obligations and liabilities under the facility documents; (d) may appoint or require our Company to appoint a special consultant, an/or an independent asset management or stock monitory professional; and exercise all or any other rights, powers and remedies which may be available to the lender under the facility documents, without any restrictions.

For further information, see "***Risk Factors – We are required to comply with the covenants under our financing agreements, including if we draw down amounts pursuant to such agreements***" on page 46.

Contractual Obligations

The table below sets forth the remaining contractual maturity for our financial liabilities as at 30 September 2021.

	Not due	**Less than 1 year**	**1 – 2 years**	**2 – 3 years**	**Greater than 3 years**	**Total**
				(₹)		
Borrowings (current)	-	-	-	-	-	Nil
Trade payables	47,144.77	3,516.46	40.36	172.27	896.97	51,770.83
Other financial liabilities	-	799.23	26.27	-	-	825.50

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as at 30 September 2021 as per the Restated Financial Information. These liabilities relate to Customs Act. For more details on contingent liabilities as at 30 September 2021, see "***Restated Financial Information – Note 30.1 – Additional information to the financial statements***" on page 255.

Particulars	**As at 30 September 2021** *(₹ in million)*
Claims against the Company not acknowledged as debt	
(i) Customs Act	1,225.47

OFF-BALANCE SHEET 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 enter into various transactions with related parties. For further information, see "***Restated Financial Information – Note 33 – Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24***" beginning on page 260.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Restated Financial Information in conformity with Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities on the date of the Restated Financial Information and the reported amount of revenue and expenses during the year. Actual results could differ from these estimates. A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the Restated Financial Information. Our more critical accounting policies and significant estimates, assumptions and judgments are described below.

Revenue Recognition

The Company derives revenue primarily from manufacture and sale of mobile phones. The Company recognises revenue when a performance obligation is satisfied, i.e. upon transfer of control of promised products or services to customers in an amount that reflects the fair value of the consideration which the Company expects to receive in exchange for those products or services . A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Transaction Price

Revenue is measured based on the transaction price, which is the fixed consideration, amounts payable to customer, principal versus agent considerations and any other rights and obligations as specified in the contract with the customer.

Principal versus agent considerations

The Company is a principal and records revenue on a gross basis when the Company is primarily responsible for fulfilling the obligation of sale of mobile phones to the customer, has discretion in establish pricing and controls the promised good before transferring it to the customer.

Amounts payable to customer

Consideration payable to a customer includes amounts that an entity pays, or expects to pay, to the customer (or to other parties that purchase the company’s goods or services from the customer). The company accounts for consideration payable to a customer based on a detailed assessment of facts and circumstances of the contract with the customer. When the Company determines it obtained control of the goods or services purchased from the customer , the Company accounts for the goods or services purchased from customer as noncash consideration received from the customer. The fair value of the noncash consideration, measured at contract inception, is included in the transaction price.

Other Claims

Recovery claims are accounted for as and when there is no uncertainty in realising the same.

Interest income

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form part of an integral part of the effective interest, transaction costs and other premium or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Property, Plant and Equipment

Cost of Properties includes import duties and non-refundable taxes, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised seperately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Capital Work-in-Progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method, pro-rata from the month of capitalisation over the period of use of the assets, assessed as below:

Particulars	Useful Lives
Plant and Equipments	
- Jigs and Fixtures	1 year to 2 years
- Others	3 years to 10 years
Furniture and Fittings	5 years
Office and Other Equipments	5 years

Data Processing Equipments	3 years to 5 years
Leasehold Improvements	Amortised over the primary lease period or estimated useful life, whichever is less

Individual PPE costing less than ₹20,000 each are depreciated in the month of purchase considering the type and usage pattern of these assets.

The useful lives mentioned above are different from the useful lives specified for these assets, where applicable, as per Schedule II of the Companies Act, 2013. The useful lives followed in respect of these assets are based on the assessmentof our management, based on technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability, etc. as per the technical estimates of the management of the Company, where necessary.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Financial Instruments

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are recognised immediately in the restated statement of profit and loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the carrying amount of FVTOCI monetary financial assets relating to changes in foreign currency rates are recognised in profit or loss. Other changes in the carrying amount of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Impairment of financial assets

We apply the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occuring as the weights. Credit loss is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that we expect to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). We estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of the financial instrument.

We measure the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, we measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within the 12 months after reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If we measure the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, we again measure the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, we use the change in risk of default occuring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, we compare the risk of a default occurring on the financial instrument as at the date of initial recognition.

For trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18, we always measure the loss allowance at an amount equal to lifetime expected credit losses.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

- Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currecy rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains or losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Restated Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial Liabilities

Classification as a debt or equity

Debt and equity instruments issued by us as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by us are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that we manage together and has a recent actual pattern of short-term profit-taking; or

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with our documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Restated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on amortised cost of the instruments and are recognised in the Statement of Profit and Loss.

The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses recognised in the Restated Statement of Profit and Loss.

Decrecognition of financial liabilities

We derecognise financial liabilities when, and only when, our obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised the Restated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, we currently have a legally enforceable right to set off amounts and we indent either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign Currencies

In preparing our restated financial information, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.Exchange differences on monetary items are recognised in the Restated Statement of Profit and Loss in the period in which they arise, except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, components, consumable stores and spare parts and stock-in-trade are determined on a weighted average basis. Cost includes freight, taxes and duties and other charges incurred for bringing the goods to the present location and condition and is net of credit under the CENVAT scheme and value added tax or specific goods tax, where applicable. The valuation of manufactured finished goods and work-in-progress includes the combined cost of material, labor and manufacturing overheads incurred in bringing the goods to the present location and condition. Due allowance is estimated and made by the Management for slow moving/non-moving items and defective items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Market Risk

Market risk is the risk of loss related to adverse changes in market prices, such as commodity price risk, interest rate risk and foreign currency risk.

Raw material price risk

Fluctuations in the price and availability of these raw materials may affect our business and results of operations.

Interest rate risk

Our interest rate risk arises from changes in the interest rates on the credit facilities that we utilize from time to time, primarily including our borrowings. Our interest expense on borrowings amounted to ₹579.28 million, ₹198.11 million, ₹1.66 million and ₹0 million in Financial Year 2019, 2020 and 2021 and the six months ended 30 September 2021. We are presently a substantially debt-free company, but as we grow we may seek to employ financial leverage (and may not be able to rely on equity infusions from our Promoters as a listed company), which would expose us to interest rate risks.

Foreign currency risk

While our reporting currency is Indian Rupees, certain of our transactions, such as imports of raw materials and components and payment of certain expenses, are conducted in foreign currencies, and certain assets and liabilities are denominated in foreign currencies. We presently have minimal foreign currency risk, having renegotiated terms with our largest customers to invoice them for material costs in Indian Rupees. However, we may not be able to do this with other customers, and the new businesses and industries we are diversifying into may expose us to additional foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies. We will have to formulate appropriate hedging strategies to manage this risk.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe that inflation has not had any material impact on our business and results of operations so far, inflation generally impacts the overall economy and business environment and hence could affect us.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "***– Factors Affecting Results of Operations***" beginning on page 284 and the uncertainties described in the section titled "***Risk Factors***" beginning on page 25.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected, and we expect will continue to be affected, by the trends identified above in the heading titled "***– Factors Affecting Results of Operations***" on page 284 and the uncertainties described in the section titled "***Risk Factors***" beginning on page 25. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues. See "***Risk Factors – The COVID-19 pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse impact on our business and results of operations***" on page 26 for risks of the COVID-19 pandemic on our operations and financial condition.

New Products or Business Lines

Except as discussed in "***Our Business***" on page 148, we have not announced and do not expect to announce in the near future any new products or business lines.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "***Risk Factors***" and "***Our Business***" on pages 25 and 148.

Seasonality of Business

Our business is subject to seasonality, as discussed under "***– Factors Affecting Results of Operations – Seasonality***" above on page 288.

SIGNIFICANT DEVELOPMENTS AFTER 30 SEPTEMBER 2021

Except as stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the Restated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors; (ii) actions taken by statutory or regulatory authorities involving our Company, our Subsidiaries, our Promoters and our Directors; (iii) outstanding claims involving our Company, our Subsidiaries, our Promoters and our Directors related to direct and indirect taxes; (iv) outstanding litigation as determined to be material by our Board of Directors as per the Materiality Policy (defined below) in accordance with the SEBI ICDR Regulations; (v) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations; (vi) outstanding dues to micro, small and medium enterprises and other creditors; and (vii) outstanding litigation involving our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including outstanding action.

*For the purpose of (iv) above, our Board in its meeting held on 14 December 2021 has considered and adopted a policy of materiality for identification of material outstanding litigation involving our Company, our Subsidiaries, our Promoters and our Directors ("**Relevant Parties**" and such policy, the "**Materiality Policy**"). In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including outstanding action, and tax matters, would be considered 'material' if:*

a) the monetary claim made by or against the Company, its Directors or Subsidiaries in any such pending proceeding, is in excess of an amount equivalent to the lower of 1% of the profit after tax or total net worth of the Company on a consolidated basis, as applicable, as per the latest full year restated financial information included in the Draft Red Herring Prospectus; or

b) the monetary claim made by or against the Promoters in any such pending proceeding is in excess of 1% of the profit after tax of each of the Promoters for the last completed financial year as per their respective last full year audited financial statements; or

c) threshold set out under (i) or (ii) above, but an outcome in any such litigation would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

The profit after tax of our Company for Financial Year 2021 as per the Restated Financial Information is ₹ 1,619.15 million and the total net worth of our Company as of March 31, 2021 is ₹ 28,357.35 million. Accordingly, ₹ 16.19 million, which is the lower of 1% of the profit after tax or total net worth of the Company for the relevant period, is the materiality threshold.

1% of the profit after tax of our Promoter, Wonderful Stars for the last completed calendarl year as per its last full year audited financial statements is US$ 1.49 million and 1% of the profit after tax of our Promoters. FIH Mobile for the last completed calendar year as per its last full year audited financial statements is US$ 5.50 million.

Further, outstanding proceedings initiated by consumers before various consumer forums against certain OEM customers of the Company have been disclosed in a consolidated manner as the Company has also been impleaded as a party in such proceedings.

Pre-litigation notices received by the Relevant Parties from third parties (excluding statutory or regulatory authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 2,588.54 million, which is 5.00% of the total consolidated trade payables of our Company as per the latest Restated Financial Information as at 30 September 2021, shall be considered as 'material'.

*Accordingly, as at 30 September 2021, any outstanding dues exceeding ₹ 2,588.54 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

I. Litigation involving our Company

Litigation filed against our Company

a) Actions by regulatory and statutory authorities involving our Company

1. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed under Section 96(1) of the Companies Act, 2013 as our Company held its AGM for Financial Year 2018 on 31 October 2018 with a delay of one day beyond the prescribed time period. Our Company was directed to pay a compounding fee of ₹ 10,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 5,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company, our erstwhile directors and our Company Secretary and Compliance Officer on 28 September 2021 and 29 September 2021.

2. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed under Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014 as our Company failed to make disclosures in the Board's reports for the Financial Year 2019 and Financial Year 2020 respectively as to whether maintenance of cost records is required by our Company under Section 148(1) of the Companies Act, 2013 and whether such accounts and records are actually prepared and maintained. Our Company was directed to pay a compounding fee of ₹ 150,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 1,30,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company, our erstwhile directors and our Company Secretary and Compliance Officer on 29 September 2021.

3. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed under Section 134(3) read with Section 135(5) of the Companies Act, 2013 as our Company failed to specify the reasons for not spending the monetary amounts stipulated for CSR activities in its Board's Reports for Financial Year 2018 and Financial Year 2019 respectively. Our Company was directed to pay a compounding fee of ₹ 150,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 1,30,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company, our erstwhile directors and our Company Secretary and Compliance Officer on 29 September 2021.

4. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed under Section 134(3)(g) of the Companies Act, 2013 as our Company failed to disclose the details of the loans made to FIH India Developers Private Limited in its Board's Report for Financial Year 2018. Our Company was directed to pay a compounding fee of ₹ 75,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 65,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company, our erstwhile directors and our Company Secretary and Compliance Officer on 29 September 2021.

5. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed under of Section 134(6) of the Companies Act, 2013 as the Board's reports and their annexures namely Form AOC – 2, Form MGT – 9 and Annual Report on CSR Activity for Financial Year 2018 and Financial Year 2019 and the Board's report and its annexures namely Form MGT – 9 and Annual Report on CSR Activity for Financial Year 2020 were not signed in accordance with Section 134(6) of the Companies Act, 2013. Our Company was directed to pay a compounding fee of

₹ 150,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 1,30,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company our erstwhile directors and our Company Secretary and Compliance Officer on 29 September 2021.

6. Our Company filed an application on 3 August 2021 before the Registrar of Companies, Tamil Nadu at Chennai, for compounding of offences committed Section 139(1) of the Companies Act, 2013 as our Company failed to appoint the Statutory Auditors for a mandatory period of five years in accordance with Section 139(1) of Companies Act, 2013. Our Company was directed to pay a compounding fee of ₹ 150,000 and our erstwhile directors and our Company Secretary and Compliance Officer were directed to pay a compounding fee of ₹ 75,000 each, in a hearing before the Regional Director on 15 September 2021. The Regional Director, by way of an order dated 6 October 2021, noted that the compounding fees has been paid by our Company our erstwhile directors and our Company Secretary and Compliance Officer on 30 September 2021.

7. Our Company filed four applications on 7 August 2021 before the MCA for condonation of delays in the filing of various E-Forms MGT-14 in relation to the intimation to the RoC of passing of special resolutions under Section 42 of the Companies Act, 2013 for the allotment of Equity Shares of the Company to Wonderful Stars and Aptech Electronics, respectively, at various EGMs conducted in Financial Year 2016 and Financial Year 2018. The Deputy Director, MCA, passed various orders approving all our compounding applications. Further, our Company has also filed three applications on 6 November 2021 before the MCA for condonation of delays in the filing of various E-Forms MGT-14 in relation to the intimation to the RoC of passing of special resolutions under Section 42 of the Companies Act, 2013 for the allotment of Equity Shares of the Company to Wonderful Stars at various EGMs conducted in Financial Year 2016, Financial Year 2018 and Financial Year 2019.

8. Our Company filed an application on 19 February 2019 before the Regional Director (Andhra Pradesh and Telangana) and General Manager (Hyderabad), RBI ("**Regional Director, RBI**") for compounding of contravention of provisions of FEMA and the regulations issued thereunder due to i) delay in submission of Form FC-GPR to the regional office of RBI in pursuance of allotment of 16,65,94,499 Equity Shares to our Promoter, Wonderful Stars and member of our Promoter Group, Aptech Electronics undertaken between 9 July 2015 and 10 December 2018; and ii) delay in filing the annual return in respect of Foreign Liabilities and Assets in accordance with para 9(1)(B) and para 9(2) of Schedule-I of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as then applicable. The Regional Director, RBI, by way of an order dated 19 June 2019 compounded the aforesaid contraventions and imposed a penalty of ₹ 14,98,670, which was certified as having been paid by our Company on 9 July 2019.

9. Our Chief Financial Officer, Company Secretary and Compliance Officer on behalf of our Company, received summons from the Senior Intelligence Officer, Directorate of Revenue Intelligence, Zonal Unit, New Delhi on 22 August 2019, 18 September 2019, 18 July 2020 and 16 August 2020 in relation to the alleged non-inclusion of amount of royalty and licence fee paid by one of our customers into the assessable value of goods imported by our Company, as required under the Indian Customs Act, 1962. Officials of our Company had appeared before the Senior Intelligence Officer and submitted the documents which were listed in the summons dated 22 August 2019 and 18 September 2019. Further, our officials had requested exemption from personal appearance in lieu of the summons dated 18 July 2020 and 16 August 2020 owing to the COVID-19 pandemic. We have received no further communication from the Senior Intelligence Officer.

c) *Outstanding proceedings before various consumer forums*

Our Company has been impleaded as a party in 190 matters initiated by consumers before district consumer redressal consumer forums of various states against our OEM customers and certain others, alleging, *inter* alia, manufacturing defects in mobile phones, deficiency in services and unfair trade practices. These matters are currently pending at different stages of adjudication. The aggregate amount involved in these matters is approximately ₹ 7.03 million. Additionally, certain consumers have sought payment of interest for the losses suffered due to the usage of defective mobile phones. The aggregate amount that may arise in relation to the interest claims is not ascertainable at this stage.

Litigation filed by our Company

a) *Criminal proceedings*

1. Our Company filed a FIR on 27 February 2021 before the Sri City Hi-Tech P.S., Chittoor, Andhra Pradesh for commission of offences under Sections 381 of the Indian Penal Code, 1860, against a contract worker engaged by the Company, who was involved in the theft of thirty two mobile phones of the same variant from the facilities of the Company. The total value of the stolen mobile phones is ₹ 0.58 million. The matter is currently pending.

2. Our Company filed a police report on 1 June 2021 before Central Division HQ, Singapore against an unidentified persons(s) alleging commission of fraud under the false pretext of making an initial bid deposit of US$ 438,450 for participation in an international business deal. The matter is currently pending.

Tax proceedings involving our Company

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	4	2,702.70
2.	Indirect Tax	5	1,335.87
	Total	9	4,038.57

II. Actions taken by statutory or regulatory authorities involving involving our Promoters

Our Promoter, FIH Mobile, received a notice of violation on 23 June 2011 by the Stock Exchange of Hong Kong Limited. The listing committee had concluded that certain relevant price sensitive information had not been made publicly available in accordance with the relevant listing requirements. As a result of these violations, the listing committee released a public statement highlighting the breaches of the relevant lisiting requirements by FIH Mobile.

III. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5.00% of the total consolidated trade payables as at 30 September 2021 was outstanding, were considered 'material' creditors. As per the Restated Financial Information, our trade payables as at 30 September 2021, was ₹ 51,770.83 million and accordingly, creditors to whom outstanding dues exceed ₹ 2,588.54 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company by our Company as at 30 September 2021 are set out below:

Type of Creditors*	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	71	79.39
Material creditors	1	39,786.80
Other creditors	582	10,360.59
Total outstanding dues	654	50,226.78^

**Based on the certificate dated 21December 2021 from V. Narayanan & Co, Chartered Accountants*

^ Note: Total outstanding dues excludes amounts payable on account of expenses Note 19 of the Restated Financial Information of the Company for the relevant period

The details pertaining to outstanding overdues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://www.bharatfih.com/financial-reports/#materialcreditors.

Material Developments

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business operations require various consents, licenses, registrations, permissions and approvals issued by relevant governmental and regulatory authorities under applicable rules and regulations. We have set out below an indicative list of material consents, licenses, registrations, permissions and approvals obtained by our Company and Subsidiaries for the purposes of undertaking their respective business operations. Except as mentioned below, no further material consents, licenses, registrations, permissions and approvals are required to undertake the Offer or to carry on our present business and operations. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Key Regulations and Policies**" on page 183.*

We have also set out below, (i) material approvals or renewals applied for but not received; and (ii) material approvals expired and renewal yet to be applied for, as on the date of this Draft Red Herring Prospectus.

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 319.

II. Incorporation details of our Company

For details of the incorporation details of our Company, see "***History and Certain Corporate Matters***" on page 190.

III. Material approvals obtained in relation to our business

We require various approvals issued by central and state authorities under various rules and regulations to carry on our business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. We have received the following material approvals pertaining to our business:

A. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AAHCR2906G**.**

(ii) The tax deduction account number of our Company is CHER21015B.

(iii) GST registrations for payments under various central and state goods and services tax legislations.

(iv) Professional tax registrations under the applicable state specific laws obtained by our Company.

B. Labour related approvals obtained by our Company

(i) Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

(ii) Certificates of registration issued under the Employees' State Insurance Act, 1948.

C. Material approvals obtained in relation to our operations

As of the date of the Draft Red Herring Prospectus, we conduct our operations across three campuses based in the states of Andhra Pradesh and Tamil Nadu in India, each of which integrates manufacturing, warehousing, logistics and accommodation facilities. We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business and operations. While some licenses are granted to our Company, certain licenses obtained are specific to each campus, on the basis of location as well as the nature of operations carried out at such facilities. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire in the ordinary course of business and applications for renewal of such approvals are submitted by us in accordance with applicable procedures and requirements.

An indicative list of the material approvals in relation to our operations and manufacturing facilities ("**Material Approvals**") is provided below:

1. ***Importer exporter code:*** We are mandatorily required to obtain importer-exporter code ("**IE Code**") from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, GoI to import or export to and from India. The IE Code allotted to our Company is valid for all our facilities. The IE Code for our Company is 0915900238. It does not have an expiry and there is no requirement for renewal.

2. ***No objection certificates from fire department:*** We are required to obtain no objection certificates from the fire department in the relevant jurisdiction under the Tamil Nadu Fire Service Act, 1985 and the Andhra Pradesh Fire Service Act, 1999 to undertake and continue our operations, and such no objection certificates are subject to renewal.

3. ***Labour law related approvals:*** Under the scheme of labour laws, we are required to obtain licenses to use the premises as a factory under the Factories Act, 1948 and obtain certificates of registration under the Contract Labour (Regulation and Abolition) Act, 1970 and rules of the relevant states, as applicable. Such licenses and registrations may be subject to renewals.

4. ***Environment related approvals:*** We are required to obtain environment related clearances, consents and authorisations to operate under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Atomic Energy (Radiation Protection) Rules, 2004 from the state pollution control board of the relevant states. Such licenses, consents and authorisations are subject to periodic renewal.

5. ***Product related approvals:*** All our products are required bear a "Standard Mark" under a license from the Bureau of Indian Standards in accordance with the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. Such licenses may also be subject to periodic renewals under the respective legislations.

6. ***Electricity related approvals:*** We are required to obtain load sanction approvals under the Electricity Act, 2003 for supply of electricity to our campuses from the electricity boards or the power distribution companies of the relevant states.

In addition to the Material Approvals mentioned above, we are also required to obtain certain other approvals such as licences under the Food Safety and Standards Act, 2006, no objection certificates for the construction of manufacturing facilities at our campuses and licences to work lifts under the relevent state-level legislations and rules. Such licenses may also be subject to periodic renewals under the respective legislations. In addition, we have obtained ISO certifications for the quality management systems at our campuses and authorisations from the relevant ministries of GoI, the Government of Andhra Pradesh and the Government of Tamil Nadu to make our Company eligible for incentives in relation to manufacturing and sales of certain of our products under various product-linked incentive schemes launched by GoI, including the Product Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing and the Modified Special Incentive Package Scheme (M-SIPS), and the respective state governments to promote electronic manufacturing services in India.

IV. Material approvals obtained in relation to our Subsidiaries

Our Subsidiary, RSHTPL's application under the Product Linked Incentive Scheme (PLI) for IT Hardware (the "**Hardware PLI Scheme**"), for availing incentives in relation to the manufacturing of laptops, tablets, all-in-one personal computers and servers has been approved by the General Manager, IFCI Limited (the project management agency for the Hardware PLI Scheme) on 1 July 2021. Further, our Subsidiary, RSHTPL's application under the Product Linked Incentive Scheme (PLI) to Promote Telecom and Networking Products Manufacturing in India (the "**Telecom PLI Scheme**"), for availing incentives in relation to the manufacturing of core transmission equipment, 4G/ 5G, next generation radio access network and wireless equipment, routers etc. has been approved by the Small Industrial Development Bank of India Limited (project management agency for the Telecom PLI Scheme) on 14 October 2021.

V. Material Approvals applied for, but not received

There are no material consents, licenses, registrations, permissions or approvals for which applications have been made by our Company, except as follows:

As at the date of this Draft Red Herring Prospectus, the no objection certificate issued under the Tamil Nadu Fire Service Act, 1985 has expired for which an application for renewal has been made. Applications have also been made to update the name of the "occupier" in the factory licences granted by the Directorate of Industrial Safety and Health, Government of Tamil Nadu, following the resignation of Chien Liang Liu and Yang Shu Hui Kuraganti from our Board.

VI. Material approvals not applied for

There are no material consents, licenses, registrations, permissions and approvals for which applications are yet to be made by our Company, except as provided below:

The consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 issued by the Tamil Nadu Pollution Control Board (the "**TN PCB**"), require us to inform the TN PCB of changes in our Company's name, our Board or constitution and apply for revisions accordingly. As we recently made changes to our Company's name and our Board, we are yet to make the applications to update the name of our Company following its conversion into a public limited Company and recent changes to our Board.

Intellectual property approvals in relation to our Company

As on the date of this Draft Red Herring Prospectus, our Company has made applications for registrations of the following trademarks with the Registrar of Trademarks under various classes of the Trademarks Act. These include:

S.No.	Trademark	Classes of registration	Registering Authority
1.	BHARAT FIH A Foxconn Technology Group Company	9,38,42	Trademarks Registry, Chennai
2.	BHARAT FIH A Foxconn Technology Group Company	9,38,42	Trademarks Registry, Chennai
3.	BHARAT FIH	9,38,42	Trademarks Registry, Chennai
4.	BHARAT FIH	9,38,42	Trademarks Registry, Chennai
5.		9,38,42	Trademarks Registry, Chennai

For risks associated with intellectual property, please see, "***Risk Factors** – **Our efforts in obtaining and protecting our patents, trademarks and other intellectual property may be costly and unsuccessful and we may not be able to protect our rights under our future patents, trademarks and other intellectual property***." on page 32.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer by way of its resolution dated 29 November 2021 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed on 30 November 2021. Further, our Board has taken on record the consent of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on 19 November 2021.

- Our Board and IPO committee pursuant to their resolutions dated 14 December 2021 and 21 December 2021 have approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Promoter Selling Shareholder

The Promoter Selling Shareholder has specifically confirmed and authorised the transfer and Allotment of its Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholder	Date of resolution by board or committee of directors	Date of consent letter	Value of Equity Shares offered for sale (in ₹ million)
Wonderful Stars	19 November 2021	21 December 2021	Up to 25,019

The Promoter Selling Shareholder specifically confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In connection with the corporate approvals and the approval from the Promoter Selling Shareholder, FIH Mobile will publish, after the filing of this Draft Red Herring Prospectus by the Company with the SEBI and the Stock Exchanges, an announcement in Hong Kong relating to such filing. Such announcement will also mention that FIH Mobile will obtain written shareholders' approval for the Offer from FIH Mobile's controlling shareholder, Hon Hai Precision Industry Co., Ltd.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and our Promoters, are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, Promoters or Directors are not declared as fraudulent borrowers by any lending banks, financial institution or consortium, in accordance with the terms of the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated 1 July 2016, as updated, issued by the RBI.

Directors associated with the Securities Market

None of our Directors are associated with the securities market in any manner and no action has been initiated by SEBI against any of our Directors in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters (including the Promoter Selling Shareholder) and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations, as set forth below: "*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

(a) Neither our Company nor the Promoters, members of the Promoter Group, the Directors or the Promoter Selling Shareholder are debarred from accessing the capital markets by SEBI;

(b) None of the Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by SEBI;

(c) Neither our Company nor the Promoters or Directors is a Wilful Defaulter;

(d) None of our Promoters or Directors is a Fugitive Economic Offender; and

(e) Except for the employee stock options granted pursuant to ESOS 2021, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For further information see "***Capital Structure***" on page 71.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, BNP PARIBAS AND AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE 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, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, BNP PARIBAS AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 21 DECEMBER 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF 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 PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and the BRLMs

Our Company, our Directors 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 https://www.bharatfih.com/, or any website of our Subsidiaries, any affiliate of our Company or any of the Group Companies or the Promoter Selling Shareholder, would be doing so at his or her or its own risk.

It is clarified that neither the Promoter Selling Shareholder, nor its 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 the Promoter Selling Shareholder in relation to itself and its respective Offered Shares. The Promoter Selling Shareholder, its respective directors, partners, affiliates, associates and officers accept or undertake no responsibility for any statements other than those undertaken or confirmed by the Promoter Selling Shareholder in relation to itself and its Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholder and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholder 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 Promoter Selling Shareholder, the 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 Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Subsidiaries, our Group Companies, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Group Companies, the Promoter Selling Shareholder and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized 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 authorized 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, multilateral and bilateral development financial institutions, state industrial development corporations, venture capital funds, permitted insurance companies registered with IRDAI, provident funds and pension funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, GoI) and, to permitted Non-Residents including Eligible NRIs, AIFs, FPIs, QIBs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Tamil Nadu, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Promoter Selling Shareholder from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs" in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares offered and sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Promoter Selling Shareholder and the BRLMs on behalf of itself and, if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (each, a "purchaser"), that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(ii) the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Equity Shares involves a considerable degree of risk and that the Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment;

(iii) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly 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;

(iv) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

(v) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(vi) the purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Equity Shares in any jurisdiction other than the filing of this Draft Red Herring Prospectus with the SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Equity Shares of the restrictions set forth in "***– Eligibility and transfer restrictions***" above on page 322;

(vii) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares, and the purchaser agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Equity Shares are "restricted securities", it will not reoffer, resell, pledge or otherwise transfer any Equity Shares which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Regulation S under the U.S. Securities Act;

(viii) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(ix) the purchaser acknowledges and agrees that it is not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act);

(x) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(xi) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS."

(xii) neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilisation or manipulation of the price of any security of our Company to facilitate the sale or resale of the Equity Shares pursuant to the Offer;

(xiii) prior to making any investment decision to subscribe for the Equity Shares, the purchaser: (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Red Herring Prospectus; (iii) will have possessed and carefully read and reviewed all information relating to our Company and the Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Equity Shares; (v) will have conducted its own due diligence on our Company and this Offer, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (other than in this Draft Red Herring Prospectus), the BRLMs or their affiliates; and (vi) will have made its own determination that any investment decision to subscribe for the Equity Shares is suitable and appropriate, both in the nature and number of Equity Shares being subscribed;

(xiv) our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(xv) the purchaser acknowledges that our Company, the Promoter Selling Shareholder, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares offered and sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company, the Promoter Selling Shareholder and the BRLMs on behalf of itself and, if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (each, a "purchaser"), that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(i) each of the acknowledgements, representations and agreements in paragraphs (i)-(iii), (v)-(viii), (xi)-(xiv) under the heading "***– Eligibility and transfer restrictions – Equity Shares offered and sold within the United States***" above on page 322;

(ii) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act;

(iii) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such

Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(iv) the purchaser agrees that no offer or sale of the Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the U.S. Securities Act) and neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" in the United States with respect to the Equity Shares;

(v) the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Equity Shares in compliance with applicable securities and other laws of their jurisdiction of residence;

(vi) our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(vii) the purchaser acknowledges that our Company, the Promoter Selling Shareholder, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

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.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Equity Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this paragraph, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Equity Shares shall require the Issuer or any BRLM to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the 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 has been 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 proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [●] 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 Bidders 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. Further, the Promoter Selling Shareholder confirms that it shall provide reasonable assistance to our Company, and the BRLMs, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from 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. However, the Promoter Selling Shareholder shall not be liable to pay and/or reimburse any expenses towards refund or any interest thereon in respect to Allotment of its respective portion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely by, and is directly attributable to, an act or omission of such Promoter Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013, which is reproduced below:

"Any person who –
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 in respect of 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 of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or with fine of an amount extending up to ₹ 5 million or with both.

Consents

Consents in writing of: (a) the Promoter Selling Shareholder, our Directors, the Chief Financial Officer, Company Secretary and Compliance Officer, the cost assessment report provider, the legal counsels, the banker to our Company, lenders to our Company (where such consent is required), industry sources, independent chartered accountant, independent chartered engineer, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer (Escrow Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank) to act in their respective capacities, will be obtained. Further, such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Experts

Our Company has received written consent dated 21 December 2021 from Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated 18 December 2021 on our Restated Financial Information; and (ii) the Statement of Special Tax Benefits available to the Company and its Shareholders dated 20 December 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated 20 December 2021 from Multi Engineers Private Limited, to include its name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as independent chartered engineers.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue or any rights issue to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is an 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 immediately preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years

Except as disclosed in *"**Capital Structure – Notes to Capital Structure**"* on page 71, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Subsidiaries have not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Our Company does not have any associates.

None of our listed Group Companies has made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* objects – public/rights issue of our Company

Our Company has not undertaken any public issue or any rights issue to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* objects – Public/rights issue of the listed subsidiary/ listed promoters of our Company

None our Subsidiaries are listed on any stock exchange. Our listed Promoter, FIH Mobile has not undertaken any public/ rights issue of its equity shares in the preceding five years. The Promoter Selling Shareholder, Wonderful Stars, is not listed on any stock exchange.

Price information of past issues handled by the BRLMs

<u>Kotak Mahindra Capital Company Limited</u>

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company 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]- 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.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,565.00	-	-	-
2.	Rategain Travel Technologies Limited	13,357.43	425[1]	17 December 2021	360.00	-	-	-
3.	Star Health And Allied Insurance Company Limited	64,004.39	900[2]	10 December 2021	845.00	-	-	-
4.	PB Fintech Limited	57,097.15	980	15 November 2021	1,150.00	+14.86%, [-4.33%]	-	-
5.	FSN E-commerce Ventures Limited	53,497.24	1,125[3]	10 November 2021	2,018.00	+92.31%, [-2.78%]	-	-
6.	Aditya Birla Sun Life AMC Limited	27,682.56	712	11 October 2021	715.00	-11.36%, [+0.55%]	-	-
7.	Vijaya Diagnostic Centre Limited	18,942.56	531[4]	14 September 2021	540.00	+5.41%, [+4.50%]	+8.08% [+0.76%]	-
8.	Aptus Value Housing Finance India Limited	27,800.52	353	24 August 2021	333.00	-2.82%, [+5.55%]	-0.82%, [+6.86%]	-
9.	Cartrade Tech Limited	29,985.13	1,618	20 August 2021	1,599.80	-10.31%, [+6.90%]	-32.68%, [+8.80%]	-
10.	Devyani International Limited	18,380.00	90	16 August 2021	140.90	+32.83%, [+4.93%]	+63.06%, [+7.91%]	-

Source: www.nseindia.com

Notes:
1. *In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share*
2. *In Star Health And Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share*
3. *In FSN E-Commerce Ventures Limited, the issue price to eligible employees was ₹ 1,025 after a discount of ₹ 100 per equity share*
4. *In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Restricted to last 10 equity initial public issues.*

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 Kotak Mahindra Capital Company Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	17	556,556.04	-	-	4	4	4	2	-	-	-	2	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:
1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*

Citigroup Global Markets India Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private 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.	One 97 Communications Limited	183,000.00	2,150.00	18 November 2021	1,955	NA	NA	NA
2.	PB Fintech Limited	57,097.15	980.00	15 November 2021	1,150	NA	NA	NA
3.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	10 November 2021	2,018.00	NA	NA	NA
4.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11 October 2021	715.00	-11.4%[-0.98%]	NA	NA
5.	Aptus Value Housing Finance India Limited	27,800.52	353.00	24 August 2021	333.00	-2.82%[+5.55%]	NA	NA
6.	Cartrade Tech Limited	29,985.13	1,618.00	20 August 2021	1,599.80	-10.31%[+6.90%]	NA	NA
7.	Zomato Limited	93,750.00	76.00	23 July 2021	116.00	+83.29%[+3.75%]	+81.45% [+15.20%]	NA
8.	Kalyan Jewellers India Limited	11,748.16	87.00	26 March 2021	73.95	-24.60%[-1.14%]	-7.07% [+8.13%]	-21.95% [+19.92%]
9.	Gland Pharma Limited	64,795.45	1,500.00	20 November 2020	1,710.00	+48.43%[+7.01%]	+57.27% [+18.27%]	+104.17% [+17.49%]
10.	UTI Asset Management Company Limited	21,598.84	554.00	12 October 12020	500.00	-10.43% [+5.87%]	-0.60% [+20.25%]	+5.81%[+24.34%]

Source: www.nseindia.com

Notes:

a. *Issue size derived from prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private Limited*

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	7	4,72,812.60	-	-	3	1	-	-	-	-	-	-	-	-
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	1	1	-	1
2019-20	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	1

Source: www.nseindia.com

Notes:
1. *The information is as on the date of this document.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*

BNP Paribas

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BNP Paribas*

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]- 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.	Anand Rathi Wealth Limited	6,593.75	550.00(1)	14 December 2021	600.00	N/A	N/A	N/A

Source: www.nseindia.com
(1) *A discount of INR 25 per Equity Share was offered to elligible employees bidding in the employee reservation portion.*
Notes:
a. *The CNX NIFTY is considered as the Benchmark Index.*
b. *Price on NSE is considered for all of the above calculations.*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
d. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BNP Paribas*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	1	6,593.75	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:
1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*

HSBC Securities and Capital Markets (India) Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private 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.	SBI Cards and Payment Services (IPO)	103,407.88	755.00	16 March 2020	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.5%, [+24.65%]
2.	Yes Bank Limited (FPO)	150,000.00	12.00	27 July 2020	12.30	+22.92%, [+3.06%]	+10.83%, [+7.17%]	+41.67%, [+29.11%]
3.	Indian Railway Finance Corporation Limited (IPO)	46,333.79	26.00	29 January 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]
4.	Nuvoco Vistas Corporation Limited (IPO)	50,000.00	570.00	23 August 2021	485.00	-5.91%, [+6.46%]	-9.75%, [+7.69%]	Not Applicable

Source: www.nseindia.com

Notes:

a. *Issue size derived from prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited*

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	1	50,000.00	-	-	1	-	-	-	-	-	-	-	-	-
2020-21	2	196,333.79	-	-	1	-	-	1	-	-	1	-	1	-
2019-20	1	103,407.88	-	1	-	-	-	-	-	-	-	-	-	1

Source: www.nseindia.com

Notes:
1. *The information is as on the date of this document.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (CIR/MIRSD/1/2012) dated 10 January 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	BNP Paribas	https://www.bnpparibas.co.in/en/equity-capital-markets/
4.	HSBC Securities and Capital Markets (India) Private Limited	www.business.hsbc.co.in/engb/in/generic/ipo-open-offer-and-buyback

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares, 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

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.

Bidders may contact the Chief Financial Officer, 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 Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs.

All Offer related grievances, other than those of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of 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 Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form, and the name and address of the relevant Designated Intermediary 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 Offer related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

In terms of circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated 15 February 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated 16 March 2021 and any subsequent circulars, as applicable, issued by SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the Bidders shall be compensated by the SCSBs at the higher of ₹ 100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. If there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, subject to and in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated 2 June 2021, the BRLMs shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay, to the extent applicable.

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 by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated 31 March 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated 2 June 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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.

For grievance redressal contact details of the BRLMs pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated 16 March 2021 issued by SEBI, see "***Offer Procedure – General Instructions***" on page 352.

Disposal of Investor Grievances by our Company

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 seven Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on 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 Ramachandran Kunnath, Chief Financial Officer and Company Secretary as the Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Ramachandran Kunnath
M-2B, DTA Area, SIPCOT Industrial Park
Phase - II Chennai Bangalore NH- 4
Sunguvarchatram, Sriperumbudur
Kancheepuram 602 106
Tamil Nadu, India
Tel: +91 44 6711 3500; +91 44 4713 5000
E-mail: investor@bfih-foxconn.com

Our Company will obtain authentication on the SCORES and shall be in compliancewith the SEBI circular (CIR/OIAE/1/2013) dated 17 April 2013,SEBI circular (CIR/OIAE/1/2014) dated 18 December 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated 14 October 2021 in relation to redressal of investor grievances through SCORES, immediately after filing the Draft Red Herring Prospectus.

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 "***Our Management – Board Committees***" on page 202.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Our listed Group Companies do not have any investor complaints pending.

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, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and offer for sale and listing and trading of securities, issued from time to time, by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. See "***Main Provisions of the Articles of Association***" on page 360.

Mode of payment of dividend

Our Company shall pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. See "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 221 and 360, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●]. The Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges.

Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the 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 or 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, 2013, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 360.

Allotment only in dematerialized form

In terms of Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Market Lot and Trading Lot

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" on page 341.

Joint holders

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, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, 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, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized 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 Participant.

Bid/Offer Period

EVENT	INDICATIVE DATE
BID/OFFER OPENS ON(1)	[●]
BID/OFFER CLOSES ON(2)	[●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[●]

INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	[●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	[●]

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

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 by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated 31 March 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated 2 June 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The aforesaid timetable, is indicative in nature and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholder or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Promoter Selling Shareholder, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Promoter Selling Shareholder confirms that it shall extend reasonable support and co-operation in relation to the Offered Shares required by our Company and the BRLMs to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed.

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. IST and 5:00 p.m. IST
Bid/Offer Closing Date	
Submission and revision in Bids	Only between 10:00 a.m. IST and 3:00 p.m. IST

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may decide to close the Bid/ Offer Closing Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIIs 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 SCSBs 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 SCSBs shall unblock such applications by the closing hours of the Working Day.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard

Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Bids will be accepted only on Working Days.

Our Company and the Promoter Selling Shareholder, 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, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, 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 by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Bank. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date or 75% of the Offer is not allotted to QIBs; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, as applicable, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;

(ii) upon (i), all the Equity Shares held by the Promoter Selling Shareholder and offered for sale in the Offer for Sale will be Allotted; and

(iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Promoter Selling Shareholder shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on Transfer of Shares and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, the minimum Promoter's Contribution and the Anchor Investor lock-in in the Offer as detailed in "***Capital Structure***" on page 71, and except as provided in the Articles of Association as detailed in "***Main Provisions of the Articles of Association***" on page 360, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 50,038 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 25,019 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 25,019 million by the Promoter Selling Shareholder. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/allocation^(2)	Not less than [●] Equity Shares	Not more than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer Size available for Allotment or allocation	Not less than 75% of the Offer shall be Allotted to QIBs. 5% of the QIB Category (excluding the Anchor Investor 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 balance QIB Category (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Investors will be available for allocation	Not more than 10% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors will be available for allocation
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid lot. Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares shall be allocated on a proportionate basis. See "***Offer Procedure***" on page 341
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size (excluding the QIB Category), subject to applicable limits	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		

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can Apply[3]	Public financial institutions specified in Section 2(72) of the Companies Act, 2013, FPIs registered with SEBI (other than individuals, corporate bodies and family offices), scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated 23 November 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs
Terms of Payment	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] ***In case of all other Bidders:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

^*Assuming full subscription in the Offer.*

(1) *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation 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 Anchor Investor Allocation Price.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer will available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the QIB Category (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

(3) *If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. For further information on terms of payment applicable to Anchor Investors, see "**Offer Procedure – Payment into Escrow Account for Anchor Investors**" on page 356.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, 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 will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank, as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly by our Company.

If our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated 17 March 2020 issued by the SEBI and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations 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. For details of filing of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, see "**General Information – Filing**" on page 68.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from 1 January 2019. The UPI Mechanism for Retail Individual Investors 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 30 June 2019. Subsequently, for applications by Retail Individual Investors 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 for such Bids 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 1 July 2019, by circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated 28 June 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated 26 July 2019 issued by SEBI. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated 8 November 2019, the UPI Phase II had been extended until 31 March 2020. However, due to the outbreak of COVID-2019 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 30 March 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid/Offer Opening Date. 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu 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 16 March 2021, as amended by circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated 2 June 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.*

Our Company, the Promoter Selling Shareholder and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus. 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 laws or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Promoter Selling Shareholder 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 Process

The Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category (other than Anchor Investor 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 more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Category (excluding the Anchor Investor Portion), will not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated 13 February 2020 and press release dated 25 June 2021 issued by the Central Board of Direct Taxes.

Phased implementation of UPI for Bids by RIIs as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI Mechanism in three phases in the following manner:

a) **Phase I:** This phase was applicable from 1 January 2019 until 31 March 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until 30 June 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediaries 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.

b) **Phase II:** This phase has become applicable from 1 July 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated 8 November 2019 has decided to extend the timeline for implementation of UPI Phase II until 31 March 2020. Under this phase, submission of the physical ASBA Form by an RII 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. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated 30 March 2020 extended the timeline for implementation of UPI Phase II till further notice.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circulars, the same will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (Tamil being the regional language of Tamil Nadu, where our Registered and Corporate Office is located) each with wide circulation, on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. 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 RIBs using the UPI Mechanism.

The processing fees for applications made by Retail Individual Investors 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 2 June 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Anchor Investor Application Forms will be available at the offices of the BRLMs.

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 Investors 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 ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

Retail Individual Investors Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the ASBA Form. ASBA Forms for such Retail Individual Investors, that do not contain the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of 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 Bid cum Application Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. RIIs using UPI Mechanism, shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the

SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colours of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form[(1)]
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis[(1)]	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions[(2)]	[●]
Anchor Investors[(3)]	[●]

(1) *Excluding electronic Bid cum Application Forms*
(2) *Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and the BSE (www.bseindia.com)*
(3) *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs*

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

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.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except ASBA Forms submitted by Retail Individual Investors 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. For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from an RII who is not Bidding using the UPI Mechanism.

Stock Exchanges shall validate the electronic bids with the records of the depository for DP ID/Client ID and PAN, on a real time basis through API integration and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID (but not both), bank code and location code in the Bid details already uploaded. For RIIs 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 RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The 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 BRLMs the in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Bank, NPCI or the bankers to an issue) 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 Banks and the Banker(s) to the Offer. 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 16 March 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated 2 June 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, RIIs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank 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.

Electronic registration of Bids

(a) The Designated Intermediaries may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for offline electronic registration of Bids, subject to the condition that they may subsequently upload the offline 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 Exchange 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.

Participation by Promoters, the members of the Promoter Group, BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, the members of the Promoter Group and BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion. For details, see "***– Bids by Anchor Investors***" below on page 351. An Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate in the Offer, except to the extent of the Promoter Selling Shareholder offering Offered Shares in the Offer for Sale in accordance with 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 QIB who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or the members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or 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 along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA 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 applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, 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 Investors 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 ASBA Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRI(s) in the Offer shall be subjected to the FEMA Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 358.

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 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 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 and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA Rules and SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, 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 or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from 1 April 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100% under the automatic route in our case). While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

SEBI, pursuant to its circular dated 13 July 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 Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as category I FPIs;
(b) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI);
(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 any transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)) and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation.

In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids: (i) FPIs which utilise the **MIM Structure**, indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as category I FPIs; and (vii) Entities registered as collective investment scheme having multiple share classes.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company directly or through investment in the units of other Alternative Investment Funds, subject to the conditions prescribed by SEBI. A category III AIF cannot invest more than 10% of its investible funds in one investee company directly or through investment in the units of other Alternative Investment Funds. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

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 and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs in the Offer shall be subject to the FEMA Rules.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, 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 RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company'spaid-up share capital and reserves, whichever is lower.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company. The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) 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 Master Direction - 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 circular (CIR/CFD/DIL/12/2012) dated 13 September 2012 and circular (CIR/CFD/DIL/1/2013) dated 2 January 2013 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 Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of 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 Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholder, 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 Promoter Selling Shareholder, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

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.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of 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 Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder 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 the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulations and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Tamil daily newspaper, Tamil being the regional language of Tamil Nadu where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date, if any. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading 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 Tamil daily newspaper, Tamil being the regional language of Tamil Nadu where our Registered and Corporate Office is located).

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Promoter Selling Shareholder intend to enter into an underwriting agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form (with a maximum length of 45 characters) and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

10. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except Retail Individual Investors Bidding using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. Retail Individual Investors Bidding using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;

11. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid

cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

15. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of circular (MRD/DoP/Cir-20/2008) dated 30 June 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 circular (MRD/DoP/Cir-09/06) dated 20 July 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Bidders (except Retail Individual Investors Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment, in a timely manner;

23. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. 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 such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

24. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and Retail Individual Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

25. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB 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;

26. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor may be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the ASBA Form in his/her ASBA Account;

27. Retail Individual Investors 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 ASBA Form;

28. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in their account and subsequent debit of funds in case of allotment in a timely manner;

29. Bids by Eligible NRIs, HUFs and FPIs other than individuals, corporate bodies and family offices, for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and

31. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of SEBI, is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form, as the case may be after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by StockInvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. If you are an RII and are using the UPI Mechanism, do not submit more than one Form from each UPI ID;

8. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

11. 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;

12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

14. Do not Bid for Equity Shares in excess of what is specified for each category;

15. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

16. Do not submit the General Index Register number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

20. 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;

21. 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 Retail Individual Investors using the UPI Mechanism;

22. 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;

23. 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);

24. Do not submit more than one Bid cum Application Form per ASBA Account;

25. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;

26. Do not submit an ASBA Form with third party linked UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

27. Do not submit ASBA Forms to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

Further, for helpline details of the Book Running Lead Managers pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 16 March 2021 issued by SEBI, see "***General Information – Book Running Lead Managers***" on page 63.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking, etc., investors shall reach out to the Chief Financial Officer, Company Secretary and Compliance Officer. See "***General Information – Company Secretary and Compliance Officer***" on page 63.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of Equity Shares Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to the availability of Equity Shares in Retail Individual Investor category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account for Anchor Investors

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) in case of resident Anchor Investors: "[●]"; and

(ii) in case of non-resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections of Bid Amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- agreement dated 14 October 2021 among NSDL, our Company and Registrar to the Offer; and
- agreement dated 3 November 2021 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) if Allotment is not made within the prescribed time under applicable law, application monies will be refunded/unblocked in the ASBA Accounts within four days from the Bid/Offer Closing Date or such other time as may be specified by SEBI, failing which our Company shall pay interest prescribed under the Companies Act, 2013 and the SEBI ICDR Regulations for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;

(iv) that funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that, except for any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under ESOS 2021, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) that if our Company withdraws the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer;

(ix) that the Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;

(x) that adequate arrangements shall be made to collect all Bid cum Application Forms; and

(xi) that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertakes and/or confirms in respect of itself as a selling shareholder and the Offered Shares, that:

(i) the Promoter Selling Shareholder is the legal and beneficial owner of the Equity Shares being offered through the Offer for Sale;

(ii) the Offered Shares are free and clear from any encumbrances and without any demurral on allocation and in accordance with the instructions of the Registrar to the Offer;

(iii) the Offered Shares shall be transferred to an escrow demat account in dematerialized form at least two working days prior to the filing of the Red Herring Prospectus with the Registrar of Companies or within such other time as mutually agreed with the Book Running Lead Managers;

(iv) the Promoter Selling Shareholder 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, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer;

(v) the Promoter Selling Shareholder shall take such steps, as expeditiously as possible, as are necessary to ensure the completion of necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within such period from the Bid/Offer Closing Date as specified under applicable law.

The Promoter Selling Shareholder has authorized the Chief Financial Officer, Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Utilisation of Offer Proceeds

Our Board certifies that:

(i) all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries/departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") issued the Consolidated FDI Policy Circular dated 15 October 2020, with effect from 15 October 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to 15 October 2020. The transfer of shares between an Indian resident and a Non-Resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. FDI in companies engaged in sectors/ activities which are not listed in the Consolidated FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

All investments, subscriptions, purchases or sales of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. A multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible NRIs***" and "***Offer Procedure – Bids by FPIs***", on pages 347 and 348, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

For further details, see "***Offer Procedure***" on page 341.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

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 THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

Share Capital

Article 2 provides that "(a) The Authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Company has power, from time to time, to increase its authorised or issued and Paid-up Share Capital and to divide the Shares in the Share Capital.

(c) The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other applicable laws; (i) Equity Share Capital (with voting rights; and / or with differential rights as to dividend, voting or otherwise in accordance with the Rules); and ii) Preference share capital.

(d) Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(e) Subject to the provisions of the Act and these Articles, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Section 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a general meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a general meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

(f) The Board may allot and issue Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly paid up Shares and if so issued shall be deemed as fully/partly paid up Shares. However, the aforesaid shall be subject to the approval of Shareholders under the relevant provisions of the Act and Rules.

(g) Nothing herein contained shall prevent the Directors from issuing fully paid-up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(h) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(i) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him/her accordingly."

Preference Shares

Article 3 provides that "Redeemable Preference Shares: The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares: The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such Shares into such Securities on such terms as they may deem fit."

Article 4 states that "Upon the issue of Preference Shares pursuant to Article 3 above, the following provisions shall apply;

(a) No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption;

(b) No such Shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the Shares are redeemed;

(d) Where any such Shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of Preference Shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued Shares of the Company to be issued to the Shareholders as fully paid bonus Shares; and

(g) Whenever the Company shall redeem any redeemable Preference Shares or cumulative convertible redeemable Preference Shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act."

Alteration of Share Capital

Article 5 provides that "Subject to these Articles and Section 61 and other applicable provisions of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, undertake the following: (a) increase its Share Capital by such amount as it thinks expedient; (b) 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) convert all or any of its fully Paid-up Shares into stock and reconvert that stock into fully Paid-up shares of any denomination; (d) sub-divide its 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) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the Shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act."

Reduction of Share Capital

Article 6 provides that "The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted."

Article 7 provides that "Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified under Applicable Law, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with other applicable Law."

Article 8 provides that "Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to general meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting."

Shares at the Disposal of the Directors

Article 9 provides that "(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the Shares in the Capital of the Company for the time being (including any shares forming part of any increased 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 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 Section 54 of the Act) and at such time as they may, from time to time, think fit and with the sanction of the Company in the general meeting, 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 thinks fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call Shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

(b) If, by the conditions of allotment of any Share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the Shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(i) the Board may, at their absolute discretion, refuse any applications for the sub-division of Share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(ii) A Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose."

Sweat Equity Shares

Article 10 provides that "(a) The Company may issue Shares at a discount only in the manner provided in Section 54 of the Act. The Company may exercise the powers of issuing sweat equity Shares conferred by Section 54 of the Act and the Rules made there under of a class of Shares already issued subject to the following conditions; (i) The issue of sweat equity Shares is authorized by a Special Resolution passed by the Company in a general meeting; (ii) The resolution specifies the number of Shares, their current market value, consideration if any, and the class or classes of Directors or employees to whom such Equity Shares are to be issued; and (iii) where the Equity Shares of the Company are listed on a recognised stock exchange, the sweat equity Shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity Shares are issued in accordance with the Rules as may be prescribed.

(b) The Company may also issue Shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in a general meeting subject to the provisions of the Act and the rules and applicable guidelines made thereunder, by whatever name called.

(c) The rights, limitations, restrictions and provisions as are for the time being applicable to Equity Shares shall be applicable to the sweat equity shares issued under Section 54 of the Act and the holders of such Shares shall rank pari passu with other Equity Shareholders."

Calls

Article 11 provides that " Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments.

(a) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(b) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(c) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(d) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(e) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(f) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non- payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(g) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(h) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(i) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(j) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

(k) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company."

Company's Lien

Article 12 provides that "On Shares: (a) The Company shall have a first and paramount lien; (i) on every Share (not being a fully paid-up share), registered in the name of each Shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 12(b) and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares; (ii) on all Shares (not being fully paid-up shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company. Provided that the Board may, at any time, declare any Shares wholly or in part to be exempt from the provisions of this Article."

(b) Company's lien, if any, on the Shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

(c) Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares. The fully paid up Shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Shares.

(d) For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. 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. 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 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. The net proceeds of any such 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. 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.

(e) No Shareholder shall exercise any voting right in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien."

On Debentures: (a) The Company shall have a first and paramount lien; (i) on every Debenture (not being a fully paid-up Debenture), registered in the name of each debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such debentures; (ii) on all Debentures (not being fully paid-up Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company. Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid-up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale. 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 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 Debenture or the person entitled thereto by reason of his death or insolvency. The net proceeds of any such 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. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien."

Forfeiture of Shares

Article 13 provides that " (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by law.

(d) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Further Issue of Share Capital

Article 14 provides that "(a) Where at any time, the Company proposes to increase its Subscribed Capital by the issue of further Shares, such Shares shall be offered; (i) 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 capital paid up on those shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 7 (Seven) days or such lesser number of days as may be prescribed and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, *provided that* the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favour any member may renounce the hares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the

Company. Nothing in sub-Article (i)(b) mentioned above shall be deemed to extend the time within which the offer should be accepted; or to authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation. The notice referred to in sub-Article (i)(a) mentioned above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the offer; (ii) to employees under a scheme of Employees' Stock Option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or (iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) 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; (iv) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. (v) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

(b) 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 a general meeting.

(c) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules, and the applicable provisions of the Act."

Share Certificates

Article 15 provides that "(a) Dematerialization of existing Securities: The Company shall be entitled to dematerialize its existing Securities in accordance with all prevailing and applicable guidelines and subject to the Depositories Act, 1996 as may be amended from time to time or re-enacted or replaced and the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014.

(b) Allotment only in dematerialized form**:** Pursuant to Section 29 of the Act, the Rules, and the applicable Law, the Company shall offer or allot its Securities in a dematerialized form.

(c) Rights of Depositories & Beneficial Owners; (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities on behalf of the beneficial owner; (ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities 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 a Shareholder of the Company.**;** (iv) The beneficial owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(d) Except as ordered by a court of competent jurisdiction or as may be required by Law and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any Share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(e) Register and Index of Beneficial Owners: The Company shall cause to be kept a register and index of members with details of Shares and debentures held in materialized and dematerialized 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 Section 11 of the Depositories Act, 1996 shall be deemed to be the register and index of members for the purposes of the Act and these Articles.

(f) Service of Documents**:** Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities 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.

(g) Transfer of Securities: (i) The Securities or other interest of any member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

(ii) Save as otherwise provided in the Act or any applicable Law, no transfer of a hare shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

(iii) Subject to the provisions of the Act, these Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares or other securities.

(iv) Only fully paid shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, shares or Debentures be transferred to any insolvent or a person of unsound mind.

(v) The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

(vi) The Board may decline to recognize any instrument of transfer unless; (1) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act; (2) 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; (c) and the instrument of transfer is in respect of only one class of Shares

(vii) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

(viii) The Company may close the Register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI.

(ix) In the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(h) Joint holders: If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

(i) Overriding effect of this Article**:** Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

(j) Limitation of time for issue of certificates: Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its Shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of Debenture or within such other period as any other Law for the time being in force may provide. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such joint holders. Every certificate shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two (2) Directors or by a Director and the Company secretary, wherever the Company has appointed a Company secretary and the common seal, if any, shall be affixed in the presence of the persons required to sign the certificate."

Transmission of Shares

Article 17 provides that "(a) for transmission of shares 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 Person(s) recognised by the Company as having any title to his/ her interest in the Securities. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Security which had been jointly held by him with other Persons.

(b) Subject to the provisions of the Act and Rules and applicable Law, any person becoming entitled to any Security 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; (i) to be registered himself as holder of the Security; or (ii) to make such transfer of the Security as the deceased or the 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.

(c) A person becoming entitled to any Security 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 Security, except that he shall not, before being registered as a Member, in respect of the Security be entitled 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 transfer the Security, and if the requirements of the notice are not complied with within 90 days, the Board may, thereafter, withhold payment of all dividends, bonus, or other monies payable in respect of the Security until the requirements of the notice have been complied with.

(d) All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Borrowing Powers

Article 20 provides that "(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board: (i) accept or renew deposits from Shareholders; (ii) borrow money by way of issuance of Debentures; (iii) borrow money otherwise than on Debentures; (iv) accept deposits from Shareholders either in advance of calls or otherwise; and (v) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up share capital of the Company, its free reserves and securities premium, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a general meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future, Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in general meeting accorded by a Special Resolution.

(d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(e) Any Capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company."

General Meetings

Article 23 provides that "In accordance with the provisions of the Act, the Company shall in each year hold a general meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All general meetings other than Annual General Meetings shall be Extraordinary General Meetings."

Article 24 provides that "(a) Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the office of the Company or at some other place within the city, town or village in which the office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting;(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the

Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting."

Article 27 provides that "The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called."

Article 31 provides that "(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot. (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time."

Votes of Members

Article 32 provides that "(a) No Shareholder shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons. Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(c) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(d) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(e) If there be joint registered holders of any Shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such Shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name Shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(f) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(g) Any Person entitled to transfer any Shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(h) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(i) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(j) A Shareholder present by proxy shall be entitled to vote only on a poll.

(k) An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Shareholder of the Company may be appointed as proxy.

(l) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(m) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(n) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(o) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll. (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose. (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting. (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds. (vii) Any such Minutes shall be evidence of the proceedings recorded therein. (viii) The book containing the Minutes of proceedings of General

Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge. (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: - A. the names of the Directors and Alternate Directors present at each General Meeting; B. all Resolutions and proceedings of General Meeting.

(p) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy),

(q) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, if applicable to the Company."

Directors

Article 33 provides that "(a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of applicable law. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Act or other applicable provisions of Law from time to time.

(b) Subject to Article 33 (a) and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors.

(c) The Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another Director."

Article 34 provides that "(a) The Members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. The Chairman shall have a casting vote in the event of a tie.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

(c) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman."

Article 35 provides that "Subject to Section 161 of the Act, the Board shall be entitled to nominate an Alternate Director to act for a Director of the Company such Director's absence for a period of not less than 3 (three) months from India. An Alternate Director appointed under this Article 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 office if and when the original Director returns to India. If the term of the office of the original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the original Director and not to the alternate director."

Article 36 provides that "Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 33. Any Person so appointed as an additional Director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act."

Article 38 provides that "The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or other provisions of applicable Law."

Article 40 provides that "A Director shall not be required to hold any qualification shares of the Company."

Remuneration of Directors

Article 41 provides that "(a) Subject to the applicable provisions of the Act, the Rules and law, a Managing Director or Managing Directors, and Whole-Time Director and any other Director(s) may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act A Director may receive remuneration by way of sitting fee not exceeding such sum as may be prescribed by the Act from time to time for attending each meeting of the Board or any Committee thereof attended by him.

(c) All fees/compensation to be paid to Non-Executive Directors including Independent Directors be subject to Section 197 and other applicable provisions of the Act, the Rules thereunder, laws and of these Articles."

Article 45 provides that "A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act. Subject to the applicable provisions of the Act, the resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later."

Rotation and Retirement of Directors

Article 47 provides that "At the Annual General Meeting of the Company to be held in every year, not less than two-thirds of the total number of Directors of the Company shall be the person whose period of office is liable to determination by retirement of Directors by rotation and be appointed by the Company in the general meeting. Out of the such two-third directors, 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. Provided that Independent Director(s) shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article."

Article 49 provides that "Subject to the provisions of Section 203 of the Act and other provisions of applicable Law and these Articles, the Board shall have the power to appoint from time to time one or more Directors as Managing Director/ Whole Time Director or executive Director or Manager of the Company. The Managing Director(s) or the Whole Time Director(s) or Manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and other provisions of applicable law and these Articles, the Board shall vest in such Managing Director/s or the Whole Time Director(s) or Manager or executive Director(s), as the case may be, all the powers vested in the Board generally."

Article 50 provides that:- "Notwithstanding anything contained herein, a Managing Director(s) / Whole Time Director(s) / executive Director(s) / Manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / Whole Time Director(s) / executive Director(s) / Manager, and if he ceases to hold the office of a Managing Director(s) / Whole Time Director(s) / executive Director(s)/ Manager he shall ipso facto and immediately cease to be a Director."

Article 51 provides that "The remuneration of the Managing Director(s) / Whole Time Director(s)/executive Director(s) / Manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and other provisions of applicable Law and these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act."

Article 52 provides that "Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ Whole Time Director(s) / executive Director(s)/ Manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ Whole Time Director(s) / executive Director(s)/ Manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers."

Proceedings of the Board of Directors

Article 54 provides that "(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings, subject to the provisions of applicable Law. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. Any meeting of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

Article 55 provides that "(a) Quorum for Board Meetings: Subject to the provisions of Section 174 of the Act, and other applicable Law, the quorum for each Board Meeting shall be one-third of its total strength or two Directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two- thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

(b) If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act."

Powers of the Board

Article 56 provides that "Subject to the applicable provisions of the Act, these Articles and other provisions of applicable Law: (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company. Provided that the Board shall not, except with the consent of the Company by a Special Resolution, unless otherwise permitted under applicable Law: (i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act; (ii) remit, or give time for repayment of, any debt due by a Director; (iii) invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and (iv) borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up Capital of the Company, its free reserves and securities premium."

Article 57 provides that "(a) The Company shall constitute such Committees as may be required under the Act, and provision of applicable Law. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive Director(s) or Manager or the Chief Executive Officer of the Company. The Managing Director(s), the executive Director(s) or the Manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board shall be governed by the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 and provision of applicable Law for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article."

Article 58 provides that "All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated."

Seal

Article 64 provides that "The Board shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given. Subject to other regulations, the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence."

Dividend

Article 71 provides that "(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c)(i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that; (A) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and (B) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both; (ii) The declaration of the Board as to the amount of the net profits shall be conclusive."

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f)(i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares; (ii) no amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares; and (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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer."
(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set off against such calls.

(o) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law. The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act."

Unpaid or Unclaimed Dividend

Article 72 provides that "(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under subsection (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund."

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law."

Capitalization of Profits

Article 73 provides that "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 Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii); as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards; (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A Share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares."

Winding Up

Article 76 provides that "The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended. (to the extent applicable)."

Inspection by Directors

Article 77 provides that "The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act."

Inspection by Shareholders

Article 78 provides that "No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company as conferred by law or authorized by the Board."

Directors and Others' Right to Indemnity

Article 79 provides that "Subject to the provisions of the Act and other applicable Law, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him/her in his/her capacity as Director or Officer of the Company including in relation to defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which he/she is acquitted or in which relief is granted to him/her by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the wilful misconduct or bad faith acts or omissions of such Director or officer of the Company."

Director, Officer Not Responsible for Acts of Others

Article 80 provides that:- "Subject to the provisions of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happens through his own dishonesty."

Authorizations

Article 83 provides that "(a) Wherever in the Act or Law, it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.

(b) If pursuant to the approval of these Articles, if the Act requires any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.

(c) At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Act and applicable Laws, the provisions of the Act and applicable Law shall prevail over the

Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Act and applicable Law, from time to time."

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 4.00 p.m. on Working Days and at [●] from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer agreement dated 21 December 2021 entered into among our Company, the Promoter Selling Shareholder and the BRLMs;

2. Registrar agreement dated 21 December 2021 entered into among our Company, the Promoter Selling Shareholder and the Registrar to the Offer;

3. Monitoring Agency agreement dated [●] entered into between our Company and the Monitoring Agency;

4. Escrow and sponsor bank agreement dated [●] entered into among our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Members, the Banker(s) to the Offer and the Registrar to the Offer;

5. Share escrow agreement dated [●] entered into among the Promoter Selling Shareholder, our Company and the Share Escrow Agent;

6. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company and the Promoter Selling Shareholder; and

7. Underwriting agreement dated [●] entered into among our Company, the Promoter Selling Shareholder and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association;

2. Certificate of incorporation dated 1 May 2015, certificate of incorporation dated 30 June 2021 pursuant to change in name of the Company from "Rising Stars Mobile India Private Limited" to "Bharat FIH Private Limited" and fresh certificate of incorporation dated 2 November 2021 issued consequent upon conversion into a public company;

3. Order of the Regional Director, South Eastern Region, Hyderabad dated 18 March 2021 approving the change in the place of registered office from the state of Andhra Pradesh to the state of Tamil Nadu;

4. Copies of the annual reports of the Company as of and for the Financial Years ended 31 March 2021, 31 March 2020 and 31 March 2019;

5. Board resolutions of our Company dated 29 November 2021 authorizing the Offer and other related matters;

6. Shareholders' resolution dated 30 November 2021 in relation to the Fresh Issue and other related matters;

7. Consent letter dated 21 December 2021 of the Promoter Selling Shareholder authorizing its participation in the Offer for Sale;

8. Board resolution of our Company, dated 1 November 2021 and shareholders' resolution dated 12 November 2021 approving the appointment of Clement Joshua Foulger as Managing Director and fixing the terms of his remuneration;

9. Letter of appointment dated 14 November 2021 in relation to the appointment of Clement Joshua Foulger as Managing Director and fixing the terms of his remuneration;

10. Board resolutions dated 26 August 2021 and 1 November 2021 and Shareholders' resolutions dated 20 October 2021 and 12 November 2021 approving the term of our Non-Executive Directors;

11. Board resolution of our Company, dated 29 November 2021 and Shareholders' resolution dated 30 November 2021 approving the term and appointment of our Independent Directors;

12. Resolution of our Board and IPO committee, dated 14 December 2021 and 21 December 2021 approving the DRHP;

13. Resolution of our Board dated 14 December 2021 approving the working capital requirements of the Company;

14. Examination report on our Restated Financial Information dated 18 December 2021 of Deloitte Haskins & Sells LLP, Chartered Accountants, included in this Draft Red Herring Prospectus;

15. Written consent dated 21 December 2021 from Deloitte Haskins & Sells, LLP, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated 18 December 2021 on our Restated Financial Information; and (ii) the Statement of Special Tax Benefits available to the Company and its Shareholders dated 20 December 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act;

16. Statement of Special Tax Benefits dated 20 December 2021 from the Statutory Auditors included in this Draft Red Herring Prospectus;

17. Written consent dated 20 December 2021 from Multi Engineers Private Limited to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as independent chartered engineers;

18. Consents of banker to our Company, the BRLMs, Registrar to the Offer, lenders to our Company (where such consent is required), F&S, Banker(s) to the Offer, legal counsels, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

19. Cost assessment report from Axium Valuation Services LLP dated 17 November 2021;

20. Industry report titled "*Market Assessment for India EMS/ODM Industry"* dated 14 December 2021 from prepared and issued by F&S, and such report has been commissioned and paid for by our Company exclusively in relation to the Offer, available at https://www.bharatfih.com/industry-report;

21. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively;

22. Resolution of our Board dated 14 December 2021 approving the capital expenditure requirements of the Company and resolution of the board of directors of our Subsidiary, RSHTPL, dated 14 December 2021 approving the capital expenditure requirements of RSHTPL;

23. Approval dated 8 October 2021 granted by The Stock Exchange of Hong Kong Limited to FIH Mobile Limited in relation to the listing of the Company on the Stock Exchanges under Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

24. Tripartite agreement dated 14 October 2021 among our Company, NSDL and the Registrar to the Offer;

25. Tripartite agreement dated 3 November 2021 among our Company, CDSL and the Registrar to the Offer;

26. Due diligence certificate to SEBI from the BRLMs dated 21 December 2021; and

27. Final observation letter dated [●] issued by SEBI (Ref. No. [●] dated [●]).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

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Yu Yang Chih
Chairman and Non-Executive Director

Date: 21 December 2021

Place: Taipei

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

Hui-Chung Chen
Non-Executive Director

Date: 21 December 2021

Place: Taipei

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

Kam Wah Danny Tam
Non-Executive Director

Date: 21 December 2021

Place: China

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

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Clement Joshua Foulger
Managing Director

Date: 21 December 2021

Place: Chennai, India

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

Ramaraj Rajasekar
Independent Director

Date: 21 December 2021

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

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Venkataramani Sumantran
Independent Director

Date: 21 December 2021

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

Dipali Hemant Sheth
Independent Director

Date: 21 December 2021

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF BHARAT FIH LIMITED

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Ananth Narayan Gopalakrishnan
Independent Director

Date: 21 December 2021

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF BHARAT FIH LIMITED

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Ramachandran Kunnath

Date: 21 December 2021

Place: Chennai

DECLARATION BY WONDERFUL STARS PTE. LTD. AS THE PROMOTER SELLING SHAREHOLDER

Wonderful Stars Pte. Ltd. hereby confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as the Promoter Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. Wonderful Stars Pte. Ltd. assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of WONDERFUL STARS PTE. LTD.

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Mr. Huang, Yu-Lin
Designation: Director

Date: 21 December 2021

Place: Taipei