Draft Red Herring Prospectus
Dated: September 29, 2023
(To be updated upon ROC filing)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

Polymatech

POLYMATECH ELECTRONICS LIMITED

CIN: U32107TN2007PLC063706

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu – 602105, India.	Mr. Badri Prasad Mahapatro, Company Secretary and Compliance Officer	**Email:** public@polymatech.in **Tel:** +91 94891 27000	www.polymatech.in

PROMOTERS OF THE COMPANY

Mr. Eswara Rao Nandam, Ms. Uma Nandam and Mr. Vishaal Nandam

DETAILS OF OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY
Fresh Issue	Up to [●] equity shares of face value of Rs. 10 each aggregating upto ₹75,000.00 lakhs	Not applicable	Upto ₹75,000.00 lakhs	The Issue is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please refer to the section titled "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 332. For details in relation to share reservation among QIBs, NIBs and RIBs, please refer to the section titled "*Issue Structure*" on page 348.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined by our Company, in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 105 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section *"Risk Factors"* beginning on page 32.

COMPANY'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 Issue, 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.

LISTING

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Issue, National Stock Exchange of India Limited is the Designated Stock Exchange.

LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email and Telephone
SIXTH SENSE analytics ... beyond the obvious **KHAMBATTA SECURITIES LIMITED**	**Mr. Vipin Aggarwal; Mr. Vinay Pareek**	**Email:** ipo@khambattasecurities.com **Tel:** 0120 4415469, 022-66413315

REGISTRAR TO THE OFFER		
Name and Logo	**Contact Person**	**Email and Telephone**
LINK INTIME INDIA PRIVATE LIMITED	**Ms. Shanti Gopalkrishnan**	**Email:** polymatechelectronics.ipo@linkintime.co.in **Tel:** +91 810 811 4949

BID OFFER PROGRAMME					
ANCHOR INVESTOR BIDDING DATE[1]	[●]	**BID/ OFFER OPENS ON**[1]	[●]	**BID/ OFFER CLOSES ON**[2]	[●][3]

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

[2] Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

[3] UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

Draft Red Herring Prospectus
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(To be updated upon ROC filing)
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100% Book Built Offer

Polymatech

POLYMATECH ELECTRONICS LIMITED

Our Company was originally incorporated as Polymatech Electronics Private Limited on May 29, 2007, at Chennai, Tamil Nadu, India, as a foreign company subsidiary operating as private limited company in India under the Companies Act, 1956. Subsequently, our company was taken over by our current promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, vide share purchase agreement dated December 07, 2016, amended on November 28, 2017. Further, upon the conversion of our Company into a public limited company, the name of our Company was changed from Polymatech Electronics Private Limited to Polymatech Electronics Limited and a fresh certificate of incorporation dated June 06, 2023 was issued by the Registrar of Companies, Chennai. For further details relating to the changes in the name of our Company and the Registered Office of our Company, see the section titled "History and Certain Corporate Matters" on page 204. Our Company's Corporate Identity Number is U32107TN2007PLC063706.

Registered Office: Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram-602105 Tamil Nadu India
Email: public@polymatech.in **Tel:** +91 94891 27000 **Website:** www.polymatech.in
Contact Person: Mr. Badri Prasad Mahapatro, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. ESWARA RAO NANDAM, MS. UMA NANDAM AND MR. VISHAAL NANDAM

DETAILS OF THE ISSUE

FRESH INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF Rs.10 EACH ("EQUITY SHARES") OF POLYMATECH ELECTRONICS LIMITED ("COMPANY") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 75,000.00 Lakhs. THE ISSUE WILL CONSTITUTE [●] % OF THE POST-ISSUE PAID-UP CAPITAL OF OUR COMPANY.

THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE REDUCED FROM THE ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, AND IN ALL EDITIONS OF [●] THE TAMIL DAILY NEWSPAPER, (TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall 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 Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). The Issue is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "QIBs") (the "QIB Category"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. 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 from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than Rs. 2,00,000 and up to Rs. 10,00,000; and (b) two-thirds portion shall be reserved for applicants with application size of more than Rs. 10,00,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see "Issue Procedure" beginning on page 352.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Issue Price (determined by our Company, in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "Basis for Issue Price" on page 105 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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" beginning on page 32.

COMPANY'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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares issued through the Draft 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 purposes of the Issue, the Designated Stock Exchange shall be National Stock Exchange of India Limited. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 390.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
KHAMBATTA SECURITIES LIMITED 806, 8th Floor, World Trade Tower, Sector - 16, Noida, Uttar Pradesh, India **Tel:** 012-04415469, 022-66413315 **Email:** ipo@khambattasecurities.com **Investor Grievance Email:** mbcomplaints@khambattasecurities.com **Website:** www.khambattasecurities.com **Contact Person:** Mr. Vipin Aggarwal; Mr. Vinay Pareek **SEBI Registration No.:** INM000011914	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India **Tel:** +91 810 811 4949 **Email:** polymatechelectronics.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Ms.Shanti Gopalkrishnan **SEBI Registration No:** INR000004058

BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE[(1)]	[●]	BID/ OFFER OPENS ON[(1)]	[●]	BID/ OFFER CLOSES ON[(2)]	[●][(3)]

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

[(2)] Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

[(3)] UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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

The terms not defined herein but used in "Objects of the Issue", "History and Certain Corporate Matters", "Financial Indebtedness", "Basis for Issue Price", "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Outstanding Litigation and Other Material Developments" "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association", on pages 97, 204, 294, 105, 116, 196, 111, 237, 325, 352, 375, and 390, respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
our Company / the Company / the Issuer	Polymatech Electronics Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam Kancheepuram- 602105, Tamil Nadu, India.
we / us / our	Unless the context otherwise indicates or implies, refers to our Company, as on the date of this Draft Red Herring Prospectus. With respect to the Fiscals 2023, 2022 and 2021, references to "we", "us", "our" refers to our Company and our Subsidiaries, as applicable as at and during such fiscals/period

Company Related Terms

Term	Description
Articles of Association / Articles / AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see "*Our Management – Committees of our Board*" on page 216
Auditors / Statutory Auditors	The statutory auditors of our Company, currently being S.S. Kothari Mehta & Company, Chartered Accountants.
Board / Board of Directors	The board of directors of our Company, as constituted from time to time or any duly constituted committee thereof. For details see *"Our Management – Board of Directors"* on page 210
Chief Financial Officer / CFO	The chief financial officer of our Company, namely Mr. Manoj Bajaj. For details, see "*Our Management – Key Managerial Personnel"* on page 225.
Company Secretary and	The company secretary and compliance officer of our Company, namely Mr. Badri Prasad Mahapatro. For details, see *"Our Management – Key Managerial Personnel"* on page 225.

Compliance Officer	
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Company, constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see *"Our Management – Committees of our Board"* on page 216.
Director(s)	The director(s) on the Board of Directors, as appointed from time to time
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	Executive director(s) on our Board. For further details of the Executive Director, see *"Our Management"* on page 208.
CARE Edge Report	Report titled 'Report on Global Opto-semiconductors Industry' dated September 26, 2023 prepared and issued by CARE Advisory Research and Training Limited, appointed by us pursuant to engagement letter dated May 08, 2023 including subsequent amendment dated June 27, 2023 and which was exclusively commissioned and paid for by us in connection with the Issue. A copy of the CARE Edge Report is available on the website of our Company at https://polymatech.in/industry-research-report.php
Group Companies	Our group companies, namely Datasoft Application Software (India) Limited and Polymatech Semi-Conductors Private Limited identified in terms of the SEBI ICDR Regulations and the Materiality Policy as set out in the section titled *"Group Companies"* on page 233
Independent Director(s)	The non-executive, independent Director(s) on our Board appointed as per the Companies Act, 2013 and the Listing Regulations. For details of our Independent Directors, see *"Our Management-Board of Directors"* on page 210
IPO Committee	The IPO committee of our Board formed pursuant to a resolution passed by the Board dated September 16, 2023. For details see *"Our Management – Committees of our Board"* on page 216.
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 as applicable. For details see *"Our Management – Key Managerial Personnel"* on page 225
Managing Director	The managing director of our Company, namely Mr. Eswara Rao Nandam. For details, see *"Our Management"* on page 208.
Materiality Policy	The materiality policy adopted by our Board pursuant to a resolution of our Board dated September 14, 2022, for identification of the material: (a) outstanding litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
Memorandum of Association / Memorandum/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee / NRC Committee	The nomination and remuneration committee of our Company constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see *"Our Management – Committees of our Board"* on page 216
Non – Executive Director(s)	A Director, not being an Executive Director. For further details of the Non- Executive Director, see *"Our Management"* on page 208.

Promoter Group	Such persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in *"Our Promoters and Promoter Group"* on page 229
Promoter(s)	The promoters of our Company namely, Mr. Eswara Rao Nandam, Mrs. Uma Nandam and Mr. Vishal Rao.
Registered Office	Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam Kancheepuram- 602105, Tamil Nadu, India
Registrar of Companies / RoC	Registrar of Companies, Chennai, India. For further information, see *"General Information"* on page 74
Restated Financial Statements/ Restated Financial Information"	The restated financial statements of our Company, comprising of restated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and restated statement of changes in equity for each of the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the Significant Accounting Policies and explanatory notes to the restated financial statements of the Company and included in *"Financial Information"* on page 237
Risk Management Committee	The risk management committee of our Company. For details see *"Our Management – Committees of our Board"* on page 216
Shareholders	The holders of the Equity Shares from time to time
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see described in *"Our Management – Committees of our Board*" on page 216
Whole-time Director(s)	The whole-time directors of our Company namely Mrs. Uma Nandam and Mr. Vishaal Nandam. For details see *"Our Management"* on page 208

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgemen t 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.
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of Equity Shares Issueed pursuant to the Fresh Issue to successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the BRLM during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/Issue Period or Anchor	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.

Investor Bidding Date	
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM
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 Issue Price, not later than two Working Days after the Bid/Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in “Issue Procedure” beginning on page 352.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. 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 and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue, as applicable
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] an English daily national newspaper and all editions of [●] a Hindi national daily newspaper (Hindi being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation. In case of any revisions, the extended Bid/ Issue 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 Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Issue Closing Date shall also be notified on the websites of the BRLM and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Issue, being [●], which shall also be published in all editions of [●] an English national daily newspaper and all editions of [●] Hindi national daily newspaper (Hindi being the regional language of Tamil Nadu, where our Registered Office is located) each with wide circulation and in case of any revision, the extended Bid/Issue Opening Date shall also be notified on the websites of the BRLM and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Issue Period will comprise of Working Days only.
Book Building Process	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager" or "BRLM"	The book running lead manager to the Issue, namely Khambatta Securities Limited
Broker Centre	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.

CAN or Confirmation of Allocation Note	The notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, the Banker(s) to the Issue, inter alia, for the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Circular on Streamlining of Public Issues/ UPI Circular	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
Cut-off Price	The Issue Price, as finalised by our Company in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

	In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 29, 2023, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Issue, including the price at which the Equity Shares will be Allotted and the size of the Issue, and includes any addenda or corrigenda thereto.
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an Issue/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares Issueed thereby.
Eligible NRIs	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●].
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations.
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
Floor Price	The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids, will be accepted.
Fresh Issue or Issue	The fresh issue component of the Issue comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 75,000 Lakhs by our Company.

General Information Document or GID	The General Information Document for investing in public Issues, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 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 BRLM.
Gross Proceeds	The Issue proceeds from the Fresh Issue.
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.
KSL	Khambatta Securities Limited
March 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
May 30 2022 Circular	SEBI Circular No.: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022
Monitoring Agency	The agreement to be entered into between our Company with the Monitoring Agency.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	Up to 5% of the Net QIB 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 Issue Price
Net Proceeds	The Gross Proceeds less our Company's share of the Issue-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Issue related expenses, see *"Objects of the Issue"* on page 97.
Net QIB Portion	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors or NII(s) or Non-Institutional Bidders or NIB(s)	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, of which (i) one third shall be reserved for Bidders with Bids exceeding ₹ 2 Lakhs up to ₹ 10 lakhs provided that the unsubscribed portion in either of the sub-categories specified in clauses (i) or (ii), may be allocated to applicants in the other sub-category of NIIs; and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10 lakhs, subject to valid Bids being received at or above the Issue Price
Non-Resident or NR	A person resident outside India, as defined under FEMA.
Issue	Initial public Offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs consisting of Fresh Issue only.
Issue Agreement	The agreement dated September 26, 2023 amongst our Company and the BRLM, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue.
Issue Price	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.

Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of [●] an English national daily newspaper and all editions of [●] a Hindi national daily newspaper [●] (Hindi being the regional language of Tamil Nadu where our Registered Office is located), each of which are widely circulated, at least two Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Issue Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
Public Issue Account(s)	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price.
Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. However, non-residents which are FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue.
Red Herring Prospectus or RHP	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issueed and the size of the Issue, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registered Broker	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 the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.

Registrar Agreement	The agreement dated September 29, 2022 entered amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars.
Registrar, or Registrar to the Issue	Link Intime India Private Limited
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, Offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●].

Share Escrow Agreement	The agreement to be entered into amongst our Company and the Share Escrow Agent for deposit of the Equity Shares in escrow and credit of such Equity Shares to the demat account of the Allottees.
Sponsor Bank(s)	The Banker(s) to the Issue registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the BRLM, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries (other than BRLM) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue and carry out activities as an underwriter namely, [●].
Syndicate or members of the Syndicate	Together, the BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Company or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into amongst the Underwriter(s) and our Company on or after the Pricing Date, but prior to filing of the Prospectus.
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
UPI Bidders	Collectively, individual investors applying as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A wilful defaulter, as defined under the SEBI ICDR Regulations.
Working Day	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercialbanks in Mumbai are open for business and (c) the time period between

	the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

Technical/ Industry Related Terms

Term	Description
AI & ML	Artificial Intelligence & Machine Learning
BIS	Bureau of Indian Standards
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CCTV	Closed-circuit Television
CFL	Compact Fluorescent Lamps
COB	Chip on Board
EU	European Union
EV	Electric Vehicles
GW	Gigawatt
HTCC	High Temperature Co-Fired Ceramic
IoT	Internet of Things
LED	Light Emitting Diode
LTCC	Low Temperature Co-Fired Ceramic
MPA	Million Pieces Per Annum
MW	Megawatt
MQW	Multiple Quantum Well
NPE	National Policy on Electronics
OEM	Original Equipment Manufacturer
PCB	Printed Circuit Boards
PLI	Production Linked Incentives
RPM	Revolutions Per Minute
SEZ	Special Economic Zone
Soldering	A process used for joining metal parts to form a mechanical or electrical bond
SPECS	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
TCO	Total Cost of Ownership

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year / year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires

Companies Act, 2013 / Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970.
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository / Depositories	National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings before interest, tax, depreciation and amortization
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR	Euro
FAQs	Frequently asked questions
FCNR	Foreign currency non-resident account
FDI	Foreign direct investment
FDI Circular or Consolidated FDI Policy	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / FY / F.Y.	Period of twelve months ending on March 31 on that particular year, unless stated otherwise
FI	Financial institutions
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
GDP	Gross domestic product
Central Government / GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IT Act	The Information Technology Act, 2000
I.T. Act	The Income Tax Act, 1961

ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of fund-based lending rate
Mn / mn	Million
MCA	Ministry of Corporate Affairs, Government of India
N.A / NA	Not Applicable
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net asset value
NBFC	Non-Banking Financial Companies
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Deposit 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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit After Tax
R&D	Research and Development
RBI	Reserve Bank of India

Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI GAIF 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 Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
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 Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
Specified Securities	Equity shares and/or convertible securities
State Government	Government of a State of India
Stock Exchanges	Collectively, the BSE and NSE
STT	Securities transaction tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
U.S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America
USA/ U.S/ United States	The United States of America its territories and possessions, any State of the United States, and the District of Columbia
USD/ US$/ $	United States Dollars
VAT	Value Added Tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

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

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

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

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

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Financial Data

Unless indicated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Financial Information. The Restated Financial Information included in this Draft Red Herring Prospectus comprise the restated statement of assets and liabilities as at, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated cash flow statement for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of significant accounting policies, and other explanatory information, together with the annexures and the notes thereto, prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. See *“Restated Financial Information”* beginning on pages 237, respectively.

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

Our Restated Financial Information have been prepared in accordance with Ind AS. There are significant differences between International Financial Reporting Standards (“IFRS”) and Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Accordingly, any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see *“Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessments of our financial condition, result of operations and cash flows.”* on page 65.

Certain additional financial information pertaining to our Group Companies are derived from their respective audited financial statements.

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

Non-GAAP Financial Measures

Certain Non-GAAP Measures relating to our operations and financial performance including EBITDA, EBITDA Margin, EBITDA, CAGR, EBIT, RoNW, ROCE and NAV per Equity Share ("Non-GAAP Measures") have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These Non-GAAP Measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by generally accepted accounting principles, including Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to "Rupee(s)", "Rs.", "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

All the figures in this Draft Red Herring Prospectus have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise. One lakh represents 1,00,000 and one crore represents 1,00,00,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD:

(in ₹)

Currency	Exchange rate

	March 31, 2023	March 31, 2022	March 31, 2021
USD	82.22	75.81	73.50

Source: www.rbi.org.in and www.fbil.org.in
Note: Exchange rate is rounded off to two decimal point.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled 'Report on Global Opto-semiconductors Industry' dated September 26, 2023, which is exclusively prepared for the purpose of the Issue and issued by CARE Edge and is commissioned and paid for by our Company. CARE Edge was appointed by our Company pursuant to engagement letter dated May 08, 2023 including subsequent amendment dated June 27, 2023. The CARE Edge Report will be available on the website of our Company at https://polymatech.in/industry-research-report.php until the Bid / Issue Closing Date. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

CARE Edge is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or the Book Running Lead Manager.

For details of risks in relation to the CARE Edge, see "*Risk Factors –Certain sections of this Draft Red Herring Prospectus contain information from the CARE Edge which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*" on page 49. The CARE Edge is subject to the following disclaimer:

This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. 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 market and industry 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 the business of our Company is conducted, 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*" on page 32. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Issue Price*" on page 105 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", 'are likely', "believe", "continue", "expect", "estimate", "intend", "will likely", "likely to", "may", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue", "will achieve", "can", "could", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying 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, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

- Adverse changes in laws, rules and regulations and legal uncertainties including adverse application of corporate and tax laws on our company.
- Reduction or elimination of tax exemptions given to units functioning in Special Economic Zones.
- Any supply disruptions in our raw materials could adversely and materially affect our business.
- Introduction of new, better and advanced technology
- Our brand 'Polymatech' is unregistered and objected as on date of this Draft Red Herring Prospectus.
- Challenges faced by our company being a new entrant in Opto-Semiconductors industry.
- Dependence of our revenue from operations upon a limited number of customers (which primarily consists of foreign multinational corporations) may adversely affect us in case of any adverse developments or inability to enter into or maintain such relationships.
- Our dependency on our R&D activities for our future success;
- We rely on the continued operations of our manufacturing facility and any slowdown, shutdown or disruption in our manufacturing facility may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see *"Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations"* on pages 32, 174 and 295, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Forward-looking statements reflect the current views of our Company 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, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our Promoters, the Book Running Lead Manager, the Syndicate Members nor any of their respective affiliates or advisors 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 SEBI requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Issue from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Issue", "Financial Information", "Objects of the Issue", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 32, 174, 116, 82, 68, 237, 97, 295, and 325, respectively of this Draft Red Herring Prospectus.

Primary business of our Company

Our Company, Polymatech, is India's first Opto-semiconductor Chips manufacturer *(source: CARE Edge Report)*, beginning with opto-semiconductor chips production in 2019 by using latest European and Japanese technologies to provide quality products to meet international standards. Our products are present in areas where photonics, or the science of light waves, play a significant role. As on the date of this Draft Red Herring Prospectus, our products are divided into two categories (i) Fully packaged Opto-Semiconductor Chips in the form of COB, HTCC, MLCC, LTCC, etc. ("Opto-Semiconductor Chips" or "Chips") and (ii) Luminaries. Our state-of-the-art manufacturing facility is located in Tamil Nadu at SIPCOT (State Industries Promotion Corporation of Tamil Nadu Limited) Hi-Tech SEZ (Special Economic Zone), Oragadam, Sriperumbudur, Kancheepuram, Tamil Nadu. We have also purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant.

We are involved in the designing, fabricating, manufacturing, packaging and assembly of opto-semiconductor chips in house which are sold directly to our customers as well as used in our luminaries assembly.

Being an innovative company we are focused on Research and Development. All of our products are developed in house by our R&D team at Oragadam, Kancheepuram, Tamil Nadu plant. Our R&D team focuses on product designing, tools designing, electronic circuit designing and also has the facility for RPT (Rapid Prototyping). Our R&D team independently develops opto-semiconductor designs and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. Our R&D team is divided into two segments headed (i) Development of chips used in the medical applications such as endoscope, leproscope, UV-C lights, etc.; headed by Mr. Hidenobu Hitotsumatsu, (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishaal Nandam. In April 2019, we successfully developed and produced first semi-conductor chip. We further enhanced our installed capacity for opto-semiconductor chips from 150 mpa in Fiscal 2020 to 300 mpa in Fiscal 2023. As on the date of this Draft Red Herring Prospectus, we are in the process to enhance our capacity further. Since the initiation of production, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. Our luminaries currently focus on large area lighting in industrial appliances. We expect that our chips for medical applications, aquaculture, horticulture, sanitization and data transmission will be ready for commercial supply by the end of this financial year.

In Luminaries, we have completed our research and successful trials for our own drivers. We have also received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our driver which is valid till September 13, 2025. We also design the fixtures but the casting and related operations are outsourced as they are low value added activities.

We have promoters with technological knowhow and experienced management team. Our promoter, Mr. Eswara Rao Nandam, has over three decades of experience in electronic components manufacturing, auto mobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, integration of self-developed software and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organisations such as Rane Group, Hero group, Pricol, Nokia, Suzlon, GMR, etc. A life member of India Institute of Plant Engineers, Mr. Eswara Rao Nandam has studied M. Tech in Manufacturing Engineering from BITS Pilani, is a Six Sigma practitioner who has acquired multiple other certifications such as 'Lean Manufacturing' from Leancost Solutions, 'Certified System Integrator' from Allen Bradley, CNC Training from Siemens, among others. Mr. Vishaal Nandam who heads the Research and Development division for design and development of chips has over 5 years of experience in electronics and semiconductors. After graduating in B. Tech from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre. He completed 'Embedded Systems Internship Program' by Simple Labs, secured top ranks in competitions such as 'Modelling & Animation of Mechanical Parts' held by SAEINDIA. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world's largest CAD training network. He is also certified VFX Professional and holds certificates in 3D Max, Advanced Animation (Maya) from Arena Animation. He also holds learnt Robot Operation & Programming Arc Tool from FANUC.

Further, our company was taken over by our current Promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam through Share Purchase Agreement dated December 07, 2016, including the subsequent amendment on November 28, 2017 from the previous shareholders Polyma Asset Management Co. LTD., Japan and M/s. Polymatech Malaysia SDN. BHD. For further details on Share Purchase Agreement, see "*Our Business*" and "*Our History and Certain Other Corporate Matters - Share Purchase Agreements*" on page 174 and [●] respectively.

Summary of industry in which our Company operates (*Source: CARE Edge Report*)

Opto-semiconductor are semiconductors that work by absorption and emission of light. They are based on the quantum mechanical effects of light on electronic materials. Photodiodes, light emitting diodes (LEDs), solar cells and semiconductor lasers are categorized as opto-electronics devices. The opto-semiconductor devices work on the basis of interaction of light and interaction of the electron-holes. They are advantageous over other semiconductors on the basis of conversion efficiency.

Opto-semiconductor can be made from a variety of materials which includes silicon, germanium, etc. dependent on the wavelength of the light that is to be generated or detected.

Global Opto-semiconductors Industry :

Japan, Taiwan and Southeast Asia are the main producers of opto-semiconductors with Japan being the largest producer and China being the largest consumer of opto-semiconductors. As China is the global manufacturing hub producing a wide range of auto parts and lighting products, it consumes the largest quantity of opto-semiconductors. Additionally, China is the world's largest market for consumer electronics, including smartphones, TVs and wearables. All these factors have resulted in China becoming the largest consumer of opto-semiconductors, with a strong domestic market and an important role in the global supply chain. Japan, Taiwan, and South Korea are the main exporting countries, while China is the main importing country of opto-semiconductors in the world. The global opto-semiconductor market was estimated at USD 37,088 Mn (₹ 2.73 Lakh Crores) in 2018 and has grown at a CAGR of 4% to USD 43,780 Mn (₹ 3.32 Lakh Crores) in 2022.

The global market for opto-semiconductor is majorly driven by applications which includes large area lighting, medical uses, automation of automobiles and specialized light like photosynthesis, aqua lightings, sanitization etc.

Large area lighting accounts for 34% of the total market followed by automobiles. The other applications which consists of more than 50% of the total market are consumer segment products like mobile phone, sensors, cameras, solar cells etc.

Indian Opto-semiconductors Industry :

The Indian opto-semiconductor market was estimated at USD 1,515 Mn (₹ 0.11 lakh Crores) in 2018 and has grown at a CAGR of 12% to USD 2,344 Mn (₹ 0.18 Lakh Crores) in 2022. LEDs constitute 40.6% of the total opto-conductors market in India followed by image sensor opto-semiconductors. LEDs are replacing all the traditional plasma lighting as it is more efficient both in terms of life and cost. Image sensors are used in medical applications and mobile phones.

Outlook:

The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028, growing at a CAGR of 5.2% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally.

The market of opto-semiconductor in India is expected to reach USD 5,351 Mn (₹ 0.44 Lakh Crores) by 2028, growing at a CAGR of 15% from 2022 to 2028. The developments in this sector are expected to be driven by increased investment, supportive policies by the Government and increase in demand by the end-user industries.

Our Promoters

Eswara Rao Nandam, Uma Nandam and Vishaal Nandam, are our Promoters. For further details, see the section titled "*Our Promoters and Promoter Group*" on page 229.

The Issue

Issue^	Fresh Issue of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ 75,000 Lakh

^Our Company in consultation with the BRLM, may consider the Pre-IPO Placement aggregating up to ₹ 15,000.00 Lakhs prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with the minimum issue size requirements prescribed under Rule 19(2)(b) of the SCRR.

The Issue has been authorized by a resolution of our Board dated May 30, 2023 and special resolution of our Shareholders dated June 21, 2023.

The Issue shall constitute [●] % of the post-Issue paid-up Equity Share capital of our Company. For further details, see "*The Issue*" and "*Issue Structure*" on pages 68 and 348, respectively.

Objects of the Issue

The Net Proceeds are proposed to be utilised towards the following objects:

Particulars	Estimated amount^ (₹ in Lakh)
Purchase of new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu	56,572.49
General corporate purposes*	[●]
Net Proceeds	[●]

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

^Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Our Company in consultation with the BRLM, may consider the Pre-IPO Placement aggregating up to ₹ 15,000 Lakh prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with the minimum issue size requirements prescribed under Rule 19(2)(b) of the SCRR.

For further details, see the section titled "*Objects of the Issue*" on page 97.

Aggregate pre-Issue and post-Issue shareholding of our Promoters, the members of our Promoter Group (other than our Promoters).

The aggregate pre-Issue and post- Issue shareholding of our Promoters, the members of our Promoter Group (other than our Promoters), as a percentage of the pre-Issue paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is set out below:

		Pre-Issue Equity Share capital	Post-Issue Equity Share capital

S. No.	Name of the Shareholder	No. of Equity Shares held	% of paid-up Equity Share capital	No. of Equity Shares held	% of paid-up Equity Share capital
Promoters					
1.	Mr. Eswara Rao Nandam	3,31,22,570	41.56	[●]	[●]
2.	Ms. Uma Nandam	3,03,34,430	38.07	[●]	[●]
3.	Mr. Vishaal Nandam	-	-	[●]	[●]
	Total (A)	**6,34,57,000**	**79.63 %**	[●]	[●]

For further details, see section titled "*Capital Structure*" on page 82.

Summary of Restated Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations for the Fiscals ended March 31, 2023, March 31, 2022, and March 31, 2021, as derived from the Restated Financial Information are set forth below:
(₹ in Lakhs)

Particulars	For the Fiscals ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Equity share capital	7,187.62	6,345.70	6,345.70
Net worth[(1)]	31,806.30	6,894.21	3,467.40
Revenue from operations	64,902.00	12,587.31	4,501.37
Profit/(Loss) for the year	16,776.62	3,426.81	628.83
Earnings/(Loss) per Equity Share			
-Basic[(2)]	26.02	5.40	0.99
-Diluted[(3)]	26.02	5.40	0.99
Net Asset Value per Equity Share [(4)]	49.33	10.86	5.46
Total borrowings [(5)]	**4,097.49**	**4,156.53**	**2,647.59**
Current Borrowings	2,508.33	374.01	150.65
Non-Current Borrowings	1,589.16	3,782.52	2,496.94

Note: The above ratios have been computed on the basis of the Restated Financial Information.

[(1)]Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write -back of depreciation and amalgamation.

[(2)]Basic EPS (₹) = Restated profit for the year attributable to the equity holders of our Company/weighted average number of equity shares outstanding during the year ending March 31, 2023, March 31, 2022 and March 31, 2021.

[(3)]Diluted EPS (₹) = Restated profit for the year attributable to equity holders of our Company/weighted average number of equity shares outstanding during the year 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, if any.

[(4)]Net Asset Value per share is calculated as Net Worth as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. The weighted average number of Equity Shares outstanding during the year March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Ind AS 33.

[(5)]Total borrowings consist of current (including current portion of long-term borrowings) and non-current borrowings.

For further details, see the section titled "*Restated Financial Information*" on page 237.

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

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters, and our Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* (₹ in Lakh)
Company	Nil	Nil	Nil	Nil	Nil	Nil
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil	Nil	Nil
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters	Nil	Nil	Nil	Nil	Nil	Nil
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

Our promoters and directors have received Income tax notices such as under Section 143(3) for different assessment years. However, the notices are below the threshold mentioned in our Materiality Policy adopted on June 16, 2023.
For further details, see the section titled "*Outstanding Litigation and Material Developments*" on page 325.

Risk Factors

Specific attention of Bidders is invited to the section titled "*Risk Factors*" on page 32. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue.

Summary of contingent liabilities

There are no contingent liabilities as on March 31, 2023, March 31, 2022 and March 31, 2021.

For further details, see "*Restated Financial Information – Notes to Restated Financial Information – Note 32- Commitments and Contingencies*" on page 273.

Summary of Related Party Transactions

The summary of related party transactions entered into by us for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, as derived from the Restated Financial Information are as set out in the table below:

Related party transactions	
a) Names of related parties and description of relationship	
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	
Polymatech Semi Conductors Private Limited	
Key managerial personnel	**Description of relationship**
Eswara Rao Nandam	Director
Uma Nandam	Director

b) Summary of transactions and outstanding balances with above related parties are as follows			
(i) Summary of transactions with above related parties are as follows			
Particulars	**For the year ended 31 March 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Loan Taken			
Eswara Rao Nandam and Uma Nandam	300.00	-	36.11
Purchase of Material during the year			
Polymatech Semi Conductors Private Limited	4,913.91	-	-
Advance given for Procurement			
Polymatech Semi Conductors Private Limited	-	122.84	-
(ii) Summary of outstanding balances with above related parties are as follows			

Particulars	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
a) Non - current financial liabilities - Loan From related party			
Key managerial personnel and their relatives			
Eswara Rao Nandam and Uma Nandam	1,888.21	1,446.74	1,291.74
b) Other Current Assets - Advance to related party			
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)			
Polymatech Semi Conductors Private Limited	-	122.84	-

For details of the related party transactions, as per the requirements under Ind AS 24 '*Related Party Disclosures*' and as reported in the Restated Financial Information, see "*Restated Financial Information – Note 29: Related Party Transactions*" on page 272.

Financing arrangements

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

Weighted average price at which specified securities were acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus.

Our promoters have not acquired any Specified securities in last 1 year preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of Equity Shares by our Promoters.

The average cost of acquisition of Equity Shares by our Promoters as at the date of this Draft Red Herring Prospectus is set forth below:

Name of Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share* (₹)
Eswara Rao Nandam	33,122,570	0.20
Uma Nandam	30,334,430	0.20
Vishaal Nandam	-	-

**As certified by S S Kothari Mehta & Company., Chartered Accountants, pursuant to their certificate dated September 29, 2023.*

Weighted average cost of all Equity Shares transacted in the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus by the Promoters

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price per Equity Share: lowest price –highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	NA	NA	NA

Last 18 months preceding the date of this Draft Red Herring Prospectus	NA	NA	NA
Last three years preceding the date of this Draft Red Herring Prospectus	NA	NA	NA

Details of Pre-IPO Placement

Our Company in consultation with the BRLM, may consider issue of specified securities as may be permitted under the applicable laws to any person(s), aggregating up to ₹ 15,000 Lakhs, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with the minimum issue size requirements prescribed under Rule 19(2)(b) of the SCRR.

Issue of equity shares of our Company 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 preceding the date of this Draft Red Herring Prospectus.

For further details, see "*Capital Structure*" on page 82.

Split or consolidation of equity shares in the last one year

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

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

Our Company has not sought for any exemptions by SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Prospective investors should carefully consider all 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 in which we operate or propose to operate. If any or some combination of the following risks actually occur, our business, financial condition, cash flows and results of operations could suffer, the trading price of the Equity Shares could decline and prospective investors may lose all or part of their investment. Investors in the Equity Shares should pay particular attention to the fact that we are functioning in a very niche industry and we started producing our product only four years ago.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections "Our Business", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 174, 237 and 295, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward looking Statements" beginning on page 22.

Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the report titled "Report on Global Opto-semiconductors Industry" dated September 26, 2023 (the "CARE Edge Report") which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. We engaged CARE Advisory Research and Training Limited in connection with the preparation of the Industry Research Report pursuant to mandate dated May 08, 2023, as amended on June 27, 2023. A copy of the CARE Edge Report shall be available on the website of our Company at https://polymatech.in/industry-research-report.php. The data included in this section includes excerpts from the CARE Edge Report and may have been re-ordered by us for the purposes of presentation.

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from the "Restated Financials Statements" beginning on page 237.

Internal risk factors

Risks related to our business and operations

1. **Any disruption, slowdown or shutdown in our manufacturing or research and development operations could adversely affect our business, financial condition, cash flows and results of operations.**

The opto-semiconductors manufacturing industry needs a stable and reliable power supply because the manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. Power disruptions in India, especially during the peak demand months, can impact the industry adversely. Further, as semiconductor manufacturing requires significant amount of water, there needs to be uninterrupted water supply at the plant location. Our manufacturing facility where our research & development operations are also conducted is located at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu – 602 105, India, which is also our registered office. Our business is dependent on our ability to manage our manufacturing and R&D operations, which are subject to operating risks and factors such as fire and unexpected breakdown and/or failure of equipment or industrial accidents which may entail significant repair and maintenance costs, increases in raw materials, consumables and manpower costs, challenges in achieving targeted utilization levels at our manufacturing facilities, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, such as the COVID-19 pandemic, natural calamities, civil disruptions and changes in the regulations and policies of the states or local governments. For further details, see "*–The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" and "*–External Risk Factors – Our business is substantially affected by prevailing macroeconomic, political and other conditions in India.*" on pages [●] and [●], respectively.

Further, if we are unable to obtain raw materials and manufacturing equipment or machinery on commercially acceptable terms, or at all, or if our third-party suppliers fail to deliver the raw materials and equipment to us within a reasonable stipulated time, it could lead to disruptions, slowdown or shutdown of operations at our manufacturing facility. Although we have not experienced any material instances of such disruptions at our manufacturing facility in the past three Financial Years except during the time of COVID lockdowns, we cannot assure you that we will not be subject to these risks in the future. Any of the foregoing could cause delays in our operations or require us to shut down the affected manufacturing facility, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

2. ***We are dependent on, and derive a substantial portion of our revenue from a few customers. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, the top five customers accounted for 61.99%, 65.78%% and 72.70%, respectively, of our restated revenue from operations. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition***

As on the date of this Draft Red Herring Prospectus, we are dependent on a limited number of customers. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top five customers accounted for 61.99%, 65.78% and 72.70%, respectively, of our restated revenue; our top ten customers accounted for 86.00%, 88.87% and 90.98% respectively, of our restated revenue. Typically our key customers share supply schedules, followed by purchase orders. We do not have agreements with our customers. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our largest customer (different in all the years), accounted for 22.26%, 15.91% and 22.24%, respectively, of our restated revenue. Since the takeover of our company by our current promoters, our Company has been expanding its customer base. However, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base into new geographies, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected.

In addition, cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. Further, if an anticipated order fail to materialize, it can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

3. **We are highly dependent upon the technical knowhow, experience and skill of our Board of Directors and our Key Managerial Personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.**

We have promoters with technological knowhow and experienced management team. Our promoter, Mr. Eswara Rao Nandam, has over three decades of experience in electronic components manufacturing, auto mobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, integration of self-developed software and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organisations such as Rane Group, Hero group, Pricol, Nokia, Suzlon, GMR, etc. A life member of India Institute of Plant Engineers, Mr. Eswara Rao Nandam has studied M. Tech in Manufacturing Engineering from BITS Pilani, is a Six Sigma practitioner who has acquired multiple other certifications such as ‘Lean Manufacturing’ from Leancost Solutions, ‘Certified System Integrator’ from Allen Bradley, CNC Training from Siemens, among others. Mr. Vishaal Nandam who heads the Research and Development division for design and development of chips has over 5 years of experience in electronics and semiconductors. After graduating in B. Tech from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre. He completed ‘Embedded Systems Internship Program’ by Simple Labs, secured top ranks in competitions such as ‘Modelling & Animation of Mechanical Parts’ held by SAEINDIA. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world’s largest CAD training network. He is also certified VFX Professional and holds certificates in 3D Max, Advanced Animation (Maya) from Arena Animation. He also holds learnt Robot Operation & Programming Arc Tool from FANUC.

Our promoters are supported by members of our management team, and our board of directors, which includes our Independent Director, a Finnish expert in PCB (Printed Circuit Boards) manufacturing, Ms. Rapala Virtanen Tarja Hannele, with over three decades of experience and who is now the Technical Director of EIPC (The European Institute for PCB Community) and also a member in WECC (The World Electronic Circuits Council). She provides her valuable guidance to our company. Our Research and Development team is partly headed by a Japanese expert in LED lighting, Mr. Hidenobu Hitotsumatsu, having over four decades of experience, who heads the research in endoscopy, leproscope, UV-C lights. Mr. Hidenobu Hitotsumatsu is also our Key Managerial Personnel.

Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies and we have also not entered into any non-compete agreements with our Promoter and Managing Director, Mr. Eswara Rao Nandam and our Key Managerial Personnel, Mr. Vishaal Rao Nandam. In the event that our promoter and our KMP are unable to discharge their duties or decides to exit our company or start a new venture with similar objects as of our company, we may face disruptions in our business operations, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

4. **Any delay, interruption or reduction in the supply of our raw materials from our third-party suppliers and manufacturers, or an increase in the costs of such raw materials may adversely impact the pricing and supply of our products and have an adverse effect on our business, financial condition, cash flows and results of operations.**

We depend on third-party suppliers for the supply of certain raw materials. The key raw materials that we use for our manufacturing operations include wafers, chemicals, precious metals, fixtures, and packaging materials. Our raw material suppliers are primarily located in Japan, South Korea, Taiwan, European Union and India. The following table sets forth the number of our raw material suppliers by geography and the amounts paid to our raw material suppliers in absolute terms and as a percentage of our total purchases of raw materials, for the years indicated:

Particulars	For the Financial Year ended	
	2023	
	No. of Suppliers	Percentage of total purchases of raw materials (%)
Direct import from Japan	10	65.00%
Direct import from South Korea	3	10.00%
Direct import from Taiwan	4	12.50%
Direct import from European Union	2	2.50%
Domestic sourcing*	3	10.00%
Total	**22**	**100.00%**

**Here domestic sourcing means purchasing from domestic tariff area i.e. India.*

Any delays or disruptions in the manufacturing facilities of such third-party suppliers may result in our inability to deliver certain products, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our cash flows and results of operations. Further, while we make sure that we receive the required quality of raw material by making direct imports from the suppliers and most of our raw material purchases are Ex Works (EXW) based where we are responsible shipping costs and risks. We prefer

EXW in order to maintain the quality and safety of our raw materials. While we enjoy strong relationship with our suppliers, we do not enter into agreement with suppliers. We provide our suppliers with annual projections followed by quarterly requirement and monthly schedules. Any inaction or delay from the suppliers could adversely affect our business, financial condition, cash flows and results of operations.

Further, the raw materials we source from such suppliers are subject to supply disruptions and price volatility caused by various factors outside of our control, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government policies, rules and regulations including import restrictions. For example, our raw materials also include precious metals and the rates of some precious metals has been highly volatile recently along with the foreign currency. Although we have not experienced any material supply disruption in the past three Financial Years we cannot assure you that our raw materials and finished formulations will not be subject to such risks in the future. In the event of an increase in the price of raw materials and shipping costs, our product costs will also correspondingly increase, and we cannot assure you that we will be able to increase the price of our products to offset such costs or supply products at affordable prices. If the demand for raw materials exceeds supply, our suppliers may prioritize the orders of other customers and choose to supply the raw materials we require to our competitors over us, discontinue their operations or are otherwise unable to fulfil their contractual commitments to us, our ability to source raw materials at a suitable price and meet our order requirements may be adversely affected.

5. **Our inability to successfully implement our business plan, expansion and growth strategies could have an adverse effect on our business, financial condition, cash flows and results of operations.**

We have expanded our operations and experienced considerable growth since the beginning of our production. We cannot assure you that we will be able to maintain our historical growth rates or our market position. Such growth requires us to manage complexities across all aspects of our business, including those associated with increased capex, remaining updated with the technologies, expansion of manufacturing and research & development ("R&D") operations, execution on new lines of business and implementations of appropriate systems and controls to grow the business. Our continued growth requires significant time and attention from our management, and may place strains on our operational systems and processes, financial systems and internal controls and other aspects of our business.

Our current growth strategies include, among others, increasing our presence in the opto-semiconductors industry, increasing penetration in India, penetration in EU, North Americas, Middle East, South East Asia, building alternative channels for growth, growing the number of industries we can serve, and developing new products, see "*Our Business – Our Strategies*" beginning on page 185. Our promoters have incorporated a group company named Polymatech Electronics USA LLP in California, USA on May 07, 2023 to increase the presence of our brand in North America. If we are unable to execute our business plan and growth strategies and sustain the levels of growth that we have previously experienced, our business, financial condition, cash flows and results of operations may be adversely affected.

For example:

- We may not be able to increase our presence including in opto-semiconductor space, if, among other things, the market growth in opto-semiconductor space which our company primarily serves, or if market acceptance for our existing or new products of competitors in this and related areas increases, resulting in substitution, or our having to lower the prices, of our products for these products. Further, we may not be able to maintain or increase our domestic customers or multinational customers if there is a slowdown in the market growth.

- We may not also be able to successfully execute our strategy to expand our presence in India and abroad if we are unable to successfully engage with OEMs (for opto-semiconductor chips) in the areas we serve across these countries.

- We may not be able to maintain the growth rate of our luminaries and opto-semiconductor chips related business or expand our overall customer base if the market does not grow as expected.

We may face challenges developing our new products and conducting research & development operations due to the level of discretion maintained if our industry. We may also face challenges to increase our global presence for our growth, and with time if we are unable to improve our products or grow our presence, we would not be able grow our sales and consecutively our portfolio of products. In addition, the enhancement of our manufacturing and R&D operations are subject to certain risks including those associated with, among other things, shortages and late delivery of materials and facility equipment resulting in delays or cost overruns, keeping up with latest technology and processes, delays or failure in securing the necessary government and other regulatory approvals, and insufficient demand for our products resulting in underutilization of our expanded manufacturing facility. If we are unsuccessful in operating smoothly then our operations may be affected and additional integration costs may be incurred, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

6. **Being India's first Opto-semiconductor Chips manufacturers expose us to certain risks. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.**

We are India's first opto-semiconductor chips manufacturers (*Source: CARE Edge Report*). Our promoters took over our company through a Share Purchase Agreement dated December 07, 2016, including subsequent amendment dated November 28, 2017. Since the takeover, our company has completed five full years, including the lockdown period, under the current promoters till Fiscal 2023. As a new entrant in this Industry and functioning under a brand name, we face multiple challenges. In Fiscal 2022 and Fiscal 2021 we sold only opto-semiconductor Chips whereas in Fiscal 2023 we introduced our own luminaries in the markets. In Fiscal 2023, luminaries contributed 25.86% of total revenue from operations.

As we introduce new variants of existing products or new products, we will be exposed to various challenges, including those relating to identification of potential markets, customer preferences, regulatory regimes, business practices and customs. We may require significant financial resources for expansion of our operations, including capital expenditure, inventory and hiring of additional employees for our second plant. We may be required to obtain loans to finance such expansion and we may not be successful in obtaining such funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our research & development operations, operational and financial resources. In addition, as we enter new markets, we face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' preferences, business practices and customs.

Our Revenue CAGR (calculated as growth of revenue from operations from FY21 to FY23) increased at a CAGR of 139.92% from Fiscal 2021 to Fiscal 2023 while our profit for the year has increased at a CAGR of 198.81% from Fiscal 2021 to Fiscal 2023. Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand the number of customers and enter into new geographies, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets.

(CAGR has been calculated basis the following: Compounded Annual Growth Rate (as a %); (end year amount/ base year amount ^ (1/ number of gross years between base year and end year) – 1)

An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which may result in a material adverse effect on our business, prospects, financial condition and results of operations.

7. ***We may not be able to protect our brand name and trademarks.***

Our name and trademarks support our business. We believe that our reputation and brand are associated with the "Polymatech" name; and that this association has contributed towards the success of our business. We believe that our trademarks and other proprietary rights have significant value in our business as we are India's first opto-semiconductor chips manufacturer. The trademark "POLYMATECH" was initially registered by our company's former holding company and shareholder, Polymatech Japan Co. Ltd., in the year 2007 under class 9. Subsequently, in 2018, Polymatech Co. Ltd. was acquired by PT Setsuritsu Junbi Co., Ltd., and the company's name was changed to Sekisui Polymatech Co., Ltd., which is now the registered owner of the trademark "POLYMATECH".

Pursuant to a share purchase agreement dated December 7, 2016, our Promoters acquired 100% Equity shareholding of our Company from Polyma Asset Management Co. Ltd. and Polymatech Malaysia Sdn. Bhd. Subsequently, in the year 2020, we initiated a rectification process to assert ownership of the trademark. In the year 2021, Sekisui Polymatech Co. Ltd., opposed the rectification filed by us, and as of the current date, no final order has been issued on this matter by the Trademark Registry. Further, in the year 2022, we filed a trademark application for "POLYMATECH" under class 11. The current status of this trademark application is "Objected." The ongoing dispute over the ownership of the trademark "POLYMATECH" presents uncertainties with regard to our ability to secure rights to this critical trademark. The absence of registered trademarks in our name and the ongoing dispute over the "POLYMATECH" trademark highlight potential vulnerabilities in our intellectual property portfolio. Failure to secure trademarks or protect existing intellectual property rights may result in legal disputes, competitive disadvantages, and risks related to brand identity and market positioning.

Apart from the "POLYMATECH" trademark, we plan to use following twenty-five product brand names which were recently applied by our Promoter, Mr. Vishaal Nandam, on September 18, 2023:

Sr. No.	Name of Proprietor	Particulars	Classes	Application Number	Status
1.	Mr. Vishaal Nandam	ALWAYSGREEN	9 and 11	6115589	Formalities Check Pass
2.	Mr. Vishaal Nandam	ALWAYSWHITE	9 and 11	6114704	Formalities Check Pass
3.	Mr. Vishaal Nandam	ALWAYSDAY	9 and 11	6114826	Formalities Check Pass
4.	Mr. Vishaal Nandam	LIGHTMAN	9 and 11	6114742	Formalities Check Pass
5.	Mr. Vishaal Nandam	CINELIGHT	9 and 11	6114743	Formalities Check Pass
6.	Mr. Vishaal Nandam	SUCHI	9 and 11	6114915	Formalities Check Pass
7.	Mr. Vishaal Nandam	BRIGHTWHITE	9 and 11	6114916	Formalities Check Pass
8.	Mr. Vishaal Nandam	PLANTLIGHT	9 and 11	6114917	Formalities Check Pass
9.	Mr. Vishaal Nandam	SANILIGHT	9 and 11	6114918	Formalities Check Pass
10.	Mr. Vishaal Nandam	SLEEPREGULATOR	9 and 11	6114919	Formalities Check Pass
11.	Mr. Vishaal Nandam	GEMPROTECT	9 and 11	6114920	Formalities Check Pass
12.	Mr. Vishaal Nandam	ICOMFORT	9 and 11	6114921	Formalities Check Pass
13.	Mr. Vishaal Nandam	PLIGHT	9 and 11	6114922	Formalities Check Pass
14.	Mr. Vishaal Nandam	NLIGHT	9 and 11	6114923	Formalities Check Pass
15.	Mr. Vishaal Nandam	VLIGHT	9 and 11	6114924	Formalities Check Pass
16.	Mr. Vishaal Nandam	IPROTECT	9 and 11	6114728	Formalities Check Pass
17.	Mr. Vishaal Nandam	SURROUNDLIGHT	9 and 11	6114729	Formalities Check Pass
18.	Mr. Vishaal Nandam	EVENSPREAD	9 and 11	6114730	Formalities Check Pass
19.	Mr. Vishaal Nandam	HIPURE	9 and 11	6114731	Formalities Check Pass
20.	Mr. Vishaal Nandam	HIPURITY	9 and 11	6114732	Formalities Check Pass

21.	Mr. Vishaal Nandam	MONOSOURCE	9 and 11	6114733	Formalities Check Pass
22.	Mr. Vishaal Nandam	FLIPCHIP	9 and 11	6114734	Formalities Check Pass
23.	Mr. Vishaal Nandam	FACEUP	9 and 11	6114735	Formalities Check Pass
24.	Mr. Vishaal Nandam	RAVAYE	9 and 11	6114736	Formalities Check Pass
25.	Mr. Vishaal Nandam	LIGHTUP	9 and 11	6114737	Formalities Check Pass

Our company has plan to enter into trademark license agreement with Mr. Vishaal Nandam for using the above twenty-five trademarks.

We may be subjected to claims of infringement of trademark by one or more persons, and proceedings in regard to the trademarks being used by us which may be adverse to our Company. We may not be able to use trade marks in the event we are found to be infringing third party intellectual property. Our Company or Mr. Vishal Nandam, our Promoter, as the case may be, may also be refused registration in the event the trademarks do not qualify for registration. We have neither performed a search nor conducted any enquiry as to the registrability of the trademarks being used by our Company. We may be liable in damages to third parties as a result of infringement of intellectual property.

While we are committed to defend our intellectual property rights and securing trademarks, there can be no assurance that we will be successful in these endeavors in a timely manner or that our intellectual property rights will be adequately protected. Any adverse outcomes in trademark disputes or challenges may have a material adverse effect on our business, financial condition, and results of operations. Investors should consider these trademark-related risks when evaluating their investment in Polymatech Electronics Limited. Further, any unauthorized use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our business, financial condition and results of operations. Intellectual property rights and our ability to enforce them may be unavailable or limited in some circumstances. Loss of intellectual property may significantly affect our media and advertising activities, and loss of equity for the "POLYMATECH" brand, thus adversely affecting our business, revenue and prospects.

8. **We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.**

We intend to use the net proceeds of the Issue for the purposes described in the section titled "*Objects of the Issue*" on page 97. The objects of the Issue and our funding requirement is based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

Further, we will appoint a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

In addition, while we have received quotations for which we have not yet placed orders for the machinery and equipment that we propose to purchase from the Net Proceeds of the Issue. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

9. Our manufacturing process requires certain temperature, high level of cleanliness and accuracy.

Our manufacturing process requires certain temperature, high level of cleanliness and accuracy to manufacture products with expertise. The opto-semiconductor chips we manufacture are made inside a class 10000 'clean room' where depending on the type of product the operator may have to wear protective suit as well. The temperatures are maintained by two air conditioning units with a capacity of 200 TR each.

Further, Semiconductors require microscopic level of precision and the manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. Therefore, electricity is crucial for our manufacturing and R&D facility. Without proper and constant electricity our production facility cannot operate and our raw materials which needs to be kept in refrigeration may get damaged. To safeguard against any production stoppages or losses due to voltage fluctuation in power supply or no power supply we received a Memorandum of Understanding dated February 26, 2021, issued by government of Tamil Nadu, where we have been assured uninterrupted power supply on best effort basis. We have also installed three DG sets of capacity 125 KVA, 200 KVA and 500 KVA to give over 100% power backup to our manufacturing operations and avoid any unforeseen circumstances of power outage. Also, the foundations of our facility are based on an earthquake-resistant infrastructure to withstand seismic waves upto certain magnitude.

We may proactively take corrective measures such as above but we cannot guarantee that there will be no disruptions in our manufacturing and R&D operations whatsoever. Any such disruptions could have an adverse effect on our business, financial condition, cash flows and results of operations.

10. We are dependent on our R&D activities for our future success. If we do not successfully develop new products in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.

Our R&D department focuses on focuses on product designing, tools designing, electronic circuit designing and also has the facility for RPT (Rapid Prototyping). We have not bifurcated our R&D expenses under a separate head of expenses in our financial statements for the Fiscal 2023, Fiscal 2022 and Fiscal 2021. Our R&D department has the capabilities to independently develop designs, develop final prototypes, recommending suitable raw materials and testing of trial products. For instance, our R&D team worked and developed all the products that we are selling currently. Apart from the existing products we have also developed and completed trials of multiple other products as mentioned below –

- Photosynthesis lighting for horticulture
- Aquaculture lighting
- UV light for operation theaters for surgeries
- Sanitization Lighting for food processing industry
- Lights used in Endoscopy and Laparoscopy equipment
- Li – Fi (Light fidelity) equipment for transmitting data through light

We have also completed our research and successful trials for our own drivers for using in our luminaries assembly. We have received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our in-house developed driver which is valid till September 13, 2025. We also design the fixtures of our luminaries but the casting and related operations are outsourced as they are low value added activities.

Innovation and applied engineering continue to be the key determinant for our success. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. We may encounter unexpected delays in the development of new products and these new products may not perform as we expect.

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

The products that we manufacture are subject to technological change. These changes may affect the demand for our products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends. New products based on new or improved technologies may render existing products obsolete. In addition, a slowdown in demand for our existing products could result in a write-down in the value of inventory on hand related to existing products and/or a charge for the impairment of long-lived assets related to such products. If our customers defer or cancel orders for existing products in the expectation of changes in the market, regulatory requirements or a new product release or if there is any delay in development or introduction of our new products or enhancements of our products, our business, results of operations and financial condition would be adversely affected.

As part of our strategy and to cater to the changing customer preferences and market trends, we introduced the luminaries in Fiscal 2023 and developed the new products. However, there is possibility that we may miss a market opportunity because we failed to invest, or invested too late, or were unable to enter into an arrangement with a technology partner, in a technology product or enhancement sought by our customers.

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

11. Our Promoters will be able to exercise significant influence and control over us after the Issue and may have interests that are different from or conflict with those of our other shareholders.

Our Promoters and members of the Promoter Group collectively held 79.63% of the paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus. Post-Issue, the Promoters and members of the Promoter Group will continue to collectively hold substantial shareholding in our Company. For details of their shareholding pre and post- Issue, see "*Capital Structure – Shareholding of our Promoters and the members of our Promoter Group*" on page 88. By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters may be different from or conflict with our interests or the interests of our other shareholders in material aspects and, as such, our Promoters may not make decisions in our best interests.

12. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.

Our production and distribution processes require us to anticipate the demand for our products based on the feedback received from our own marketing personnel, as well as the generally available market data on semi-conductors industry. Accurate assessments of market demand require significant investments in our marketing network. Our business depends on our estimate of the demand for our products – opto-semiconductor chips and luminaries. As of March 31, 2023, our total inventories amounted to ₹ 3,620.49 Lakhs or 23.46 % of our total net assets as of the same date. While we seek to fairly & accurately forecast the demand for our products and, accordingly, plan our production volumes, there is no guarantee that our estimate of market demand for our products in India or our overseas markets will be accurate. If we underestimate such demand or have inadequate capacity, we may manufacture fewer quantities of products than required and be unable to meet the demand for our products, which could result in the loss of business or constraints in cash flows. For details of our past capacity utilization, see "*Our Business– Capacity, Production and Capacity Utilization*" on page 190. Further, we may overestimate demand or demand from our customers may slow down. As a result, we may manufacture products in excess of the actual demand, which would result in surplus stock that we may not be able to sell in a timely manner. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.

13. **Our Company have made certain preferential allotments of equity shares in the past and these allotments were allotted to investors in physical modes, which may have been in non-compliance with the Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014 and Companies Act, 2013.**

During Fiscal 2023 and in the current Fiscal our Company have made preferential allotments on January 30, 2023, March 29, 2023, April 19, 2023, June 16, 2023, August 03, 2023 and September 26, 2023 for 61,19,000 Equity Shares, 23,00,200 Equity Shares, 1,00,000 Equity Shares, 9,57,500 Equity Shares, 17,47,875 Equity Shares, 50,06,200 Equity Shares, for cash at prices 80, 135, 135, 250, 300 and 300 per share, respectively to the non-promoter group investors in physical mode by issue of physical shares certificates. However, in terms of the provisions of the Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014, every unlisted public company is required to issue the securities only in dematerialised form. The penalty for contravention of Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014 is ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person.

There can be no assurance that the Registrar of Companies, National Company Law Tribunal or any other regulatory authority will not take any action or initiate proceedings against our Company, Promoter, Directors and other officers in respect of the abovementioned allotments in the future. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences (including penalty or action) which may have an adverse effect on our business, finances and results of operations.

14. **We may face pricing pressure from new competitors, including as a result of low-cost alternatives to our products in the market, and we cannot assure you that we will be able to respond adequately to such pricing pressure.**

Although our company enjoys first mover advantage and benefit from high barriers for entry into our product market due to the low availability of technology and machinery required to manufacture opto-semiconductor chips in India and we have not identified any India based company manufacturing opto-semiconductors chips as on the date of this Draft Red Herring Prospectus. We cannot assure you that there will be no new entrants in the same space in India. At global level we have competition from various companies such as OSRAM GmbH, Broadcom Inc, Samsung Group, LITE-ON Technology, Lumileds Holdings, Toshiba Electronic Devices & Storage Corporation, Mitsubishi Electric Corporation, ON Semiconductor (Onsemi) as per *CARE Edge Report*. We believe that OSRAM GmbH of Germany and SAMSUNG of South Korea are our top competitors. In case new manufacturers enters in our industry with same or better products and with cheaper prices or the existing global competitors decide to enter into predatory pricing or similar practice to eliminate competition, it may lead to decreases in our revenue from product sales and profit margins.

We may have to lower our prices for similar products. When faced with pricing pressure, as a manufacturer we would generally be required to reduce operating costs in order to maintain profitability. To maintain our profit margins, we typically seek to reduce the price of our raw materials through negotiations with our suppliers, improving our production processes to increase our manufacturing efficiency, and optimizing packaging and product size so as to reduce costs. We cannot assure you that we will be able to avoid future pricing pressure from competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes or other cost reductions through other productivity initiatives.

In addition, we cannot assure you that we will be able to pass on any increases in operating costs to our customers as we are committed to providing high-quality products at affordable prices. If we were to face pricing pressure from competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition, cash flows and results of operations may be adversely affected.

15. We are dependent on third-party transportation providers for the transportation of raw materials, transport of machineries and delivery of our products.

Our raw materials are supplied from suppliers based in Japan, Taiwan, South Korea, India and European Union. We prefer to buy our raw materials directly from the manufacturers from the country of origin on Ex Works (EXW) basis where we are responsible for costs and risks. Therefore, as a manufacturing business, our success depends on the uninterrupted supply and transportation of various raw materials required for our manufacturing facility. We may or may not undertake the responsibility of delivery of machineries or the delivery of final products to our manufacturing facility or to our customers or intermediate delivery points such as airports or ports both of which are subject to various uncertainties and risks. We rely on third-party logistic companies and freight forwarders.

In order to maintain smooth supply chains, we have also entered into general agreements with various logistics providers that have operations at global level. However, factors such as transportation strikes could adversely impact the supply of raw materials and the delivery of our products. In addition, products may be lost, delayed or damaged in transit for various reasons, including accidents and natural disasters. In the past three Financial Years we have not experienced any material disruption in transportation services. Past increases in transportation costs have been negotiated with the relevant third party and benchmarked with market prices. However, any such reductions or interruptions in the supply of the raw materials we source from third parties, including abrupt increases in the transportation or fuel costs, inability on our part to find alternate sources for the procurement of such raw materials and termination in arrangements with our transport agencies, all of which may be exacerbated by the COVID-19 pandemic, see "*– The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*" on page 43, may have an adverse effect on our ability to manufacture or deliver our products in a timely or cost effective manner, which could lead to a breach of our contractual obligations. While we maintain inland transit insurance policy, 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. The occurrence of any such event may adversely affect our business, financial condition, cash flows and results of operations.

16. Our inability to respond adequately to increased competition in our business may adversely affect our Margins.

Our Company is engaged in the manufacturing of Opto-semiconductor Chips and Luminaries. Although we have not identified any India based company manufacturing opto-semiconductors chips as on the date of this Draft Red Herring Prospectus we cannot assure you that there will be no new entrants in the same space in India. At global level we face competition from multiple firms. Further at present the company is at the growing stage and the revenues and profits are increasing year on year on a substantial scale.

We face competition mainly from large body corporates who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, technology, perceived value and other criteria. Growing competition may force us to reduce our prices, which may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations.

(Rs. in Lakhs)

Particulars	Restated Financial Information		
	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Revenue from Operations	64,902.00	12,587.31	4,501.37
Total Income	65,162.29	12,807.68	4,718.58
EBITDA [1]	18,801.84	4,207.57	1,255.94

EBITDA Margin (2)	28.97%	33.43%	27.90%
Profit/(Loss) after Tax	16,776.62	3,426.81	628.83
PAT Margin (3)	25.85%	27.22%	13.97%

17. Our Company had made certain preferential allotments of equity shares in the past and e-form in this regard is pending to be filed as per the provisions of Section 39 and Section 42 of the Companies Act 2013 which may cause regulatory action.

There have been instances of delay in filing of e-forms. However, as on date, all the due forms have been filed with RoC along with additional fee wherever applicable except few e-forms such as PAS-3, MGT-14, etc. in respect of Preferential Allotments of Securities is pending to be filed with the Registrar of Companies. However, our company has not utilised the funds from these allotments in compliance with Section 42 of Companies Act, 2013. Despite our efforts for compliance, we cannot provide a guarantee of zero non-compliance with RoC or any other statutory body. In case of delay beyond the time limits mentioned in the provisions of Companies Act, we may have to request condonation of delay with applicable authority which may or may not condone the delay. This may affect our profitability negatively.

18. We may face risks associated with one of our Promoter Group Company i.e. Datasoft Application Software (India) Limited which has not completed certain statutory compliances, which in turn may subject us to regulatory action, penalties and negative publicity.

Our promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, acquired Datasoft Application Software (India) Limited ("Datasoft"), our Group Company, via an Open Issue, under SEBI SAST Regulations, which was open from December 09, 2021 to December 22, 2021 (both days inclusive). As per the Letter of Issue dated November 29, 2021 submitted SEBI pursuant to Open Issue, the promoters did not have any holding in the Datasoft prior to the takeover. Later, in 2023, BSE Limited ("the stock exchange") issued the notice vide notice no. 20230208-26, dated February 08, 2023 for suspending the securities of Datasoft Application Software (India) Limited. This also led to the freeze of entire shareholding of our Promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, in Datasoft Application Software (India) Limited.

Datasoft has also not filed various forms required under Companies Act 2013 such as MGT-14 for approval of Financial Statement, Appointment of Company Secretary, DPT-3 for Return of Deposits. Also, Datasoft has not filed corporate announcements required as per SEBI (LODR), 2015 such as Regulation 33, Regulation 34 and SEBI(SAST), 2011 and Schedule B Regulation 4(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further the Company of Datasoft is also not functioning as required under Regulation 46 of SEBI (LODR) Regulations 2015.

There can be no assurance that the Registrar of Companies, SEBI, National Company Law Tribunal, BSE Limited or any other regulatory authority will not take any action or initiate proceedings against our promoter Group Company or our Promoters in respect of the abovementioned non-compliance. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences (including penalty or action) which may have an adverse effect on our business, finances and results of operations and may cause negative publicity.

19. The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. As of the date of this Draft Red Herring Prospectus, World Health Organisation (WHO) has downgraded the Covid-19 pandemic from the status of a global emergency. The UN health agency noted that the viral disease and its spread do not qualify as a Global Emergency anymore. However, WHO alerted that even though the emergency phase was over the pandemic hasn't come to an end, noting spikes in cases in some parts of the world on the date of declaration. WHO has also said that thousands of people are still dying from the virus every week.

During the outbreak, GoI initiated a nation-wide lockdown from March 24, 2020 that lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The second wave of COVID-19 infections impacted India in April, May and June 2021. In June 2021, the COVID-19 reported cases from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures. In the first half of 2022, new variants of COVID-19 like Omicron and Delta continued to emerge.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortage, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India and internationally could also adversely affect our business, results of operations and financial condition.

Our manufacturing has been impacted during the COVID -19 pandemic as set forth below.

- After the takeover of our company by the current promoters and at the time of initial outbreak in India, we were still planning and evolving our manufacturing processes and other operations. Due to the nationwide lockdown, we were required to shut down our manufacturing facility from. Any future restrictions on our workforce's access to our manufacturing facility and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, results of operations and financial condition.

- In response to the impact of the pandemic and to keep our manufacturing plant operations, many steps were taken by the management, including (i) making employees aware of the pandemic, (ii) distribution of PPE items, i.e., masks and sanitisers, (iii) arranging for rapid antigen testing, (iv) sanitizing the office and plant premises at regular intervals, (v) daily temperature and oxygen level monitoring, and (vi) ensuring social distancing at the work place.

- Some of our employees have been infected with the COVID-19 virus during the pandemic, which caused us to lose some management and employee personnel hours.

- If the manufacturing facility had not been shut down during the lockdown, our company could have utilized that time for R&D and improved business operations at a comparatively earlier stage.

- The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks.

The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our opto-semiconductors chips.

20. **Our proposed capacity expansion plans relating to our manufacturing operations are subject to the risk of unanticipated delays in implementation, cost overruns and other formalities such as customs, etc. If we are unable to implement the expansion plans at the planned cost or unable to obtain Government approvals and licenses, it could materially and adversely impact our business, results of operations and financial condition.**

We have made and intend to continue making investments to expand the capacity of our manufacturing facility to aid our growth efforts. We intend to use a part of the Net Proceeds to add machineries at our manufacturing facility for the capacity expansion of our manufacturing facility. For further details, see "*Objects of the Issue*" on page 97. We have also purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated

August 22, 2023, for setting up our second plant financed through internal accruals and equity funds (the "**Expansion**").

The Expansion may be subject to the potential problems and uncertainties that our second plant and the imported machineries face including increased costs of equipment or manpower, inadequate performance of the equipment and machinery, delays in completion, technical defects, the possibility of unanticipated future regulatory restrictions, unforeseen taxes and duties, environment and ecology costs and other external factors which may not be within the control of our management. Additionally, the imported machineries may face issues such as delay in delivery and commission, delay in customs clearances, etc.

There can be no assurance that the Expansion 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 this Expansion, we may not be able to achieve the intended economic benefits of these projects, 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 business, results of operations and financial condition.

21. **We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.**

Our business requires working capital for day-to-day operations, procurement of raw materials and production. In addition, certain purchase orders may require a considerable increase in materials and production costs, particularly in connection with large new orders. The suppliers may be paid in advance to supply the raw materials. The credit period given to customers may be considerable and customers may not be invoiced for products until the time of delivery/ dispatch of our products or after their delivery and, in some cases, the customer may not pay our invoices on time. At present, our working capital requirements is fulfilled by the internal accruals and unsecured borrowings. However, we cannot guarantee that our internal accruals will always be enough for funding our working capital requirements and that if we require working capital facilities from a financial institution then we will get the same on favorable terms and in timely manner.

Our working capital ratios on a Restated Basis as at March 31, 2023, March 31, 2022 and March 31, 2021, are as follows:

Ratios	Formula	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Debtors (Days)	Average Trade Receivable x 365 / Revenue from Operations	45	48	32
Creditors (Days)	Average Trade Payables x 365 / Purchase	14	46	55
Inventory (Days)				
Raw Material	Average Raw Material Inventory x 365 / Cost of Goods Sold	6	5	NIL
Work in Progress	Average Work in Progress Inventory x 365 / Cost of Goods Sold	5	15	7
Finished Goods	Average Finished Goods Inventory x 365 / Cost of Goods Sold	11	26	NIL

Calculation for the above ratios:

1. **Debtors (Days)**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening Trade Receivables	2,582.44	738.70	56.00
Revenue from Operation	64,902.00	12,587.31	4,501.37
Closing Trade Receivables	13,325.68	2,582.44	738.70
Average Trade Receivables	7,954.06	1,660.57	397.35

2. **Creditors (Days)**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening Trade Payables	1,546.15	1,002.39	17.60
Purchases	46,116.54	10,069.85	3,389.91
Closing Trade Payables	1,972.96	1,546.15	1,002.39
Average Trade Payables	1,759.56	1,274.27	510.00

3. **Inventory (Days)**

(Rs.in Lakhs)

Inventory	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening Inventory			
Raw Materials	245.83	NIL	NIL
Work-in-progress	548.76	129.12	NIL
Finished Goods	1,178.50	NIL	NIL
Closing Inventory			
Raw Materials	1,298.64	245.83	NIL
Work-in-progress	748.96	548.76	129.12
Finished Goods	1,572.89	1,178.50	NIL
Average Inventory			
Raw Materials	772.24	122.92	NIL
Work-in-progress	648.86	338.94	64.56
Finished Goods	1,375.70	589.25	NIL
Cost of Goods Sold (Opening Inventory + Purchases – Closing Inventory)	44,469.14	8,225.88	3,260.79

Note: The above working capital data was certified by the Auditors SS Kothari Mehta & Co., Chartered Accountants, vide certificate dated September 26, 2023.

Our inability to meet our working capital requirements through internal accruals or borrowings, as the case may be, could have a material adverse effect on our business, results of operations and financial condition.

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

We typically provide unconditional warranties on our luminaries for upto five years. Therefore, we are exposed to warranty claims and returns which could be due to defects in our products or designs. We believe that we meet or exceed existing professional specification standards recognized or required in the industries in which we operate. Due to past trend, we do not take a provision to cover our product warranties. Maintaining high standards of quality in our manufacturing activities is critical to our growth and success. We have implemented quality systems at our manufacturing facility that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products.

We may also be subject to product liability claims in the event that the failure, use, or misuse of our products results, or is alleged to result, in death, bodily injury, property damage, or economic loss. Although we have not faced any such claims in previous three Fiscals, a successful product liability claim or series of claims against us, including one or more consumer claims purporting to constitute class actions or claims resulting from extraordinary loss events, in excess of or outside our insurance coverage, or a significant warranty claim or series of claims against us, could materially and adversely affect our business, results of operations and financial condition.

23. The Book Running Lead Manager ("BRLM"), their respective associates (as defined under the SEBI Merchant Bankers Regulations) and the Legal Advisor hold Shares as on the date of this Draft Red Herring Prospectus

The Book Running Lead Manager ("BRLM"), their respective associates (as defined under the SEBI Merchant Bankers Regulations) and the Legal Advisor hold 2,96,250 Equity Shares as on the date of this Draft Red Herring Prospectus. These equity shares, allotted on January 30, 2023 and March 29, 2023, are held by the executives of BRLM, Legal Advisor and their relatives. Such Equity Shares were allotted pursuant to the initial rounds of investments made into the company by 193 investors and 29 investors, respectively. The executives of BRLM, Legal Advisor and their respective associates have not been allotted any equity share after their appointments to the role of BRLM and Legal Advisor. The BRLM and its respective associates may engage in transactions with and perform services for our Company and affiliates 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 for which they may have received, and may in future receive compensation.

24. There are several restrictions on special economic zones and underlying special economic zone land in India, which may adversely affect our facilities located therein.

Our facility in Tamil Nadu SIPCOT Hi-Tech, situated in Special Economic Zone ('SEZ') and our lease for this premise, therefore, restrict our ability to transfer the SEZ units to third parties except to our associates or group companies in accordance with SEZ rules which require prior approvals. Further, the approvals received by us to develop, operate and maintain the SEZs are subject to us fulfilling certain conditions such as maintaining all licenses, approvals required under various laws for carrying on our business from the SEZ premises. In the event we are unable to comply with the restrictions under the laws governing SEZs in India, our rights to use our unit demarcated as SEZ may be suspended or withdrawn and the guarantees provided by us may be invoked against us as a penalty, which may in turn adversely affect our business, financial condition, results of operations and prospects.

25. If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the manufacturing process. The potential damage from such disclosure is increased as our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the electronics manufacturing sector could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

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

The majority of our sales are to customers on credit basis, with standard payment terms of generally between 45 to 60 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. Due to the past trends and monitoring of the debtors, we do not maintain any allowance for doubtful receivables for potential credit losses and as per our Restated Financial Information all our debtors are considered good. There were no bad debts in Fiscal 2023, Fiscal 2022 and Fiscal 2021. However, there is a risk that our estimates may not be accurate and the receivables may become doubtul in future. In the Fiscal ended 2023, Fiscal 2022 and Fiscal 2021, our trade receivables on a Restated Basis were ₹ 13,325.68 Lakhs, ₹ 2,582.44 Lakhs and ₹ 738.70 Lakhs, respectively, and our receivable turnover days on a Restated Basis were 45 days, 48 days, and 32 days, respectively, in the same periods. Any increase in our receivable turnover days may negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, although no such past instance has occurred, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased opportunity costs or interest costs, as the case may be, thereby adversely affecting our results of operations and cash flows.

27. We have negative cash flows in previous financial years and cannot assure you that we will not experience negative cash flows in future periods. Negative cash flows may adversely affect our financial condition, results of operations and prospects.

We have experienced both positive and negative cash flows. The below table sets forth details of our cash flows for the specified periods indicated:

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Net cash (used in) / generated from operating activities	4,621.54	(133.40)	3,092.53
Net cash (used in) / generated from investing activities	(8,036.52)	(987.40)	(3,185.10)
Net cash (used in) / generated from Financing Activities	7,546.08	1,123.20	92.54
Net increase/(decrease) in cash and cash equivalents	4,131.10	2.40	(0.03)

By being a growing company, we may, in the future, experience negative cash flows as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations. For further details, see sections titled "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 237 and 295, respectively.

28. We may be subject to significant risks and hazards when operating and maintaining our manufacturing facility, for which our insurance coverage might not be adequate.

We generally perform scheduled and unscheduled maintenance and operating and other asset management services. We also outsource the utilities of our manufacturing plant to professional manpower providing company. Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, and we have not experienced any such material incidents in the past, there can be no assurance that we will not face such disruptions in the future.

During the manufacturing process, we may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect our business, availability of insurance coverage in the future and our results of operations. The occurrence of any one of the above events may result in us being named as a defendant in lawsuits asserting claims for substantial damages, including for personal injury and property damage and fines and/or penalties.

Our Company has obtained coverage under insurance policy against certain risks. We maintain ongoing insurance policy in order to manage the risk of losses from potentially harmful events, including earthquake, fire and perils policies covering, among other, building, plant & machinery and stocks. As on March 31, 2023, carrying value of property plant and equipment and inventories is ₹ 17,602.29 Lakhs constituting 45.43% of the total assets, of which we have an insurance coverage of 37.15% of the carrying value of such assets. As on March 31, 2023, 54.57% of the total assets is uninsured.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

29. Certain sections of this Draft Red Herring Prospectus contain information from the CARE Edge Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the CARE Edge Report or extracts of the CARE Edge Report prepared by CARE Advisory Research and Training Limited, which is not related to our Company, Directors or Promoters. We have commissioned and paid for this CARE Edge Report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Draft Red Herring Prospectus indicates the CARE Edge Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CARE Edge Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While we have assumed responsibility for the contents of the report and 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. Further, the CARE Edge Report is not a recommendation to invest / disinvest in any company covered in the CARE Edge Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CARE Edge Report. An investor should consult his/her/their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CARE Edge Report before making any investment decision regarding the Issue. See "*Industry Overview*" on page 116. For the disclaimers associated with the CARE Edge Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 18.

30. Information relating to the installed manufacturing capacity of our manufacturing facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed capacity and capacity utilization of our manufacturing facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account in the calculation of the installed capacity and capacity utilization of our manufacturing facilities which has not been certified by any chartered engineer.

The installed capacity of the manufacturing facility has been calculated on the basis of a number of assumptions and estimates of the management, including expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, as well as expected operational efficiencies. It may be noted that the installed production capacity is worked out on the basis of three shifts each being eight hours long and the sum total of various different products for which the units capable of manufacturing and is already manufacturing.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed.

Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facility depending on the product type. For the capacity utilization in Fiscal 2023, Fiscal 2022 and Fiscal 2021, see "*Our Business – Capacity, Production and Capacity Utilization*" on page 190. Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

31. We may evaluate opportunities for inorganic growth. Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.

In addition to growth through our internal efforts, we may rely upon strategic acquisitions and similar investments to provide us with access to new geographies, or expand our product line from time to time. We may further acquire or make investments in similar or related businesses or enter into strategic partnerships. The timely execution of such a transaction, which involves timely receipt of all requisite permits, licenses or approvals, is critical to the success of an acquisition. Government authorities could also delay or block certain acquisitions on antitrust grounds. Moreover, we may experience disputes in relation to such acquisitions. Any of these developments could increase our expenses and require significant management attention that would otherwise be available for ongoing development of our existing businesses, which would have a material adverse effect on our business, cash flows, financial condition and results of operations.

32. We may be unable to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

Our operations are subject to extensive government regulation (including the state governments), and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals/ licenses under Bureau of Indian Standards Act, 2016 and the rules and regulations thereunder, Special Economic Zones Act, 2005, environmental approvals, factory licenses and labour and tax related approvals, among other things. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant central or state government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications. Our Company has made renewal applications for the following licenses, consents, registrations, permissions and approvals which are pending as on the date of this Draft Red Herring Prospectus.

Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

33. Our Key Management Personnel i.e. Chief Financial Officer, Company Secretary & Compliance Officer and Head of Operations are associated with the Company less than one year.

Our Key Management Personnel i.e. Chief Financial Officer, Company Secretary & Compliance Officer and Head of Operations are associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter "*Our Management*" beginning on page 208.

34. Our Promoters hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Also, see "*Capital Structure*" and "*Our Management*" on pages 82 and 208, respectively.

35. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our operations may be subject to incidents of theft or damage to inventory primarily because our raw material include precious metals. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. To avoid theft of raw material or proprietary information, we have instituted stringent controls and mechanisms to monitor the movement of people inside our manufacturing facility as well as during external transportation. Our security personnel does not allow any unauthorized movement at our manufacturing facility. We have also installed closed circuit television cameras to monitor the complete facility and installed smoke detectors at our facility. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

36. We operate our manufacturing facility on a leasehold land.

We currently operate from our registered office cum manufacturing facility based on a leasehold land. We have been allotted 99 years lease since the year 2007 from State Industries Promotion Corporation of Tamil Nadu (SIPCOT) for land measuring 6.00 acres located in Oragadam, Kancheepuram, Tamil Nadu. For details of the period of our leases, see "*Our Business – Land & Building*" on page 196.

We cannot assure you that we will be able to renew or register our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

37. We have issued Equity Shares in the past 12 months from the date of this Draft Red Herring Prospectus, which may be at a price lower than the Issue Price.

The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid / Issue Closing Date. We have on January 30, 2023, March 29, 2023, April 19, 2023, June 16, 2023, August 03, 2023 and September 26, 2023 issued and allotted 61,19,000 Equity Shares, 23,00,200 Equity Shares, 1,00,000 Equity Shares, 9,57,500 Equity Shares, 17,47,875 Equity Shares, 50,06,200 Equity Shares, at prices 80, 135, 135, 250, 300 and 300 per share, respectively. The weighted average cost of acquisition per share was ₹ 189.71, which may be lower than the Issue Price. For further details, see "*Capital Structure*" on page 82.

38. We are subject to data protection laws and any changes in regulations pertaining to collection, storage and usage of personal data of customers could require us to invest significant resources which in turn may adversely impact our results of operations and profitability.

We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our customers and employees. In many cases, these laws not only apply to third-party transactions, but also may restrict transfers of personally identifiable information among us and our international group entity. Further, several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur costs or require us to change our business practices. Changes in regulations pertaining to collection, storage and usage of personal data of customers could require us to invest significant resources which in turn may adversely impact our results of operations and profitability.

39. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilise the Net Proceeds in order to purchase new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu to the tune of ₹ 56,572.49 Lakhs, and the balance is proposed to be utilised for general corporate purposes.

For further information of the proposed objects of the Issue, please see the section entitled "*Objects of the Issue*" on page 97. 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 Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus 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 who hold majority shares in our company, would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the 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, we cannot assure you that the Promoters of our Company will 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 Issue to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

40. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.

We intend to utilise the Net Proceeds of the Issue as set forth in the section entitled "*Objects of the Issue*" on page 97. The funding requirements mentioned for the objects of the Issue are based on internal management estimates in view of past expenditure and have not been appraised by any bank or financial institution. They are based on quotations received from the machinery suppliers, current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

The exact amounts that will be utilised from the Net Proceeds towards the stated objects will depend upon market conditions, changes in technologies, our analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital. Our internal management estimates may exceed the actually required capital, which may require us to reschedule our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. For further details, please see the section entitled "*Objects of the Issue*" on page 97.

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

Further, pending utilization of Net Proceeds towards the objects of the Issue, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

EXTERNAL RISK FACTORS

41. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

The industry in which we operate is continually changing due to technological advances, scientific discoveries, with the constant introduction of new and enhanced products. These changes result in the frequent introduction of new products and significant price competition. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current international standards, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to cater for the specific requirements of our new products, geographical requirements, marketing needs, our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, the new technologies we adopt from time to time may not perform as expected. The cost of implementing new technologies for our operations could be significant, which could adversely affect our business, financial condition, cash flows and results of operations.

42. Our business is substantially affected by prevailing macroeconomic, political and other conditions in India.

The Indian economy and capital markets are influenced by economic developments, political and market conditions in India and globally, including adverse geopolitical conditions. We are incorporated in India, and our operations are located in India. Adverse economic developments, such as rising fiscal or trade deficit in India may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

As a result, we are highly dependent on prevailing economic conditions in India and our results of operations and cash flows are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms;

- the macroeconomic climate, including any increase in Indian interest rates or inflation, volatility in commodity and energy prices, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserve;

- instability in other countries and adverse changes in geopolitical situations such as ongoing Ukraine-Russia conflict;

- civil unrest, local agitation, acts of violence, terrorist attacks, regional or communal conflicts or situations of war;

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

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

Furthermore, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of such economies, could adversely impact our business, results of operations, future cash flows and financial condition and the price of the Equity Shares. In particular, inflation rates in India have been volatile in recent years, and such volatility may continue, making it more difficult for us to accurately estimate or control costs. Increasing inflation in India could cause a rise in the costs of transportation, fuel, rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

43. Any sale of Equity Shares by our Promoters or major shareholders or future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity Issues. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, including to comply with minimum public shareholding requirements under the SCRR, by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through Issue 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. We cannot assure you 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.

44. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

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

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries and/or departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, 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 the corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt
Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country that shares a land border with India, can only be made through the Government approval route. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. = We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 373.

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

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

47. Rights of shareholders under Indian laws may be different from laws of other jurisdictions.

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

48. Foreign Investors may have difficulty in enforcing foreign judgments against our Company or our management.

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

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the Code of Civil Procedure, 1908 ("Civil Procedure Code") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment). The United Kingdom, Singapore, Hong Kong and the UAE, among others, have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code The United States has not been notified as a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such a presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. Indian court may or may not award damages on the same basis as a foreign court if an action is brought in India. Moreover, an Indian court would only award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded was not excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that the conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

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

The structure of the Indian economy has undergone considerable changes in the last decade. These include the increasing importance of external trade and external capital flows. Any slowdown in the growth of the Indian economy or manufacturing sector or any future volatility in global processes could adversely affect our business, financial condition and results of operations. India's economy could be adversely affected by a general rise in interest rates, fluctuations in currency exchange rates, adverse conditions affecting commodity and electricity prices or various other factors.

Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe, China, Russia or Asian emerging market countries, may have an impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets and could have an adverse effect on our business, financial condition, results of operations and the price of the Equity Shares.

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

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

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

The regulatory and policy environment in which we operate is evolving and is subject to change. The GOI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies. For instance, the GOI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In another example, the GOI has made it mandatory for business establishments with turnover above a certain size to Issue digital modes of payment from November 2019, with no charges being levied on the customers or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect our financial performance.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the amount of provident fund payments to be made by companies. Any such decisions in the future or any further changes in the interpretation of laws may have an impact on our results of operations.

52. A slowdown in exports due to tariffs, trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries or regions (like the United States or the European Community) where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from selling our products to multinational corporations from certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and Ukraine commenced, which has led to the imposition of sanctions on various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

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

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine, and more recently, the COVID-19. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economicactivity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighboring countries. Recently there has been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has alsoexperienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting andbombing attacks occurred across Mumbai, India's financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social andcivil unrest within other countries in Asia, could influence the Indian economy and have a material adverse effect on the market for securities of Indian companies.

54. Our failure to comply with anti-money laundering, anti-terrorist financing rules and regulations thereunder and applicable Indian Securities Laws and related circulars and guidelines issued by various regulatory and government authorities could result in criminal and regulatory fines and severe reputational damage.

We are required to comply with the applicable anti-money laundering and anti-terrorist financing rules and regulations thereunder **("KYC/AML Laws")** and the applicable Indian Securities Laws.

Although we seek to adhere to all requirements under applicable law, our business and reputation could suffer if we fail to fully comply with the applicable KYC/AML Laws and the applicable Indian Securities Laws. The relevant government agencies and regulatory authorities, including the Stock Exchanges, may, from time to time, seek to scrutinize our compliance with applicable laws and may impose fines and other penalties against us or our promoters, which could expose us or our Promoters to significant monetary liabilities, regulatory challenges and adversely affect our business and reputation.

Penalties, if any, imposed by regulators on us or on our promoters may also generate adverse publicity for us and our business. Such adverse publicity or any future scrutiny or investigation could result in damage to our reputation and involve significant time and attention of our management, and may materially adversely affect our business and financial results.

55. Our business and activities may be regulated by the Competition Act, 2002 ("Competition Act") and proceedings may be enforced against us. Any enforcement proceedings initiated by the Competition Commission of India ("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, cash flows and results of operations.

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

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GOI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Furthermore, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. 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, cash flows and results of operations.

56. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Any change in Indian tax laws could have an effect on our operations as we enjoy the benefit of zero tax on profits earned by being in Special Economic Zone as per Income Tax Act, 1961 and Central Good and Services Tax Act, 2017. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this amendment, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. The Government of India has also implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by the Goods and Service Tax with effect from July 1, 2017. The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. GAAR became effective on April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among other things, a denial of tax benefits to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicableto us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions. The Finance Act, 2020 has, among other things, provided a number of amendments to the direct and indirect tax regimes, including, without limitation, a simplified alternate direct tax regime. For instance, Dividend Distribution Tax ("**DDT**") will not be payable by a domestic company in respect of dividends declared, distributed or paid by the company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has announced the Union Budget for the Financial Year 2023-24 pursuant to which the Finance Act, 2023 ("**Finance Act**") has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current businessor restrict our ability to grow our business in the future. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

57. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India 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.

58. Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, results of operations and financial condition.

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating and recommended the implementation of reforms and the containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-" but reaffirmed it to "BBB" rating with a "negative" outlook in June 2020. In November 2017, Moody's Investors Service ("**Moody's**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. This is a result of the pandemic, which has exacerbated India's weak fiscal situation. In May 2023, S&P Global affirmed its BBB-long-term sovereign ratings on India with a stable outlook and in August, 2023 Moody's affirmed India's sovereign rating of Baa3 with a stable outlook. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment as well as exercise adequate fiscal restraint. Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse change in India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

59. A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares, voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, they may also discourage a third party from attempting to take control of our Company subsequent to the completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial toour shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

Risks Relating to the Equity Shares and the Issue

60. Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earning ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

61. Our Equity Shares have never been publicly traded and after the Issue our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for the Equity Shares of our Company, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that amarket for the Equity Shares will develop or, if developed, the liquidity of such` market for the Equity Shares. The Issue Price, Floor Price/Cap Price of the Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under *"Basis for the Issue Price"* on page 105 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research
  analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or government entities of significant claims or proceedings against us;
- new laws and government regulations or changes in laws and government regulations applicable to our industry;
- developments relating to our peer companies in the pharmaceutical industry;
- additions or departures of Key Management Personnel and Senior Management; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all, and as a result lose all or a part of your investment.

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

Under current Indian tax laws, unless specifically exempted, a capital gain arising from the sale of equity shares in an Indian company is generally taxable in India. A Securities Transaction Tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to the long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to the payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

No dividend distribution tax is required to be paid 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 for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10.00%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

63. If security or industry analysts do not publish research, or publish unfavourable or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.

The trading market for the Equity Shares may depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by established and prominent securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our Equity Shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts downgrade our Equity Shares or publish inaccurate or unfavourable research about our business, our Equity Shares price may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Equity Shares could decrease, which might cause the price and trading volume of our Equity Shares to decline.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entries, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with a depository participant could take approximately six Working Days from the Bid/Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/Issue Closing Date. There could be a failure or delay in the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor.

We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

65. 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 in accordance with the dividend distribution policy adopted by our Company 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. Although, we have not paid any dividends for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively, and from April 01 2023 to the date of this Draft Red Herring Prospectus, we cannot assure you that we will be able to pay dividends in the future.

66. Currency exchange rate fluctuations may affect the value of the Equity Shares.

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Company's Equity Shares. Specifically, if there is a change in the relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyze its value based on the relevant foreign currency equivalent of the Company's results of operations and financial condition.

67. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.

In accordance with Indian law, permission for listing and trading of our Equity Shares will not be granted until certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

68. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Following the United Kingdom's exit from the European Union (**Brexit**), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. 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. Further, the recent collapse of the Silicon Valley Bank also caused an economic downturn. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence, cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

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

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents is freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. In addition, pursuant to the Press Note No. 3 (2020 Series),dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct neither investment 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. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 373 of this Draft Red Herring Prospectus.

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

Our Restated Financial Statements for the Fiscal ended 2023, 2022 and 2021, have been prepared and presented in conformity with Ind AS. 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 a person not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLM. Furthermore, the Issue Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including those as described under "Basis for the Issue Price" on page 105 and may not be indicative of the market price for the Equity Shares after the Issue. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerrings managed by the BRLM is below their respective issue price. For further details, see "Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM" on page 337 of this Draft Red Herring Prospectus. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, the 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.

72. 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/ Issue 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/ Issue Period and withdraw their Bids until the Bid/ Issue 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/ Issue 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 Issue or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act, a company having share capital and incorporated in India must Issue 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 Offer 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 the pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

74. Compliance with the provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "FATCA") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign pass thru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if they are made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign pass thru payments". Under current guidance, the term "foreign pass thru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign pass thru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign pass thru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign pass thru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, on their investment in Equity Shares.

75. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue of Equity Shares (1)	Up to [●] Equity Shares, aggregating up to ₹ 75,000.00 Lakhs
Of which:	
A) QIB Portion(2)(3)	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakh
Of which;	
(i) Anchor Investor Portion(2)	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares
b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion(3)(4)(5)	
of which:	
a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹2 Lakh and up to ₹ 10 lakh	Up to [●] Equity Shares
b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10 lakh.	Up to [●] Equity Shares
C) Retail Portion(3)(4)	Not more than [●] Equity Shares aggregating up to ₹ [●] Lakh
Pre- and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	7,96,87,775 Equity Shares
Equity Shares outstanding after the Issue	[●]
Use of Net Proceeds of the Issue	See "*Objects of the Issue*" on page 97.

1. *The Issue has been authorised by our Board pursuant to the resolution passed at its meeting dated May 30, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting dated June 21, 2023. Further, our Company, in consultation with the BRLM, may consider a Pre-IPO Placement aggregating up to ₹ 15,000 Lakhs, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken at the discretion of our Company and the price of the Equity Shares allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with the minimum issue size requirements prescribed under Regulation 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.*

2. *Our Company (acting through the IPO Committee), in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors),*

including Mutual Funds, subject to valid Bids being received at or above the Issue 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 Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 352.

3. *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law. However, undersubscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories.*

4. *Allocation to Bidders in all categories, except in Anchor Investor Portion, Non-Institutional Portion and the Retail Individual Investor Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue 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 Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non- Institutional Investor shall not be less than ₹ 2 lakhs subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining 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 further details, see 'Issue Procedure' on page 352.*

5. *Not less than 15% of the Issue shall be available for allocation to Non-Institutional Investors of which (i) 1/3rd of the Non- Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 2 Lakhs and up to ₹ 10 Lakhs; and (ii) 2/3rd of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 10 Lakhs provided that under-subscription in either of these two sub-categories of Non-Institutional Category specified in (i) and (ii), may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.*

For details, including in relation to grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" on page 348 and 352, respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 340.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information as at and for the Fiscals ended March 31, 2023, March 31, 2022, and March 31, 2021.

The Restated Financial Information referred to above are presented under "Financial Information" on page 237. The summary of financial information presented below should be read in conjunction with the "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 237 and 295, respectively.

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RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakh, unless otherwise stated)

	Particulars	Notes	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	ASSETS				
1	**Non-current assets**				
(a)	Property, plant and equipment	**3**	15,429.46	8,999.92	8,326.76
(b)	Other Non-Current Assets	**4**	-	50.50	70.95
	Total non-current assets (1)		**15,429.46**	**9,050.42**	**8,397.71**
2	**Current assets**				
(a)	Inventories	**5**	3,620.49	1,973.09	129.12
(b)	Financial assets				
	(i) Trade receivables	**6**	13,325.68	2,582.44	738.70
	(ii) Cash and cash equivalents	**7(a)**	4,134.10	3.00	0.60
	(iii) Bank balances other than cash and cash equivalents	**7(b)**	-	-	3.66
	(iv)Other financial assets	**8**	10.14	-	10.11
(c)	Other current assets	**9**	2,229.48	122.84	16.33
	Total current assets (2)		**23,319.89**	**4,681.37**	**898.52**
	Total assets (1+2)		**38,749.35**	**13,731.79**	**9,296.23**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(i) Equity share capital	**10**	7,187.62	6,345.70	6,345.70
	(ii) Other equity	**11**	24,618.68	548.51	(2,878.30)
	Total equity (1)		**31,806.30**	**6,894.21**	**3,467.40**
	Liabilities				
2	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**12**	1,589.16	3,782.52	2,496.94
(b)	Other Non-Current Liabilities	**13**	-	165.36	330.73
(c)	Deferred Tax Liabilities (net)	**14**	661.81	773.93	696.81
	Total non-current liabilities (2)		**2,250.97**	**4,721.81**	**3,524.48**
3	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**15**	2,508.33	374.01	150.65
	(ii) Trade payables	**16**			
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-
	-Total outstanding dues of Creditors other than micro enterprises and small enterprises		1,972.96	1,546.15	1,002.39
	(iii) Other financial liabilities	**17**	15.00	30.25	985.95
(b)	Other current liabilities	**18**	195.79	165.36	165.36
	Total current liabilities (3)		**4,692.08**	**2,115.77**	**2,304.35**
	Total equity and liabilities (1+2+3)		**38,749.35**	**13,731.79**	**9,296.23**
The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.					

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Lakh, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
I	**Income**				
	Revenue from operations	**19**	64,902.00	12,587.31	4,501.37
	Other income	**20**	260.29	220.37	217.21
	Total income (I)		**65,162.29**	**12,807.68**	**4,718.58**
II	**Expenses**				
	Cost of materials consumed	**21**	45,063.73	9,824.02	3,389.91
	Change in inventories of finished goods and work-in-progress	**22**	(594.59)	(1,598.14)	(129.12)
	Employee benefits expense	**23**	126.63	78.23	59.78
	Finance costs	**24**	530.35	385.75	228.40
	Depreciation and amortisation expenses	**25**	1,606.98	317.90	302.68
	Other expenses	**26**	1,764.68	296.00	142.07
	Total expenses (II)		**48,497.78**	**9,303.76**	**3,993.72**
III	**Profit before exceptional items and tax (I - II)**		**16,664.51**	**3,503.92**	**724.86**
IV	Exceptional items (net)				
V	**Profit before tax (III + IV)**		**16,664.51**	**3,503.92**	**724.86**
VI	**Tax expense**	27			
	(a) Current tax		-	-	-
	(b) Deferred tax		(112.11)	77.11	96.03
	Total tax expense		**(112.11)**	**77.11**	**96.03**
VII	**Profit for the year (V - VI)**		**16,776.62**	**3,426.81**	**628.83**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to Profit or Loss :				
	-Income Tax relating to Items that will not be reclassified to Profit or Loss				
	Total other comprehensive income for the year (net of tax)		**-**	**-**	-
IX	**Total comprehensive income for the year (VII + VIII)**		**16,776.62**	**3,426.81**	**628.83**
X	**Earnings per equity share (EPS)**	**28**			
	Basic (in Rs)		26.02	5.40	0.99
	Diluted (in Rs)		26.02	5.40	0.99
	Face value per share (in Rs)		10.00	10.00	10.00

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in Lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	**16,664.51**	**3,503.92**	**724.86**
Adjustments for :			
Depreciation of Property, Plant and Equipment	1,606.98	317.90	302.68
Finance costs	530.35	385.75	228.40
Operating profit before working capital changes	**18,801.84**	**4,207.57**	**1,255.94**
Adjustments for :			
(Increase)/Decrease in trade receivables	(10,743.24)	(1,843.74)	(682.70)
(Increase)/Decrease in Other financial assets	(10.14)	10.11	(9.00)
(Increase) / Decrease in Other assets	(2,056.14)	(86.07)	332.45
(Increase) / Decrease in Inventories	(1,647.40)	(1,843.97)	(129.12)
(Decrease)/Increase in trade payables	426.80	543.76	984.79
(Decrease)/Increase in Other financial liabilities	(15.25)	(955.70)	904.08
(Decrease)/increase in other liabilities	(134.93)	(165.36)	436.09
Cash (used in) / generated from operating activities	**4,621.54**	**(133.40)**	**3,092.53**
Income Tax Paid	-	-	-
Net cash (used in) / generated from operating activities	**4,621.54**	**(133.40)**	**3,092.53**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(8,036.52)	(991.06)	(3,181.44)
Bank Deposits	-	3.66	(3.66)
Net cash (used in) / generated from investing activities	**(8,036.52)**	**(987.40)**	**(3,185.10)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	841.92	-	-
Proceeds of securities premium	7,158.55	-	-
Share application money received	135.00	-	-
Interest paid	(530.35)	(385.75)	(228.40)
Proceeds from / (repayment of) borrowings (net)	(59.04)	1,508.95	320.94
Net cash (used in) / generated from Financing Activities	**7,546.08**	**1,123.20**	**92.54**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,131.10**	**2.40**	**(0.03)**
Cash and cash equivalents at the beginning of the year	**3.00**	**0.60**	**0.63**
Cash and cash equivalents at the closing of the year	**4,134.10**	**3.00**	**0.60**

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

GENERAL INFORMATION

Our Company was originally incorporated as *Polymatech Electronics Private Limited* on May 29, 2007, at Chennai, Tamil Nadu, India, as a foreign company subsidiary operating as private limited company in India under the Companies Act, 1956. Subsequently, our company was taken over by our current promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, vide share purchase agreement dated December 07, 2016, amended on November 28, 2017. Further, upon the conversion of our Company into a public limited company, the name of our Company was changed from *Polymatech Electronics Private Limited* to *Polymatech Electronics Limited* and a fresh certificate of incorporation dated June 06, 2023 was issued by the Registrar of Companies, Chennai.

Corporate Identity Number: U32107TN2007PLC063706

Company Registration Number: 063706

Registered Office: Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam Kancheepuram-602105, Tamil Nadu, India.

For details in relation to the changes in the registered office of our Company, see *"History and Certain corporate Matters - Changes in our registered office"* on page 204.

Address of the Registrar of Companies

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

The Registrar of Companies, Chennai
Block No.6,B Wing 2nd Floor,
Shastri Bhawan 26, Haddows Road,
Chennai - 600034, Tamilnadu

Board of Directors

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Mr. Eswara Rao Nandam	Managing Director	02220039	Flat 2B, Pushkar Aikya Apartments, AK 6 7 Shanthi Colony, Sundaram Medical Foundation, Anna Nagar, ChennaI-600040 Tamil Nadu India
Ms. Uma Nandam	Executive Director	02220048	Flat No.201, Wilton 2, Hiranandani Parks, Thiruveni Nagar, Oragadam, Vadakkupattu, Kancheepuram-603204 Tamil Nadu India
Mr. Vishaal Nandam	Executive Director	07318680	N23, Heritage Shankara Apts, 64 Spurtank Road, Chetpet Chennai- 600031 Tamil Nadu India
Mr. Rapala Virtanen Tarja Hannele	Independent Director	09528399	Laukantie 374, Pernio-25500, Finland
Mr. Ryan Alexander Young	Independent Director	10295603	1919 Empire Ave Los Angeles-91503, United States
Ms. Selvamani Shri Janani	Independent Director	10325105	E-110, Garden Crest Appartment, Tirchy Road, VTC Ramapuram

			Coimbatore South, Tamil Nadu - 641045, India

For brief profiles and further details of our Directors, see *"Our Management"* on page 208.

Company Secretary and Compliance Officer

Mr. Badri Prasad Mahapatro is the Company Secretary and Compliance Officer. His contact details are as follows:

Polymatech Electronics Limited
Plot OZ-13, SIPCOT Hi-Tech SEZ,
Oragadam Kancheepuram-602105,
Tamil Nadu, India.
Email: public@polymatech.in
Tel: +91 94891 27000

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager 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 Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

BOOK RUNNING LEAD MANAGER

Khambatta Securities Limited
806, 8th Floor, Tower-B, World Trade Tower,
Sector-16, Noida – 201301, India
Tel: 0120-4415469, 022-66413315
Email: ipo@khambattasecurities.com
Investor Grievance Email: mbcomplaints@khambattasecurities.com
Website: www.khambattasecurities.com
Contact Person: Mr. Vipin Aggarwal; Mr. Vinay Pareek
SEBI Registration No.: INM000011914

Khambatta Securities Limited is the sole Book Running Lead Manager to the Issue, and accordingly, there is no inter se allocation of responsibilities in the Issue.

SYNDICATE MEMBERS

[●]

LEGAL COUNSEL TO THE ISSUER COMPANY

KB Law Chambers
Address: 224, 4th Floor, LIC Building, NSC
Bose Road, Parry's, Chennai-600001 India
Telephone: +91 9894502341
Email: karthi2100@yahoo.com
Contact Person: S. Karthikei Balan

LEGAL COUNSEL TO THE BRLM

Business Law Chamber
134, Vipul Trade Centre, Sector 48,
Gurugram - 122001, Haryana India
Telephone: +91 9873385524
E-mail: Gaurav@businesslawchamber.com
Website: www.businesslawchamber.com
Contact Person: Mr. Gaurav Shanker

STATUTORY AUDITORS TO OUR COMPANY

SS Kothari Mehta & Company
21, Lansdowne Place,
Kolkata, West Bengal -700029, India
Telephone: +91-33-24546786
E-mail: miskol@sskmin.com
Website: www.sskmin.com
Contact Person: Mr. Rana Sen
FRN: 000756N
Peer Review Certificate Number: 014441

Changes in Statutory Auditors

Except as mentioned below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of change	Reason
V Selvamani **Chartered Accountants** E-110 Garden Crest Apartment Trichy Road, Ramanathapuram Coimbatore, Tamil Nadu - 641045, India **Telephone:** 8606611177 **Email:** caselvamani@gmail.com **Firm Registration Number:** 202494 **Peer review number:** NA	June 21, 2023 in Annual General Meeting	Completion of tenure of five years
SS Kothari Mehta & Company 21, Lansdowne Place, Kolkata, West Bengal -700029, India **Telephone:** +91-33-24546786 **E-mail:** miskol@sskmin.com **Website:** www.sskmin.com **Contact Person:** Mr. Rana Sen **FRN:** 000756N **Peer Review Certificate Number:** 014441	June 21, 2023 in Annual General Meeting	Appointment as the Statutory Auditors after the completion of tenure of previous statutory auditors

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai 400 083, Maharashtra, India
Telephone Number: +91 810 811 4949
Website: www.linkintime.co.in
E-mail: polymatechelectronics.ipo@linkintime.co.in
Investor Grievance E-mail: polymatechelectronics.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

ICICI Bank Limited
ICICI Bank Limited, 110. Prakash Presidium, Utthamar Gandhi Salai Nungambakkam High Road
Chennai-600034 Tamil Nadu India
Telephone: 044-69173030
Email: Raj.e@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Raj Sheker

Bank of Baroda
Bank of Baroda**,** International Business Branch No. 45 Moore Street 4th Floor JBAS Building Chennai-600001 Tamil Nadi India
Telephone: 044-23454267
Email: madove@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Mr. Vivek R Kulkarni

Axis Bank Limited
Axis Bank Limited, No. 113, G N Chetty Road, T Nagar, Chennai-600017 Tamil Nadu India
Telephone: 044-28349314
Email: tnagar.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Sriharsha Miduturi

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, 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 UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Issue

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

Our Company has received written consent dated September 23, 2023from the Statutory Auditor, namely, SS Kothari & Mehta Co., Chartered Accountant, 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 (i) their examination report dated September 09, 2023 on the Restated Financial Information; and (ii) their report dated September 26, 2023 on the statement of possible special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated August 30th, 2023 from Dr. L Balaji, Balaji & Associates, as "Chartered Engineer" to include their name as required under Section 26(5) and other applicable provisions 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 his capacity as an Independent Chartered Engineer. In respect of the certificate dated August 30th, 2023, on installed capacity, actual production and capacity utilisation at our manufacturing facility owned and/or controlled by the Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring Agency

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

Appraising Entity

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

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

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

Debenture Trustees

As this is an Issue of Equity Shares, no debenture trustee has been appointed for the Issue.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus shall be filed electronically through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and shall be emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

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

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and Selling Shareholder, in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi being the regional language of New Delhi where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLM, after the Bid/ Issue Closing Date. For further details, see *"Issue Procedure"* on page 352.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs 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. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

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

Bidders should note the Issue is also subject to: (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Issue Closing Date or such other time period as prescribed under applicable law, and (ii) acknowledgment of the RoC for filing of the Prospectus with the RoC.

For further details on the method and procedure for Bidding, see *"Issue Structure"*, *"Issue Procedure"* and *"Terms of the Issue"* on pages 348, 352, and 340 respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see *"Issue Procedure"* on page 352.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be Issueed through the Issue. 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 Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ lakhs)
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned is indicative underwriting amount and will be finalised after determination of Issue Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Issue 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 on the date of this Draft Red Herring Prospectus, is set forth below.

(Rs. in Lakhs, except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price(1)
A.	**Authorized Share Capital**		
	13,50,00,000 Equity Shares of face value ₹10 each	1,350.00	-
B.	**Issued, Subscribed and Paid-Up Share Capital Before the Issue**		
	7,96,87,775 Equity Shares of face value ₹10 each	796.88	-
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	Issue of up to [●] Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Share(2)(3)	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of face value ₹ 10 each at a premium of Rs. [●]/- per equity share aggregating up to ₹ 75,000.00 Lakh(2)	[●]	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after The Issue(1)**		
	[●] Equity Shares of face value ₹10 each	[●]	[●]
E.	**Securities Premium Account**		
	Before the Issue (as on the date of this Draft Red Herring Prospectus)	29,168.37	
	After the Issue(1)	[●]	

(1) *To be updated upon finalization of the Issue Price.*

(2) *The Issue has been authorised by our Board pursuant to its resolution passed in the meeting, dated May 30, 2023 and by our Shareholders pursuant to their Special resolution under Section 62 (1) (c) of the Companies Act, 2013 passed in the extra ordinary General Meeting, dated June 21, 2023.*

(3) *Our Company may, in consultation with the Book Running Lead Manager, undertake a further issue of specified securities through a private placement, preferential issue or any other method as may be permitted under applicable law to any person(s), for cash consideration aggregating up to Rs. 15,000.00 Lakhs, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the Book Running Lead Manager. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.*

(4) The Company has single classes of share capital i.e. Equity Shares of face value of Rs. 10/- each. All Equity Shares issued are fully paid-up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

For details of changes to our Company's authorised share capital in the last 10 years, see *"History and Certain Corporate Matters"* on page 204.

Notes to the capital Structure

1. **Equity Share Capital history of our Company:**

(a) **Equity Share Capital**

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

Date of allotment	No. of Equity Shares Allotted	Face Value per equity share (Rs.)	Issue Price per Equity share (Rs.)	Nature of considerations	Reasons/ Nature of allotment	Name of Allottees	Cumulative no of equity shares	Cumulative Paid-up equity share capital (in Rs.)
May 29, 2007*	6,00,000	10	10	Cash	Initial subscription to the Memorandum of Association ("MOA")	3,06,000 Equity Shares to Polyma Asset Management Co. Ltd (Formerly Polymatech Co. Ltd, Japan) and 2,94,000 equity shares to Polymatech Malaysia SDN.BHD(1)	6,00,000	60,00,000
February 14, 2008*	24,00,000	10	10	Cash	Further Issue	12,24,000 Equity Shares to Polyma Asset Management Co Ltd (Formerly Polymatech Co. Ltd, Japan) and 11,76,000 Equity Shares to Polymatech Malaysia SDN.BHD	30,00,000	3,00,00,000
April 02, 2009*	5,89,07,000	10	10	Cash	Further Issue	3,00,42,570 Equity Shares to Polyma Asset Management Co Ltd (Formerly Polymatech Co. Ltd, Japan) and 2,88,64,430 Equity Shares to Polymatech Malaysia SDN.BHD	6,19,07,000	61,90,70,000
May 11, 2011*	15,50,000	10	10	Cash	Further Issue	15,50,000 Equity Shares to Polyma Asset Management Co Ltd (Formerly Polymatech Co. Ltd, Japan)	6,34,57,000	63,45,70,000

January 30, 2023$	61,19,000	10	80	Cash	Further Issue	61,19,000 Equity Shares allotted to the 164 allottees mentioned below (2)	6,95,76,000	69,57,60,000
March 29, 2023$	23,00,200	10	135	Cash	Further Issue	23,00,200 Equity Shares allotted to the 29 allottees mentioned below (3)	7,18,76,200	71,87,62,000
April 19, 2023*$	1,00,000	10	135	Cash	Further Issue	1,00,000 Equity Shares to NAV Capital VCC-NAV Capital Emerging Star Fund	7,19,76,200	71,97,62,000
June 16, 2023$	9,57,500	10	250	Cash	Further Issue	9,57,500 Equity Shares allotted to the 13 allottees mentioned below (4)	7,29,33,700	72,93,37,000
August 03, 2023#$	17,47,875	10	300	Cash	Further Issue	17,47,875 Equity Shares allotted to the 50 allottees mentioned below (5)	7,46,81,575	74,68,15,750
September 26, 2023#$	50,06,200	10	300	Cash	Further Issue	50,06,200 Equity Shares allotted to the 88 allottees mentioned below (6)	7,96,87,775	79,68,77,750

** Our Company has filed the Form FC-GPR for all the allotment in relation to the issuance of equity shares to a person resident outside India i.e. Polymatech Co. Ltd (Japan) and Polymatech Malaysia SDN.BHD and NAV Capital VCC-NAV Capital as mentioned above.*

#As per Companies Act 2013, requisite form for allotment of shares such as Form MGT-14 and PAS-3 is pending to be filed. Also, our company has not utilised the funds from these allotments in compliance with Section 42 of Companies Act, 2013. See "Risk Factor - Our Company had made certain preferential allotments of equity shares in the past and e-form in this regard is pending to be filed as per the provisions of Section 39 and Section 42 of the Companies Act 2013 which may cause regulatory action" on page 43.

$The allotments were in physical form. See "Risk factor - Our Company have made certain preferential allotments of equity shares in the past and these allotments were allotted to investors in physical modes, which may have been in non-compliance with the Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014 and Companies Act, 2013" on Page 41.

(1) Our Company was incorporated on May 29, 2007. The date of subscription to the Memorandum of Association is April 25, 2007 and the date of Incorporation is deemed as allotment of equity shares pursuant to such subscription i.e. on May 29, 2007.

(2) Name of the Allottees are as follows:

1,25,000 Equity Shares to Mr. Rathore Gauravrajsingh Vijay Singh, 62,500 Equity Shares to Mr. Manoj Gupta, 15,000 Equity Shares to M/s Dilip Kumar Lalwani Sons, 75,000 Equity Shares to Mr. Manish Garg, 50,000 Equity Shares to Urban Botanics Pvt Ltd, 50,000 Equity Shares to Sadhna Bio Oils Pvt Ltd, 45,000 Equity Shares to Ms. Sangitha Kankaria, 31,250 Equity Shares to M/s mit Navinchandra Shah (HUF), 31,250 Equity shares to Mr. Jinal Vishal Gogri, 31,250 Equity Shares to Mr. Sanjay Ravindra Mehta, 31,250 Equity Shares to Mr. Sumit Kumar Gupta, 25,000 Equity Shares to Ms. Aashita Jain, 20,000 Equity Shares to Mr. M Kamal Chand, 20,000 Equity Shares to Ms. R Mamtha Jain, 31,250 Equity Shares to Mr. R Hira Chand & Ms. H Meena Golecha, 25,000 Equity Shares to Mr. Hemant V Golecha, 25,000 Equity Shares to M/s Murli Janki & Sons, 12,500 Equity Shares to Mr. Madan Lal

Bothra, 12,500 Equity Shares to Mr. Rounak M Bothra, 1,25,000 Equity Shares to Ms. Rita Kapoor, 25,000 Equity Shares to Mr. Sahil Jain, 30,000 Equity Shares to Mr. Sajal Jain, 3,75,000 Equity Shares to Pesopie Online LLP, 30,000 Equity Shares to Mr. Arjun Khosla, 6,250 Equity Shares to Mr. K Rajavel, 30,000 Equity Shares to Ms. Sapna Aggarwal, 10,100 Equity Shares to Ms. Aarti Mangal, 10,000 Equity Shares to Mr Ashok Kumar Kankaria, 10,000 Equity Shares to Ms. Poonal Garg. 70, 0000 Equity Shares to M/s Mukesh Jain (HUF), 50,000 Equity Shares to Mr. Rahul Goel, 31,250 Equity Shares to Ms. Monika Bansal, 31,250 Equity Shares to Ms. Sonika Chauhan, 10,000 Equity Shares to Mr. Sachin Baid, 3,12,500 Equity Shares to Ms. Trisha Aggarwal, 1,30,000 Equity Shares to M/s Amit Jain (HUF), 90,000 Equity Shares to MI Lifestyle Marketing Global Private Limited, 27,500 Equity Shares to Vinayak Aggarwal, 12,500 Equity shares to Mr. Yogesh Samdaria, 10,000 Equity Shares to Ms. Mausami Lalwani, 10,000 Equity Shares to Ms. Rekha Lalwani, 7,000 Equity Shares to Ms. Nishaben N Patel, 25,000 Equity Shares to Mr. Hulas Chand Lalwani, 15,000 Equity Shares to Ms. Santosh Devi Lalwani, 10,000 Equity Shares to Mr. Arvind Lalwani, 10,000 Equity Shares to M/s Hulas Chand Rajesh Kumar HUF, 3,12,500 Equity Shares to Ms. Vrinda Aggarwal, 62,500 Equity Shares to Ms. Geeta Devi Aggarwal, 37,500 Equity Shares to Mr. Aakash Agarwal, 37,500 Equity Shares to Mr. Naresh Kumar Bansal, 30,000 Equity Shares to Mr. Vikas Gupta, 25,000 Equity Shares to Ms. Yashika Bansal, 15,000 Equity Shares to M/s Dilip Kumar Shah (HUF), 15,000 Equity Shares to Mr. Bhanwarlal Uttamchand, 12,500 Equity Shares to Mr. Lalit Kumar Chhalani, 12,500 Equity Shares to Ms. Rekha Jain, 10,100 Equity Shares to Mr. Mehul Chaurasia, 10,000 Equity Shares to Mr. Rishab Kankaria, 7,500 Equity Shares to Mr. Narpat Kankaria, 7,000 Equity Shares to Mr. Tikamchand Khimsura M, 6,250 Equity Shares to Mr. Deepak Lodha, 5,000, Equity Shares to Ms. Sona Jain, 1,25,000 Equity Shares to Ms. Sushila S Luniya, 50,000 Equity Shares to Mr. Anish Khurana, 31,250 Equity Shares to Mr. Bipin C Shah, 31,250 Equity Shares to Ms. Jyoti Arora, 31,250 Equity Shares to Mr. Tejal Keyur Shah, 31,250 Equity Shares to Ms. Rachna Kohli, 31,250 Equity Shares to Mr. Ronak Raj Kohli, 30,000 Equity Shares to Mr. Sunil Jain, 25,000 Equity Shares to Mr. Abhilash Kumar, 25,000 Equity Shares to Ms. Anila Jain, 12,500 Equity Shares to Mr. Chandra Prakash Jain, 10,000 Equity Shares to Mr. N S Balachandra Datta, 6,250 Equity Shares to Mr. S Rajkumar Bafna, 1,20,000 Equity Shares to Mr. Suresh H Luniya, 62,500 Equity Shares to Ms. Sushila Devi Jain, 60,000 Equity Shares to Mr. Ravi Kumar, 60,000 Equity Shares to VKC Corporate Solutions Private Limited, 30,000 Equity Shares to Mr. Parmod Kumar Bindlish, 25,000 Equity Shares to Mr. Ankur Bhupendra Shah, 22,500 Equity Shares to Mr. Nilesh Vinodrai Parekh, 12,500 Equity Shares to Ms. Babli, 12,500 Equity Shares to Mr. Navrathanmal Jain, 7,000 Equity Shares to Mr. Neeraj Kalra, 6,300 Equity Shares to Mr. Atul Vasanji Vora, 6,300 Equity Shares to Equity Shares to Neelam Atul Vora, 6,250 Equity Shares to Neha Rishi Raj, 83,000 Equity Shares to Jinesh K Jain, 50,000 Equity Shares to Ms. Mamta Jain, 48,000 Equity Shares to Mr. Utsav Rajendra Chotai, 31,250 Equity Shares to Mr. Aman Aggarwal, 31,250 Equity Shares to Amit Premji Lapasiya, 30,000 Equity Shares to Masatya Technologies Private Limited, 25,000 Equity Shares to Mr. Udit Aggarwal, 23,750 Equity Shares to Mr. Raju Kapoor, 20,000 Equity Shares to Mr. Bhavin Kanti Gala, 18,750 Equity Shares to Ms. Manish Gupta, 13,000 Equity Shares to Ms. Shah Beena Dimple, 13,000 Equity Shares to Mr. Chital Dhiren Shah, 13,000 Equity Shares to Ms. Heena Yogesh Shah, 11,000 Equity Shares to Ms. Bidyu Lata Panda, 10,000 Equity Shares to Ms. Roshni Bhavin Gala, 6,500 Equity Shares to Ravi Jain, 6,300 Equity Shares to Mr. Harshal Desai, 6,300 Equity Shares to Mr. Purab N Gupta, 6,300 Equity Shares to Sunil Gangadhar Karkera, 6,250 Equity Shares to Mr. Arnav Rishi Raj, 2,000 Equity Shares to Ms. R Uma Maheshwari, 1,00,000 Equity Shares to VA Tradingventure LLP, 75,000 Equity Shares to Abhishek Parwal, 75,000 Equity Shares to Haryana Refractories Private Limited, 75,000 Equity Shares to Ms. Monika Katta, 75,000 Equity Shares to Ms. Nikita Katta, 32,500 Equity Shares to Mr. Vardhman Jain, 31,250 Equity Shares to Ms. Archana Kabra, 31,250 Equity Shares to Manish Kumar Surana, 31,250 Equity Shares to Vinod Kumar Jain, 25,000 Equity Shares to Mr. Deepak Kumar, 25,000 Equity Shares to Mr. Naresh Kumar, 25,000 Equity Shares to M/s Pitam Goel (HUF), 12,500 Equity Shares to Mr. Arvind Maheshwari, 12,000 Equity Shares to Mr. Bharat Singhal, 10,000 Equity Shares to Pradeep Mishra, 10,000 Equity Shares to Ms. Priya Aggarwal, 6,000 Equity Shares to Mr. Anil Kumar Goyal, 2,12,500 Equity Shares to Mahabir Tradeventures LLP, 37,500 Equity Shares to Mr. Surjit Kumar Garg, 31,250 Equity Shares to Mr. Mukesh Kumar, 30,000 Equity Shares to Capital Trade Links Limited, 27,500 Equity Shares to Ms. G eetam Shree, 15,000 Equity Shares to Vijay Chatrabhuj HUF, 12,500 Equity Shares to Jayshri Sunilkumar Mehta, 12,500 Equity Shares to Mr. Kinchit Sunilkumar Mehta, 12,500 Equity Shares to Mr. Sunilkumar C Mehta, 10,000 Equity Shares to Mr. Bhavesh Shantilal Mehta, 81,250 Equity Shares to Mr. Durgesh Kumar Sahu, 43,750 Equity Shares to Ms. Huli Devi, 60,000 Equity Shares to Mr. Parveen Kumar, 43,750 Equity Shares to Riddhi Siddhi Eduwise LLP, 25,000 Equity Shares to Ms. Devika Garg, 25,000 Equity Shares to Mr. Hem Chand Jain, 25,000 Equity Shares to Mr. Madhu Sudan Goyal, 18,750 Equity Shares to Anirudh Mohan Tiwari, 12,500 Equity Shares to Mr. M Kantilal Jain, 1,00,000 Equity Shares to Ms. Amitha Jain, 30,000 Equity

Shares to Mr. Vinay Kumar Chawla, 31,250 Equity Shares to Mr. Pragnesh Manilal Chhavda, 30,000 Equity Shares to Ms, Archana Chawla, 31,250 Equity Shares to Ms. Suhani Poddar, 12,500 Equity Shares to M/s Baij Nath Gupta (HUF), 62,500 Equity Shares to Mr. Vikesh Kumar.

(3) Name of the Allottees are as follows:

50,000 Equity Shares to Mr. Neel Kamal, 50,000 Equity Shares to Mr. Nakul Rajgarhia, 45,000 Equity Shares to Mr. Hulas Chand Lalwani, 20,000 Equity Shares to M Kantilal Jain, 15,000 Equity Shares to Mr. Nikhil Kumar, 25,000 Equity Shares to Mr. V Nitin, 67,200 Equity Shares to Ms. Premlatha P, 10,000 Equity Shares to Ms. Saroj Devi Challani, 23,000 Equity Shares to Sheetal Jain R, 50,000 Equity Shares to Mr. Sumit Kumar Gupta, 45,000 Equity Shares to Ms. Urmila Manoj Kumar Kankaria, 1,00,000 Equity Shares to Ms Shikah Garg, 120,000 Equity Shares to Mr. Akshaya Kumar Biswal, 50,000 Equity Shares to M/s Kapil Jain HUF, 50,000 Equity Shares to Ms. Pooja Jain, 50,000 Equity Shares to Mr. Bhupinder Singh, 50,000 Equity Shares to Ms. Anjani Kumar Gupta, 2,00,000 Equity Shares to Pesopie Online LLP, 1,00,000 Equity Shares to Ms. Vrinda Gupta, 1,55,000 Equity Shares to Mr. Vikas Gupta, 1,00,000 Equity Shares to Mr. Gaurav Shanker, 50,000 Equity Shares to Mr. Alok Kumar, 3,50,000 Equity Shares to Mr. Vikhyat Kansal, 50,000 Equity Shares to Ms. Mamta Jain, 1,00,000 Equity Shares to Sygnific Corporate Solutions Private Limited, 50,000 Equity Shares to Ms. Vanshika Gaur, 1,25,000 Equity Shares to VKC Corporate Solutions Private Limited, 1,00,000 Equity Shares to Mr. Nikhil Gambhir, 1,00,000 Equity Shares to Mr. Rathore Gauravrajsingh Vijay Singh.

(4) Name of the Allottees are as follows:

1,02,500 Equity Shares to Ayan Corporate Advisor, 50,000 Equity Shares to Ms. Meenu Sharma, 1,00,000 Equity Shares to Mr. Ravie Khilumal Ochanni, 1,65,000 Equity Shares to Ms. Shika Gupta, 50,000 Equity Shares to Mr. Mukesh Agarwal, 1,00,000 Equity Shares to Mr. Chirag Satia, 50,000 Equity Shares to Mr. Pratik Jalan, 50,000 Equity Shares to Ms. Shashi Bhushan Munjal, 50,000 Equity shares to Auxano Dawn Fund, 50,000 Equity Shares to Akshaya Kumar Biswal, 25,000 Equity Shares to Corporate Makers LLP, 1,25,000 Equity Shares to Mr. Nitin Jain and 40,000 Equity Shares to Mr. Rajesh Singh.

(5) Name of the Allottees are as follows:

10,000 Equity Shares to Mr. Harsh Garg, 4,00,000 Equity Shares to NAV Capital, 10,000 Equity Shares to Vikramaditya Singh Deo, 15,000 Equity Shares to Mr. Sameer Gupta, 11,000 Equity Shares to Deepak Lodha HUF, 10,000 Equity Shares to Navaneeth Kumar Agarwal, 26,000 Equity Shares to Mr. Sunil Jain, 29,000 Equity Shares to Sajal Jain, 35,000 Equity Shares to Heeral R, 10,000 Equity Shares to Nilesh Enterprises, 20,000 Equity Shares to Sunil Goil, 5,000 Equity Shares to Minakshi Goil, 60,000 Equity Shares to Dhruv Agarwal, 25,000 Equity Shares to Ashish Gyan Jain, 20,000 Equity Shares Vinay Kumar Chawla (HUF), 50,000 Equity Shares to Nimesh S Joshi, 2,25,000 Equity Shares to Mr. Kanav Gupta, 60,000 Equity Shares to Excellence Corporate F, 65,000 Equity Shares to Omas Securities Private Limited, 25,000 Equity Shares to Bhavana Khemani, 25,000 Equity Shares to Ruchi Jain, 5,000 Equity Shares to Sonal Agarwal, 30,000 Equity Shares to Rajeev Kohli, 7,000 Equity Shares to Rakesh Chaturvedi, 25,000 Equity Shares to Mr. Mohit Goel, 4,000 Equity Shares to Vaibhav Chaturvedi, 2,500 Equity Shares to Somya Chaturvedi, 2,500 Equity Shares to Anshula Chaturvedi, 20,000 Equity Shares to Mr. Vikram Bansal, 5,000 Equity Shares to Sneha Saraf, 5,000 Equity Shares to Upasana Dhoot, 10,000 Equity Shares to Mr. Vikash Gupta, 15,000 Equity Shares to Mr. Ankit Kabra, 4,000 Equity Shares to Gaurav Chaturvedi, 10,000 Equity Shares to Shashwat Bansal, 50,000 Equity Shares to Mr. Saket Bansal, 20,000 Equity Shares to Ms. Anupama Bansal, 10,000 Equity Shares to Sandeep Bansal, 10,000 Equity Shares to Ms. Yashika Bansal, 10,000 Equity Shares to Arun Agarwal, 25,000 Equity Shares to Vikas Gupta Priyanka G, 50,000 Equity Shares to Ms. Rachna Kohli, 20,000 Equity Shares to Abhinav Agrawal, 20,000 Equity Shares to Aakash Agarwal, 5,000 Equity Shares to Yash Jaiswal, 5,000 Equity Shares to Tripti Thirani, 1,56,250 Equity Shares to AKM Systems Private Limited, 15,625 Equity Shares to Shiven Malhotra, 10,000 Equity Shares to Manish Vij and 60,000 Equity Shares to Unlisted Assets.

(6) Name of the Allottees are as follows:

40,000 Equity Shares to Vinay Kumar Chawla (HUF), 16,00,000 Equity Shares to NAV Capital, 53,300 Equity Shares to Chirag Satia, 25,000 Equity Shares to Mr. Sandeep Sharma Varsha, 15,000 Equity Shares to Mr. Vinay Aggarwal, 98,000 Equity Shares to Omas Securities Private Limited, 10,000 Equity Shares to Aashita Jain, 5,000 Equity Shares to Mehta Chirag Anantray, 18,000 Equity Shares to Mr. Sunil Jain, 16,000 Equity Shares to Sajal Jain, 10,000 Equity Shares to Aakash Agarwal, 35,000 Equity Shares to Saurav Enterprises, 15,000 Equity Shares to Shakuntala Dhariwal, 10,000 Equity Shares to Madhu Rungta, 5,000 Equity Shares to Mr. Ankit Shaw, 37,500 Equity Shares to Ashish Choudhary HUF, 30,000 Equity Shares Mr. Rajeev Kohli, 20,000 Equity Shares Ms. Preeti Mittal, 50,000 Equity Shares to SKG Assets and Holding, 25,000 Equity Shares to Mr. Sachin Mittal, 7,500 Equity Shares to Amiti Atulkumar Agrawal, 10,000 Equity Shares to Abhinav Agarwal, 10,000 Equity Shares to Ashwani Singla HUF, 10,000 Equity Shares to Shreya Aggarwal, 7,500 Equity Shares to Dr. Atul Kumar Agrawal, 60,000 Equity Shares to S S Probuild LLP, 35,000 Equity Shares to Devesarmata Developers, 3,00,000 Equity Shares to EMS Limited, 10,000 Equity Shares to Manish Kohli, 1,00,000 Equity Shares to Ajay Kumar Bansal, 25,000 Equity Shares to Arpit Dokania HUF, 25,000 Equity Shares to Nirmal Kumar Dokania, 37,500 Equity Shares to Shweta Agarwal, 10,000 Equity Shares to Arun Agrawal, 20,000 Equity Shares to Sameer Gupta, 5,000 Equity Shares to Nitish Goel HUF, 4,000 Equity Shares Shikha Jain, 10,000 Equity Shares to Anju Gupta, 6,000 Equity Shares to Nilesh Enterprises, 12,000 Equity Shares to S M Buildmart Pvt Ltd, 50,000 Equity Shares to Abhishek Prakash Sharma, 50,000 Equity Shares to Aditya Banerjee, 5,000 Equity Shares to Amar Choudhary, 50,000 Equity Shares to Anoop Prakash Sharma, 1,50,000 Equity Shares to Aspire Securities P F, 22,500 Equity Shares to B L Agrawal and Sons HUF, 30,000 Equity Shares to Bajrang Lal Agrawal, 50,000 Equity Shares to Fortis Capital, 50,000 Equity Shares to Mr. Gaurav Sharma, 40,000 Equity Shares to Gopal Kumar Hariprasad, 5,000 Equity Shares to Hitendrabhai Jeramb, 10,000 Equity Shares to Manish Jeloka, 30,000 Equity Shares to Nilu Saraf, 15,000 Equity Shares to Ms. Pooja, 5,000 Equity Shares to Poonam Chaudhary, 45,000 Equity Shares to Rita Chhawchharia, 45,000 Equity Shares to Sandeep Chhawchharia, 30,000 Equity Shares to Sandeep Saraf, 90,000 Equity Shares to Sanjeev Chhawchharia, 50,000 Equity Shares to Sanket, 30,000 Equity Shares to Saritadevi Gopalkumar, 25,000 Equity Shares to Subir Kumar Basu, 50,000 Equity Shares to Sumchit Anand, 10,000 Equity Shares to Sunil Singhvi, 24,000 Equity Shares to Sunita Jain WO Bijay, 12,500 Equity Shares to Sushila Goenka, 2,35,200 Equity Shares to Trademax Solutions, 24,000 Equity Shares to Vishal Jain, 10,000 Equity Shares to Arun Kumar Dhamija, 25,000 Equity Shares to Arun Kumar Jain, 10,000 Equity Shares to Jyoti Kapoor, 25,000 Equity Shares to Kshitiz Jain, 10,000 Equity Shares to Kundan Lal Garg, 10,000 Equity Shares to Madhu Rungta, 30,000 Equity Shares to Manoj Garg so Shri Sat, 20,000 Equity Shares to Mohit Aggarwal HUF, 50,000 Equity Shares to Neel Kamal, 20,000 Equity Shares to Pankaj Kumar Surendra, 20,000 Equity Shares to Priti Gupta, 10,000 Equity Shares to Rajneesh Jain, 5,00,700 Equity Shares to Rathore Gauravraj Singh, 10,000 Equity Shares to Sachin Arora, 1,00,000 Equity Shares to Sanjay Chimanbhai Agra, 20,000 Equity Shares to Sanjeev Gupta,10,000 Equity Shares to Santosh Rani, 20,000 Equity Shares to Shallu Jain, 25,000 Equity Shares to Siri in Finlease Pvt Ltd and 25,000 Equity Shares to Vikas Gupta Priyanka Gupta Anita.

(b) History of preference share capital

Our Company does not have any issued or outstanding preference share capital as on the date of this Draft Red Herring Prospectus.

2. Equity shares issued for consideration other than cash or by way of Bonus Shares.

Our Company does not have issued any equity shares for consideration other than cash or any bonus issues since its incorporation:

3. Shares issued out of revaluation reserves

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

4. Issue of 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

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

5. Issue of Equity Shares under employee stock option schemes

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

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

Except as mentioned above in this section, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. History of build-up, Promoters' contribution and lock-in of Promoters' shareholding.

As on the date of this Draft Red Herring Prospectus, our Promoters Mr. Eswara Rao Nandam and Ms. Uma Nandam holds 6,34,57,000 Equity Shares, constituting 79.63% of the issued, subscribed and paid-up equity share capital of our Company. Mr. Vishaal Nandam does not hold Equity Shares in the Company. For further details, see "*Our Promoters and Promoter Group*" beginning on page 229.

(a) Shareholding of our Promoters and the members of our Promoter Group

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

Sr. No.	Name	Pre-Issue		Post -Issue[1]	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
Promoters					
1.	Mr. Eswara Rao Nandam	3,31,22,570	41.56	[●]	[●]
2.	Ms. Uma Nandam	3,03,34,430	38.07	[●]	[●]
3.	Mr. Vishaal Nandam	0	0	[●]	[●]
	Total (A)	**6,34,57,000**	**79.63 %**		

(1) *Subject to finalisation of Basis of Allotment.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged as of the date of this Draft Red Herring Prospectus.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

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

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

Date of allotment /transfer	Number of equity shares allotted/transferred	Face Value per Equity Share (In Rs.)	Issue/Acquisition/ Transfer Price per Equity Share (In Rs.)	Nature of Transaction	% of the pre-Issue Equity Share Capital	% of the post-Issue Equity Share
Eswara Rao Nandam						
August 14, 2018	3,31,22,570	10	0.20*	Transfer from	41.56	[●]

				Polymatech Co. Ltd, (Japan) to Mr. Eswara Rao Nandam*		
Uma Nandam						
August 14, 2018	3,03,34,430	10	0.20*	Transfer from Polymatech Malaysia SDN.BHD. to Ms. Uma Nandam*	38.07	[●]
Total	**6,34,57,000**	10			**79.63%**	

Notes:

i. *Pursuant to Share Purchase Agreement ("SPA") originally executed on December 07, 2016 and later amended on November 28, 2017, 100.00% shares were transferred from previous shareholders (non-residents) to current promoters being only Mr. Eswara Rao Nandam and Ms. Uma Nandam.*

ii. *Also, the transferees pursuant to SPA, have filed the Form FC-TRS in respect of receipt of shares from non-residents, for compliance of RBI Regulations.*

iii. *Further, the transfer details as per Form SH-4 are as follows:*

- *3,31,22,570 Equity Shares were transferred from Polymatech Co. Ltd (Japan) to Mr. Eswara Rao Nandam for the consideration of Rs. 67,44,896.34/- (Indian Rupees Sixty Seven Lakhs Forty Four Thousand Eight Hundred and Ninety Six and Paise Thirty Four Only).*

- *3,03,34,430 Equity Shares were transferred from Polymatech Malaysia SDN.BHD to Ms. Uma Nandam for the consideration of Rs. 61,26,432.48/- (Indian Rupees Sixty One Lakhs Twenty Six Thousand Four Hundred and Thirty Two and Paise Forty Eight Only).*

8. Details of Lock-in

(a) Details of Promoters' contribution locked-in for Three Years

Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters, except for the Equity Shares Issued pursuant to the Issue for Sale, shall be locked in for a period of three years as minimum Promoter's contribution ("Minimum Promoter's Contribution") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment as a majority of the Net Proceeds are proposed to be utilized for capital expenditure such as miscellaneous fixed assets, plant and machinery, etc. For details of objects of the Issue, see "*Objects of the Issue*" at page 97.

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

Name of Promoter	Date of allotment/ac	Nature of the	Face value	Issue price/ac	No. of Equity	Percentage of the	Percentage of

	quisition	allotment/transaction	Per equity share (In Rs.)	quisition price per Equity Share (In Rs.)	Shares Locked-in[1]	pre- Issue paid-up capital on a fully diluted basis (%)	the post Issue paid-up capital on a fully diluted basis (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

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

Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of the 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 Promoters, see "*– History of the share capital held by our Promoters*" on page 88.

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 Issueed for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash, or revaluation of assets or capitalisation of intangible assets; or (b) which 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 one immediately preceding year at a price lower than the price at which the Equity Shares are being Issueed to the public in the Issue;

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.

v. All the Equity Shares held by the Promoters are held in dematerialised form.

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

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Issue, except: (a) the Promoters' Contribution which shall be locked in as above.

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

(c) There has been no acquisition of equity shares with any special rights including any right to nominate Directors on our Board, in the immediately preceding three years (including the immediately preceding one year) by our Promoters and the members of the Promoter Group and Shareholders.

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

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

(e) Other Requirements in respect of Lock-in

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 18 months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systematically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities. Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of six months 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.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations for a period of eighteen months or such other periods, as may be prescribed under the SEBI ICDR Regulations, may be transferred amongst our Promoter and any member of the Promoter Group or to a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoter and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months or such other periods, as may be prescribed under the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

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

9. The Book Running Lead Manager ("BRLM"), their respective associates (as defined under the SEBI Merchant Bankers Regulations) and the Legal Advisor hold 2,96,250 Equity Shares as on the date of this Draft Red Herring Prospectus. These equity shares, allotted on January 30, 2023 and March 29, 2023, are held by the executives of BRLM, Legal Advisor and their relatives. Such Equity Shares were allotted pursuant to the initial rounds of investments made into the company by 193 investors and 29 investors, respectively. The executives of BRLM, Legal Advisor and their respective associates have not been allotted any equity share after their appointments to the role of BRLM and Legal Advisor. The BRLM and its respective associates may engage in transactions with and perform services for our Company and affiliates 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 for which they may have received, and may in future receive compensation. See Risk factor "*The Book Running Lead Manager ("BRLM"), their respective associates (as defined under the SEBI Merchant Bankers Regulations) and the Legal Advisor hold Shares as on the date of this Draft Red Herring Prospectus*" on page 47.

10. Shareholding pattern of our Company

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

Category Code	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. of Equity shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities *				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered(XIII)		Number of Equity shares held in dematerialized form***
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class-(Equity)	Class-(Preference)	Total								
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	2	6,34,57,000	-	-	6,34,57,000	79.63	6,34,57,000	-	6,34,57,000	79.63	-	-	[●]	[●]	-	-	6,34,57,000
(B)	Public	1,123	1,62,30,775	-	-	1,62,30,775	20.37	1,62,30,775	-	1,62,30,775	20.37	-	-	[●]	[●]	-	-	89,23,200
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underl	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	ying DRs																	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**1,125**	**7,96,87,775**	**-**	**-**	**7,96,87,775**	**100**	**7,96,87,775**	**-**	**7,96,87,775**	**100**	**-**	**-**	**[●]**	**[●]**	**-**	**-**	**7,96,87,775**

**As on the date of this Draft Red Herring Prospectus 1 Equity Share holds 1 vote.*
***Shall be locked-in on or before the date of allotment in this Issue.*
****We have completed the process of ISIN activation with both the depositories – NSDL and CDSL. As on the date of this Draft Red Herring Prospectus, the Equity Shares held by Promoters are in the process of dematerialisation. Further, 89,23,200 Equity Shares which are held by public in demat form are calculated as per the shareholders' details dated September 28, 2029 provided by CDSL and NSDL on September 29, 2023 and these details do not include the allotments - 17,47,875 Equity Shares on August 03, 2023 and 50,06,200 Equity Shares on September 26, 2023.*

11. Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company

Except as disclosed below, none of our Directors, Key Managerial Personnel and Senior Management hold any Equity Shares in our Company:

Sr. No.	Name of the Director/ Key Managerial Personnel/ Senior Management	Number of Equity Shares of Face Value Rs. 10 each	Percentage of pre-Issue Equity Share capital (%)
Director(s)			
1.	Mr. Eswara Rao Nandam	3,31,22,570	41.56%
2.	Ms. Uma Nandam	3,03,34,430	38.07%
3.	Mr. Vishaal Nandam	Nil	Nil
Key Managerial Personnel (other than Executive Director)			
4.	Mr. Manoj Kumar Bajaj	Nil	Nil
5.	Mr. Badri Prasad Mahapatro	Nil	Nil
	Total	**6,34,57,000**	**79.63%**

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 1,125 shareholders of Equity Shares.

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

Sr. No.	Shareholders	Category of the Shareholder	Pre-Offer	
			Number of Equity Shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Mr. Eswara Rao Nandam	Promoter	3,31,22,570	41.56%
2.	Ms. Uma Nandam	Promoter	3,03,34,430	38.07%
3.	NAV CAPITAL VCC-NAV Capital Emerging Star Fund	Public	21,00,000	2.66
	Total		**6,55,57,000**	**82.27**

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

Sr. No.	Shareholders	Category of the Shareholder	Pre-Offer	
			Number of Equity Shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Mr. Eswara Rao Nandam	Promoter	3,31,22,570	44.35

2.	Ms. Uma Nandam	Promoter	3,03,34,430	40.62
	Total		**6,34,57,000**	**84.97**

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

Sr. No.	Shareholders	Category of the Shareholder	Pre-Offer	
			Number of Equity Shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Mr. Eswara Rao Nandam	Promoter	3,31,22,570	52.20
2.	Ms. Uma Nandam	Promoter	3,03,34,430	47.80
	Total		**6,34,57,000**	**100.00%**

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

Sr. No.	Shareholders	Category of the Shareholder	Pre-Offer	
			Number of Equity Shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Mr. Eswara Rao Nandam	Promoter	3,31,22,570	52.20
2.	Ms. Uma Nandam	Promoter	3,03,34,430	47.80
	Total		**6,34,57,000**	**100.00%**

13. None of our Promoters, members of our Promoter Group, 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.

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

15. Our Company, our Directors and the BRLM have not entered into any buy-back or other arrangements for purchase of Equity Shares being Issueed through this Issue from any person.

16. No person connected with the Issue, including our Company, the members of the Syndicate, or our Directors, shall Issue 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 Issue.

17. 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 Public Issue shall be fully paid-up at the time of Allotment.

18. 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.

19. 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.

20. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue 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.

21. 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 Issue under the Anchor Investor Portion. Further, no person related to our Promoters or members of our Promoter Group shall apply in the Issue under the Anchor Investor Portion.

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

23. The Issue is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out 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 Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders, of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For further details, see "*Issue Procedure*" on page 352.

24. As per AOA of the issuer Company, there are no special rights for nominee/nomination rights and information rights are available to Promoters/Promoter Group/Shareholders that would continue post listing except Promoters/Promoter Group/Shareholders may be deemed to be interested in rights attached to the extent of their shareholding in the Company and there are no special rights available to the Promoters/Shareholders which require any further action.

OBJECTS OF THE ISSUE

The Issue by our Company comprises of Fresh Issue only. Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(1) Purchase of new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu; and
(2) General corporate purposes.

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

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing business activities and the activities for which funds are being raised by us through the Issue.

In addition, our Company expects to achieve the benefit of listing of our Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (in ₹ lakhs)
1.	Gross Proceeds of the Issue	Upto 75,000.00
2.	(Less) Estimated expenses in relation to the Issue(2)(3)	[●]
	Net Proceeds(2)	[●]

(1) To be finalised upon determination of Issue Price and will be updated in the Prospectus prior to filing with the RoC.
(2) For details, see "- Issue related expenses" on page 101.

Utilisation of Net Proceeds

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

Particulars	Amount (in ₹ lakhs)
Purchase of new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu	56,572.49
General corporate purposes (1)	[●]

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to utilise the Net Proceeds for the following Objects in accordance with the estimated schedule of utilisation of funds set forth in the table below:

(₹ in lakhs)

S. No.	Particulars	Total estimated cost/ Estimated utilisation from Net Proceeds	Estimated Utilisation of Net Proceed	
			Fiscal 2024	Fiscal 2025
(1)	Purchase of new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu	56,572.49	-	56,572.49
(2)	General corporate purposes (1)	[●]	[●]	[●]

(1) *To be finalised upon determination of the Issue 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.*

The schedule of implementation set out above is based on our internal management estimates, valid quotations received from third parties, current circumstances of our business and market conditions, and other commercial and technical factors and has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, change in technology, interest rate fluctuations and other external factors including changes in the price of equipment due to variation in commodity prices, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from our planned allocation at the discretion of our management, subject to compliance with applicable laws. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal due to any reason, the same would be utilised (in part or full) in the next Fiscal/ subsequent period, as may be determined by our Company, 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 at the discretion of our Company, subject to compliance with applicable law. For details, see "*Risk Factors – We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.*" on page 38.

If the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available with our Company to fund any such shortfalls.

Details of the Objects of the Fresh Issue

(1) Purchase of new machinery towards enhancing our existing facility at Oragadam, Kancheepuram, Tamil Nadu

Our manufacturing facility of Oragadam, Kancheepuram, Tamil Nadu is located at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu 602105, India. Our modern and state-of-the-art manufacturing facility is equipped with high quality machinery, a class 10000 clean room and full power backup for 100% capacity that enable us to meet the requirements of our customers in a timely manner.

Our Company proposes to utilise ₹ 56,572.49 lakhs towards funding capital expenditure towards expanding the existing facility. Our Board pursuant to its resolution dated September 16, 2023 set out its proposal to enhance our existing facility at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu 602105, India, from the Net Proceeds.

Details of our manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu :

S. No.	Name of Facility	Land area (in acres)	Freehold/ Leasehold	Products Manufactured	Key machinery/ equipment
1	Oragadam, Tamil Nadu	6.00	Leasehold	Opto- semiconductor Chips and Luminaries	Tool manufacturing machinery, Vacuum Hot Chambers, Microscopes, Deep Freezers, Testing Chambers & Equipment, etc.

For further details, see *"Our Business – Our Manufacturing Facilities"* on page 189.

Accordingly, we intend to use the Net Proceeds allocated for this Object at our manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu, as set out below:

S. No.	Expense category	Estimated cost (₹ lakhs)
A.	**Equipment and machinery (Imported)[(1)]**	
1.	Die Bonder	20,767.32
2.	Dispenser	13,844.88
3.	Vacuum Hot Chambers	7,470.47
4.	Wire Bonder	7,355.09
5.	High precision-balance mixer & bubble remover	2,076.73
6.	Desiccator	1,730.61
7.	Wafer Ring Expander CR-4	1,297.96
8.	Magazine(3020)	865.31
9.	Magazine(2835)	865.31
10.	Manual tester	86.53
11.	Refrigerators (for temperatures upto (-60) Degrees Celsius)	77.88
12.	Microscope	119.99
13.	Tension gauge	14.42
	Total (A)	**56,572.49**

(1) For all imported equipment or machinery, our Company has assumed an exchange rate of JPY 1= ₹ 0.5628. The estimated cost includes applicable CIF (cost, insurance & freight) at the rate of 2.5%. Taxes are not applicable.

Break-down of estimated expense

We are yet to place orders for machineries to be purchased to enhance our manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu, pursuant to purchase of following equipment, machinery and other expenses and no payments have been made towards these items. The detailed break-down of these estimated costs is as below:

Particulars	Quantity	Amount to be funded from Net Proceeds (₹ lakhs)	Quotations received from	Date of quotations	Validity[(2)]
Equipment and machinery (Imported)[(1)]					
Die Bonder	80	20,767.32	*(names are masked in order to maintain confidentiality and also due to execution of Non-Disclosure Agreements/ Consents provided to vendors)*	August 07, 2023	Six to Eight Weeks.
Dispenser	240	13,844.88		August 12, 2023	
Vacuum Hot Chambers	185	7,470.47		August 26, 2023	
Wire Bonder	50	7,355.09		August 29, 2023	
High precision-balance mixer & bubble remover	30	2,076.73		August 26, 2023	
Desiccator	50	1,730.61		August 26, 2023	
Wafer Ring Expander CR-4	15	1,297.96		August 26, 2023	

Magazine (3020)	1500	865.31		August 26, 2023	
Magazine (2835)	1500	865.31		August 26, 2023	
Microscope	26	119.99		August 26, 2023	
Manual tester	5	86.53		August 7, 2023	
Refrigerators (for temperatures upto (-60) Degrees Celsius)	18	77.88		August 12, 2023	
Tension gauge	25	14.42		August 26, 2023	
Total (B)		**56,572.49**			

(1) For all imported equipment or machinery, our Company has assumed an exchange rate of JPY 1= ₹ 0.5628. The estimated cost includes applicable CIF (cost, insurance & freight) at the rate of 2.5%. Taxes are not applicable.

(2) In our industry, we generally receive quotations valid for 6-8 weeks only.

The equipment and machinery as proposed are to be utilized primarily for the manufacturing of opto-semiconductor chips.

In addition to estimated expenses mentioned above for the manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu, there may be revision in the final amounts payable towards these quotations pursuant to any other taxes or levies payable on such item.

With respect to the equipment and machinery and other expenses, we have not entered into 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 and machinery and other items or at the same costs. The quantity of equipment and machinery and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see *"Risk Factors – We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised."* on page 38.

(2) General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating upto ₹ [●] lakhs, towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, research and development, advertising & branding exercises, acquiring fixed assets, meeting any expense such as salaries and wages, administration, insurance, repairs and maintenance, meeting the expenses incurred in ordinary course of business. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Means of Finance

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

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue and Sponsor Bank(s), including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to 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 break-up for the estimated Issue expenses is as follows:

Activity	Estimated expenses(1) (in ₹ lakhs)	As a % of total estimated Issue expenses(1)	As a % of the total Issue size(1)
BRLM fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs(2) (3)(4)(5)(6)(7)(8)(9)(10)(11)	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Advertising and marketing	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Issue expenses includes applicable taxes, where applicable. Issue expenses will be finalised on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

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

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

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) No additional processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them.

(4) Processing fees payable to the SCSBs on the portion for RIBs, and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

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

** The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

(5) Selling commission on the portion for RIIs and Non-Institutional Bidders (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

(6) The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

(7) Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIIs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

(8) The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(9) Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIIs and Non Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

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

** Based on valid applications*

Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

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

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

(10) Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 500,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-

Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 500,000 will not be eligible for brokerage.

Interim use of Net Proceeds

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

Bridge Financing

As on the date of this Draft Red Herring Prospectus, our Company has not availed and does not propose to avail any bridge loans from any bank or financial institution which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company will appoint a credit rating agency as the monitoring agency to monitor utilization of proceeds from the Fresh Issue prior to filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee in accordance with the timelines prescribed under applicable law. Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized.

Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds. 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, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and the Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Statutory Auditors.

Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution passed in a general meeting of its Shareholders or through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution, shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI Regulations.

Appraising Agency

None of the Objects of the Issue for which the Net Proceeds will be utilised have been appraised by any bank or financial institution or other independent agency.

Other Confirmations

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies, Key Management Personnel or Senior Management. Our Company has not entered into nor is planning to enter into any arrangement/agreements with Promoters, members of the Promoters Group, Directors, Group Companies, Key Management Personnel or Senior Management in relation to the utilisation of the Net Proceeds. Further, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

BASIS OF ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares Issueed through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to *"Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 174, 32, 237 and 295, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- India's first Opto-Semiconductor Chips manufacturer
- Poised to capture growth of opto-semiconductor chips market
- Competitive products offerings backed by strong research
- Strong focus on R&D with a State-of-the-Art infrastructure
- Strong Board and Management Team
- Strong and consistent financial performance along with no institutional debt

(Rs. In Lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	64,902.00	12,587.31	4,501.37
EBITDA(1)	18,541.56	3,987.20	1,038.73
EBITDA margin as of revenue from operations (%)(2)	28.57%	31.68%	23.08%
PAT	16,776.63	3,426.81	628.83
PAT margin (%)(3)	25.85%	27.22%	13.97%

(1) EBITDA has been calculated as Restated profit before tax + finance cost + depreciation and amortization less other income.
(2) EBITDA Margin = EBITDA/ Revenue from operations.
(3) PAT Margin=PAT/Revenue from operations.

For more details on qualitative factors, refer to chapter "*Our Business-Our Strengths*" on page no. [●].

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For more details on financial information; investors please refer the chapter titled "*Financial Information*" on page no. 237.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1) Basic and Diluted Earnings / Loss per Share ("EPS") as adjusted for changes in capital:

For the Fiscal	Basic & Diluted	
	EPS (in Rs.)	Weights
2023	26.02	3
2022	5.40	2
2021	0.99	1
Weighted Average	**14.98**	

Notes:

a) *The face value of each Equity Share is Rs. 10 each.*
b) *Basic Earnings per share = Restated total comprehensive income / Weighted average number of equity shares outstanding during the period/year.*
c) *Diluted Earnings per share = Restated total comprehensive income / Weighted average number of potential equity shares outstanding during the period/year.*
d) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year /Total of weights.*
e) *The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statement of the "Financial Information" beginning on page no. 237.*

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

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic and diluted EPS for Fiscal 2023	[●]	[●]
Based on Weighted Average EPS	[●]	[●]

3) Industry Peer Group P/E ratio

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

4) Return on Net worth (RoNW)

For the Fiscals	RoNW (%)	Weight
2023	52.75	3
2022	49.71	2
2021	20.91	1
Weighted Average	46.43	

Notes:

a) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights].
b) Return on Net Worth (%) = Total comprehensive income as restated /Net worth as restated as at period/year end.
c) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as on March 31, 2023, 2022 and 2021.

5) Net Asset Value (NAV) (Face value of Rs. 10/-)

Financial Year	NAV (Rs.)
NAV as at March 31, 2023	44.25
After the Issue:	
- At the Floor price	[●]
- At the Cap Price	[●]

Notes:

a. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

b. Net asset value per share = Net worth as restated / Number of Equity Shares as at period/ year end

6) Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 26, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by Statutory Auditors, by their certificate dated September 26, 2023.

The KPIs of our Company have been disclosed in the sections titled "*Our Business*" and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 174 and 295, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the completion of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Financial KPIs of our Company:

(Rs. in Lakhs)

Particulars	Restated Financial Information		
	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Revenue from Operations	64,902.00	12,587.31	4,501.37
Total Income	65,162.29	12,807.68	4,718.58
EBITDA (1)	18,801.84	4,207.57	1,255.94
EBITDA Margin (2)	28.97%	33.43%	27.90%
Profit/(Loss) after Tax	16,776.62	3,426.81	628.83
PAT Margin (3)	25.85%	27.22%	13.97%
Capital Expenditure	8,036.53	991.06	3,181.44
ROCE (4)	75.57%	42.95%	18.00%
ROE (5)	86.70%	66.14%	19.94%
Net Debt/EBITDA Ratio (6)	(0.002)	0.99	2.10
Debt to Equity Ratio (7)	0.13	0.60	0.76
Interest Coverage Ratio (8)	32.42	10.08	4.17

As certified by S S Kothari Mehta & Company, Chartered Accountants, pursuant to certificate dated September 26, 2023.

(1) EBITDA is calculated as the sum of (i) profit for the year (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses.
(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(3) PAT Margin is calculated as profit after tax divided by Revenue from Operations.
(4) ROCE is calculated as earnings before interest and tax divided by Average Capital Employed.
(5) ROE is calculated as dividing profit after tax by average equity.
(6) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt = total debt – cash and cash equivalents
(7) Debt Equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Total Equity.
(8) Interest Coverage Ratio is calculated by dividing EBIT by Interest Cost

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	*Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.*
Total income	*Total income is used by the management to track revenue from operations and other income.*
EBITDA	*EBITDA provides information regarding the operational efficiency of the business.*
EBITDA Margin (%)	*EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.*
PAT	*Profit after tax provides information regarding the overall profitability of the business.*
PAT Margin (%)	*PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.*
Operating Cash Flows	*Operating cash flows activities provides how efficiently our company generates cash through its core business activities.*
Net Worth	*Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.*
Net Debt	*Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets*
Debt-equity ratio (times)	*The debt to equity ratio compares an organization's liabilities to its shareholder's equity and is used to gauge how much debt or leverage the organization is using.*
ROE (%)	*ROE provides how efficiently our Company generates profits from shareholders' funds.*
ROCE (%)	*ROCE provides how efficiently our Company generates earnings from the capital employed in the business.*

7) Weighted average cost of acquisition

a. The price per share of our Company based on the primary/ new issue of Equity Shares or convertible securities.

Except as disclosed below, there have been no primary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus including an issuance which is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days to Promoters or Public:

Date of allotment	No. of Equity Shares Allotted	Face Value per equity share(Rs.)	Issue Price per Equity share (Rs.)	Nature of considerations	Reasons/Nature of allotment	Total Consideration Paid
January 30, 2023$	61,19,000	10	80	Cash	Further Issue	48,95,20,000
March 29, 2023$	23,00,200	10	135	Cash	Further Issue	31,05,27,000
April 19, 2023*$	1,00,000	10	135	Cash	Further Issue	1,35,00,000
June 16, 2023$	9,57,500	10	250	Cash	Further Issue	23,93,75,000
August 03, 2023#$	17,47,875	10	300	Cash	Further Issue	52,43,62,500

September 26, 2023[#$]	50,06,200	10	300	Cash	Further Issue	1,50,18,60,000
Total						**3,07,91,44,500**
Weighted average cost of acquisition (primary transactions) (₹)						**189.71**

[#]As per Companies Act 2013, requisite form for allotment of shares such as Form MGT-14 and PAS-3 is pending to be filed. Also, our company has not utilised the funds from these allotments in compliance with Section 42 of Companies Act, 2013. See "Risk Factor - Our Company had made certain preferential allotments of equity shares in the past and e-form in this regard is pending to be filed as per the provisions of Section 39 and Section 42 of the Companies Act 2013 which may cause regulatory action" on page 43.

[$]The allotments were in physical form. See "Risk factor - Our Company have made certain preferential allotments of equity shares in the past and these allotments were allotted to investors in physical modes, which may have been in non-compliance with the Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014 and Companies Act, 2013" on Page 41.

b. The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities) by the promoters

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) on the Board are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c. Since there are no such transactions to report to under (b), therefore, information for the last five secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, but excluding gifts, is as below:

Nil

8) Justification for Basis of Issue price*

Explanation for Issue Price/Cap Price being [●] times of WACA of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's KPIs and financial ratios for Fiscals 2023, 2022 and 2021.

[●]*

*To be included upon finalisation of the Price Band and updated in the Prospectus.

Explanation for Issue Price/Cap Price being [●] time of WACA of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced pricing of the Issue.

[●]*

* To be updated upon finalization of the Price Band.

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

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

Investors should read the above-mentioned information along with *"Risk Factors", "Our Business", "Restated Financial Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 32, 174, and 295 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the *"Risk Factors"* beginning on page 32 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.

To,
The Board of Directors
Polymatech Electronics Limited
Plot OZ-13, Sipcot HI-Tech SEZ,
Oragadam, Kancheepuram,
Tamil Nadu – 602105, India

Dear Sirs,

Re: Proposed initial public Issue of equity shares of face value of ₹ 10 ("Equity Shares") by Polymatech Electronics Limited (formerly Polymatech Electronics Private Limited) (the "Company") (the "Issue").

We, S S Kothari Mehta & Company, the Statutory Auditors of the Company, have been requested by the Company to certify Statement of Possible Special Tax Benefits available to the Company and its Shareholders under the direct tax and indirect tax laws presently in force in India. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**ICDR Regulations**"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its Shareholders the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

1. The accompanying statement of possible special tax benefits (as **Annexure I**) available to the Company and its shareholders (hereinafter referred to as the **"Statement"**) under the direct tax laws including the Income Tax Act, 1961 as amended by the Finance Act, 2022, and the indirect tax laws including the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, and notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars and notifications), respective Union Territory Goods and Services Tax Act, 2017 (read with respective Union Territory Goods and Services Tax Rules, circulars and notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars and notifications), presently in force in India as on the date of this Statement (hereinafter referred to as the "Indian Tax Regulations") has been prepared by the management of the Company (**"Management"**) in connection with the proposed Issue, which we have initialled for identification purposes.

Management's Responsibility

2. The management's responsibility includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the "Statement" and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for ensuring that the Company complies with the requirements of the relevant provisions of the "Indian Tax Regulations" and to avail the possible special tax benefits. The preparation of the enclosed "Statement" and their contents is the responsibility of the management of the Company and is not exhaustive.

   Several of these benefits are dependent on the Company and, or, its Shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its Shareholders to derive the possible special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and, or, its Shareholders may or may not choose to fulfil.

Auditor's Responsibility

3. Our work has been carried out in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

4. Pursuant to the "ICDR Regulations" and the Companies Act 2013 ("Act"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders in accordance with Indian Tax Regulations.

5. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the Regulations in connection with the Offering.

Inherent Limitations

6. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

   Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Tax Regulations 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.

   The contents of the enclosed statement are based on information, explanations and representations obtained from the Management on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

   Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

Opinion

7. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this Statement, to the Company and its shareholders in accordance with the Indian Tax Regulations. Considering the matter referred to in point no. 6 above, we are unable to express any opinion or provide any assurance as to whether:

   - The Company or its shareholders will continue to obtain the benefits as per the Statement in future; or
   - The conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

Restriction on Use

8. This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law.

   We undertake to update you in writing of any changes in the abovementioned position, immediately upon us becoming aware, until the date the Equity Shares issued pursuant to the Issue commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

   Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Issue Documents.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm Registration No: 000756N

Rana Sen
Partner
Membership No.: 066759

Date: September 26, 2023
Place: Kolkata

UDIN: 23066759BGVUMK9995

ANNEXURE I

Statement of Possible Special Tax Benefits available to Polymatech Electronics Limited (formerly Polymatech Electronics Private Limited) ("the Company") and its shareholders under the applicable Indian Tax Regulations ("Tax Laws") in India

Under the Direct Tax Laws

A. Special Tax Benefits available to the Company

1. Section 10AA of the Income Tax Act, 1961 relating to Special Provisions for Units in Special Economic Zones (SEZs)

Deduction under this section is available to all categories of assesses who satisfies the condition specified in the said section.

Period of Deduction Under Section 10AA for the Company

a) For the first 5 consecutive assessment years beginning with the assessment year 2021-22 - 100% of the profits and gains derived from the export of such articles or things or from services.

b) Next 5 consecutive assessment years- 50% of such profits or gains.

c) Next 5 consecutive assessment years- amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to Special Economic Zone Reinvestment Reserve Account to be created and utilised for the purpose of the business of the Company.

B. Special Tax Benefits available to the Shareholders of the Company

1. Dividend Taxation

With respect to a resident corporate shareholder, deduction under section 80M of the Income Tax Act, 1961 is available to the extent of dividend received or distributed by the shareholder, whichever is lower from the shareholder's gross total income computed in accordance with the provisions of the Income Tax Act.

With respect to non-resident shareholder, the provision of the Agreement for Avoidance of Double Taxation (tax treaty) entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident. Accordingly, non-resident shareholder may, subject to conditions, be subject to tax at a concessional rate for divided income, if any, provided under the relevant tax treaty.

Under the Indirect Tax Laws

A. Special Tax Benefits available to the Company

1. Benefits for units located in Special Economic Zone (SEZ)

i Exemption from payment of any duty of customs, under the Customs Act, 1962 or the Custom Tariff Act, 1975 on goods imported into, and / or services provided in, a Special Economic Zone or a unit from a place outside India, to carry out authorized operations in the Special Economic Zone.

ii Supplies of Goods or Services or both made to the Company from Domestic Tariff Area are "Zero Rated" under Section 16(1)(b) of GST Act, 2017, for carrying out authorised operations under SEZ Act, 2005.

iii The Company is eligible for exemption from payment of Excise Duty on the diesel falling under the Fourth Schedule of the Central Excise Act, 1944.

B. Special Tax Benefits available to the Shareholders of the Company

Solely in relation to the issue, there are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. The above Statement 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.

2. This Annexure covers only certain relevant direct tax and indirect tax law benefits and does not cover benefits under any other law.

3. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.

4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

5. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided 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 changes from time to time. We do not assume responsibility to update the views consequent to such changes.

This statement has been prepared solely in connection with the Issue under the relevant Regulations as amended.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

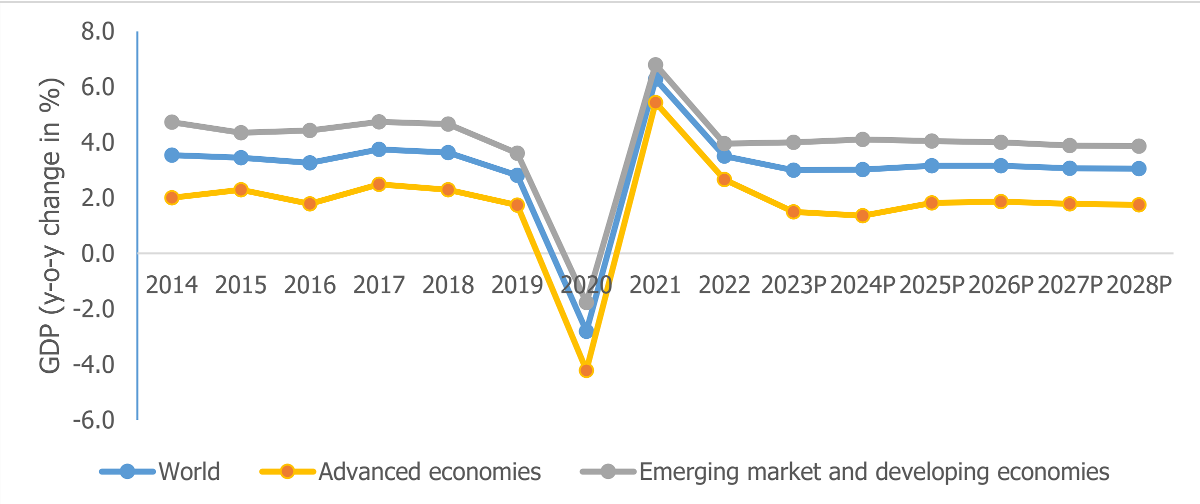
Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled "Report on Global Opto-semiconductors Industry" dated September 26, 2023 prepared by CARE Advisory Research and Training Limited ("CARE Edge Research" and such report, the "CARE Report"). We have commissioned and paid for the CARE Report for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. We officially engaged CARE Edge Research in connection with the preparation of the Report on Global Opto-semiconductors Industry pursuant to an engagement letter dated May 08, 2023 including subsequent amendment on June 27, 2023. A copy of the CARE Report shall be available on the website of our Company at https://polymatech.in/industry-research-report.php. The data included in this section includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to commissioned reports, see "Risk Factors — Internal Risk Factors — Certain sections of this Draft Red Herring Prospectus contain information from the CARE Edge Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 18.

1. Economic Outlook

1.1 Global economy outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in July 2023, global economic growth for CY22[1] stood at 3.5% on year on year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The global economic growth for CY23 is projected to slow down further to 3.0% mainly due to tightening global financial conditions, expectations of steeper interest rate hikes by major central banks to fight inflation and spill-over effects from the war between Russia and Ukraine with gas supplies from Russia to Europe expected to remain tightened. Growth in CY24 is projected to remain broadly stable at 3.0%, although with notable shifts across regions. For the next 5 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: E- Estimated, P-Projection
Source: IMF – World Economic Outlook, July 2023 and April 2023

Advanced Economies Group

The major advanced economies registered GDP growth of 2.7% in CY22, down from 5.4% in CY21, which is further projected to decline to 1.5% in CY23. This forecast of low growth reflects rise in central bank interest

[1] CY- Calendar Year

rates to fight inflation and the impacts of Russia- Ukraine war. About 93% of advanced economies are projected to see decline in GDP growth in CY23. This growth is expected to decline further to 1.4% in CY24.

One of the major countries from this group is **United States**. United States registered GDP growth of 2.1% in CY22 compared to 5.9% in CY21. Whereas, growth for CY23 and CY24 is projected at 1.8% and 1.0%, respectively. This is reflective of declining real disposable income and savings impacting consumer demand with higher interest rates taking toll on spending.

Euro Area registered GDP growth of 3.5% in CY22 compared to 5.3% in CY21. However, the boost from reopening of economy after pandemic appears to be fading. For CY23 and CY24, the growth is projected at 0.9% and 1.5%, respectively. The accelerated pace of rate increases by the Bank of England and the European Central Bank is leading to tightening of financial conditions and resulting in cooling of demand in the housing sector and beyond.

Emerging market and developing economies group

For the emerging market and developing economies group, GDP growth stood at 4.0% in CY22, compared to 6.8% in CY21. This growth is projected at 4.0% in CY23 and 4.1% in CY24. This expected improvement in GDP growth in CY24 is on account of anticipation of gradual recovery. The stable growth is contributed by about 61% of economies which are expected to grow at faster rate in CY23, while remaining economies including low income countries are expected to grow slower.

In China, growth is expected to pick up to 5.2% with the full reopening in CY23 and subsequently moderate in CY24 to 4.5%. Whereas, India's GDP projections for CY23 and CY24 stand at 6.1% and 6.3%, respectively, with resilient domestic demand despite external headwinds.

Table 1: GDP growth trend comparison - India v/s Other Emerging and Developing Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)										
	2018	2019	2020	2021	2022	2023E	2024P	2025P	2026P	2027P	2028P
India	6.5	3.9	-5.8	9.1	7.2	6.1	6.3	6.2	6.1	6.0	6.0
China	6.8	6.0	2.2	8.4	3.0	5.2	4.5	4.1	4.0	3.6	3.4
Indonesia	5.2	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	2.8	0.8	-4.3	3.9	8.7	1.9	2.8	3.0	3.0	3.0	3.0
Brazil	1.8	1.2	-3.3	5.0	2.9	2.1	1.2	1.9	2.0	2.0	2.0

E- Estimated, P- Projections; Source: IMF, World Economic Outlook Database (July 2023 and April 2023)

The **Indonesian** economy is expected to register growth of 5% both in CY23 and CY24 with strong recovery in domestic demand and healthy export performance coupled with policy measures and normalization in commodity prices.

In CY22, **Saudi Arabia** was the fastest growing economy in this peer set with 8.7% growth. Factors such as strong oil production, non-oil private investments which includes wholesale and retail trade, construction and transport, and robust private consumption bodes well for overall economic growth of this economy. Saudi Arabia is expected to grow at 1.9% and 2.8% in CY23 and CY24, respectively.

On the other hand, economic growth in **Brazil** is expected to moderate to 2.1% in CY23 due to headwinds of inflation. Recovery is expected in the medium term with sound financial system, large cash buffers with the public sector, and adequate international reserves.

Despite the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the GDP is estimated to be at USD 3.4 trillion for CY22 and projected to reach USD 5.2 trillion by CY27. The expected GDP growth rate of India for coming years is almost double compared to the world economy.

Besides this, India stands out as the fastest growing economy amongst the major economies. Outshining the growth rate of China, the Indian economy is expected to grow at more than 6% in the period of CY24-CY28.

Indian economy is paving its way towards becoming largest economy in the world. Currently, India is the third largest economy globally in terms of Purchasing Power Parity (PPP) with ~7% share in global economy with China [~18%] on the top and United states [~15%] being second. Purchasing Power Parity is an economy performance indicator denoting relative price of an average basket of goods and services that a household needs for livelihood in each country. Despite the impact of the pandemic, high inflationary and interest rate environment globally and the geo-political tensions in Europe, India has been one of the major contributors to world economic growth.

1.2 Indian Economy Outlook

1.2.1 GDP growth and Outlook

Resilience to external shocks remains critical for near-term outlook

India's GDP grew by 9.1% in FY22 and stood at Rs. 149.3 trillion despites of some spill overs of the pandemic and geo-political Russia-Ukraine. In Q1FY23, India recorded 13.2% y-o-y growth in GDP which can largely be attributed to better performance by agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.3% y-o-y growth, while, Q3FY23 registered 4.5% y-o-y growth. This slowdown in growth during Q2FY23 and Q3FY23 compared to the Q1FY23 can be attributed to normalization of the base and a contraction in the manufacturing sector's output. Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with growth of 6.1% y-o-y. The investments as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure has augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, GDP for full-year FY23 was valued at Rs. 160.1 trillion registering an increase by 7.2% y-o-y.

In Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained the encouraging pace of growth gaining from favourable demand conditions and lower input prices. A supportive base along with continued strength in services and construction activities supported the growth.

GDP growth outlook

- During FY24, strong prospects for agricultural and allied activities are likely to boost rural demand. However, El Nino is being predicted in the current fiscal which may lead to deficit rainfall in the country and impact agricultural output. Rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption.
- Strong credit growth, resilient financial markets, and the government's continued thrust on capital spending and infrastructure are likely to create a congenial environment for investments.
- External demand is likely to remain subdued with slowdown in global activity, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

Taking all these factors into consideration, in August 2023, the RBI in its bi-monthly monetary policy meeting estimated the real GDP growth of 6.5% y-o-y for FY24.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY24 (complete year)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
6.5	8.0	6.5	6.0	5.7	6.6%

Source: Reserve Bank of India

1.2.2 Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) as a result of robust tax collections. Of the three major sector heads, service sector has been fastest growing sector in the last 5 years.

- **Agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for rabi crop was marginally lower than previous year which affected the agricultural performance. FY20 witnessed growth on account of improved production. During the pandemic impacted period of FY21, agriculture sector was largely insulated as timely and proactive exemptions from Covid-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

  In Q1FY23 and Q2FY23, the agriculture sector recorded a growth of 2.4% and 2.5%, respectively, on a y-o-y basis. Due to **uneven** rains in the financial year, the production of some major Kharif crops such as rice and pulses was adversely impacted thereby impacting agriculture sector's output. In Q3FY23 and Q4FY23, the sector recorded a growth of 4.7% and 5.5%, respectively, on a y-o-y basis.

  Overall, the agriculture sector performed well despite weather-related disruptions such as uneven monsoon and unseasonal rainfall impacting yields of some major crop and clocked a growth of 4% y-o-y in FY23 and stood at Rs. 22.3 trillion. In Q1FY24, this sector expanded at a slower pace of 3.1% compared to a quarter ago. Going forward, rising bank credit to the sector and increased exports will be the drivers for agriculture sector. A deficient rainfall may impact the reservoir level weighing on prospects of Rabi sowing. A downside risk exists in case the intensity of El Nino is significantly strong.

- **Industrial sector** witnessed CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, nation-wide lockdown due to the pandemic had a significant impact on industrial activity. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of economy and resumption of industrial activity, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

  The industrial output in Q1FY23 jumped 9.4% on y-o-y basis. However, in the subsequent quarter, the sector witnessed a sharp contraction of 0.5% due to lower output across mining, manufacturing and construction sectors. This was mainly because of the poor performance by the manufacturing sector which was marred by high input costs. In Q3FY23, the sector grew modestly by 2.3% y-o-y. The growth picked-up in Q4FY23 to 6.3% y-o-y owing to a rebound in manufacturing activities and healthy growth in the construction sector. Overall, industrial sector is estimated to be valued at Rs. 45.2 trillion registering 4.4% growth in FY23.

  The industrial sector grew by 5.5% in Q1FY24. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing (as captured by IIP numbers), industries such as pharma, non-metallic mineral products, rubber, plastic, metals, etc. witnessed higher production growth during the quarter.

- **Services sector** recorded CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, **communication** and services related to broadcasting and finance, real estate & professional service. This sector was the hardest hit by the pandemic and registered 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

  In Q1FY23 and Q2FY23, this sector registered y-o-y growth of 16.3% and 9.4%, respectively, on a lower base and supported by revival in contact intensive industries. The services sector continued to witness buoyant demand and recorded a growth of 6.1% y-o-y in Q3FY23. On the back of robust discretionary demand Q4FY23 registered 6.9% growth largely driven by trade, hotel and transportation. Overall, benefitting from the pent-up demand, service sector was valued at Rs. 20.6 trillion and registered growth of 9.5% y-o-y in FY23.

  In Q1FY24, Services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate and professional services. Trade, hotels and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand.

  Healthy growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections and retail credit are expected to support service sector going ahead.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

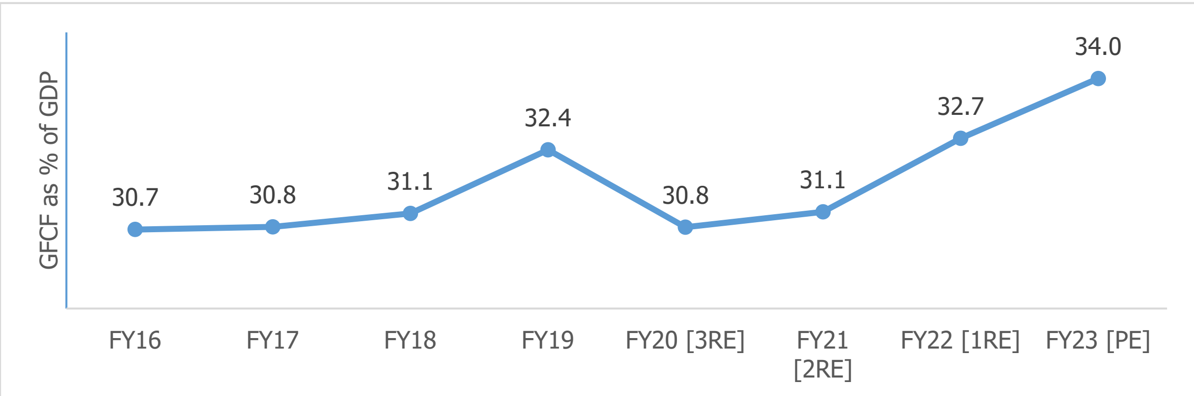
At constant Prices	FY18	FY19	FY20 (3RE)	FY21 (2RE)	FY22 (1RE)	FY23 (PE)	Q1FY24
Agriculture, forestry & fishing	**6.6**	**2.1**	**6.2**	**4.1**	**3.5**	**4.0**	**3.5**
Industry	**5.9**	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**	**5.5**
Mining & quarrying	-5.6	-0.8	-3.0	-8.6	7.1	4.6	5.8
Manufacturing	7.5	5.4	-3.0	2.9	11.1	1.3	4.7
Electricity, gas, water supply & other utility services	10.6	7.9	2.3	-4.3	9.9	9.0	2.9
Construction	5.2	6.5	1.6	-5.7	14.8	10.0	7.9
Services	**6.3**	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**	**10.3**
Trade, hotels, transport, communication & broadcasting	10.3	7.2	6.0	-19.7	13.8	14.0	9.2
Financial, real estate & professional services	1.8	7	6.8	2.1	4.7	7.1	12.2
Public administration, defence and other services	8.3	7.5	6.6	-7.6	9.7	7.2	7.9
GVA at Basic Price	**6.2**	**5.8**	**3.9**	**-4.2**	**8.8**	**7.0**	**7.8**

3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE -Provisional Estimate; Source: MOSPI

1.2.3 Investment trend in infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCE) to GDP inched up to its highest in the last decade at 34% as per the advanced estimate released by the Ministry of Statistics and Programme Implementation (MOSPI).

Chart 1: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



PE: Provisional Estimates, RE: Revised Estimate, AE: Advanced Estimate; Source: MOSPI

Overall, support of public investment in infrastructure is likely to gain traction due to initiatives such as of Atmanirbhar Bharat, Make in India, Production-linked Incentive (PLI) scheme announced across various sectors etc.

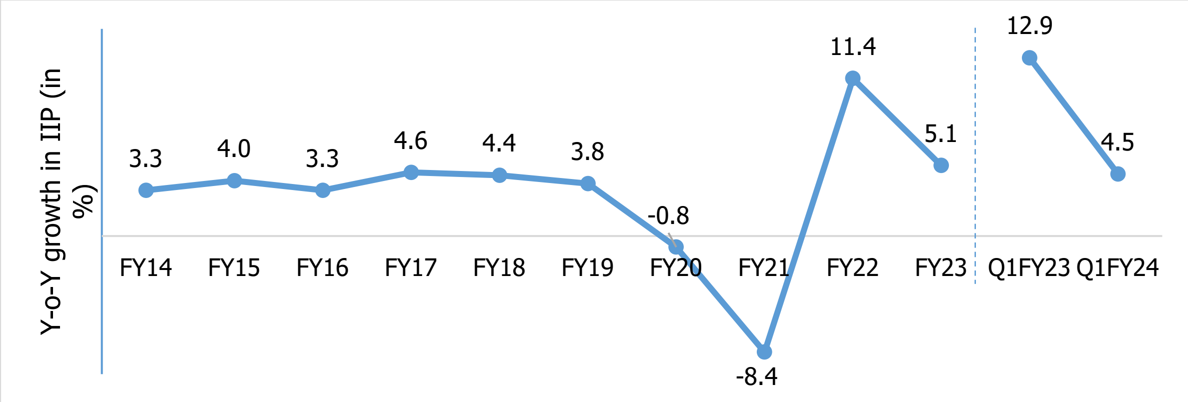
1.2.4 Industrial Growth

Improved core and capital goods sectors helped IIP growth momentum

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway, it was still at very nascent stages.

During FY23, the industrial output has recorded a growth of 5.1% y-o-y supported by a favourable base and a rebound in economic activities. During April 2023 and May 2023, IIP grew by 4.2% y-o-y and 5.3% y-o-y growth, respectively. This growth in April and May 2023 was aided by encouraging performance of the mining and manufacturing sectors. However, in June 2023, the industrial output slowed to 3.7% mainly due to moderation in manufacturing sector's output. Overall, the industrial output grew by 4.5% in Q1FY24.

Chart 2: Y-o-Y growth in IIP (in %)



Source: MOSPI; P-Provisional

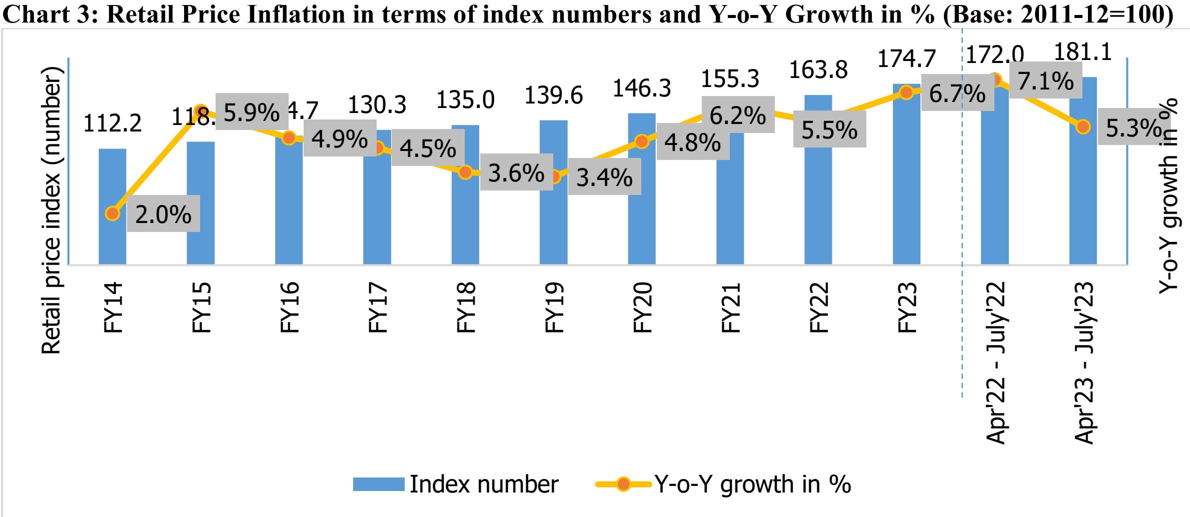
Going forward, it will be critical to maintain the current growth momentum in the industrial sector. In the environment of global slowdown, maintaining growth in industrial output will depend on the resilience and momentum of domestic demand. Pick-up in the investment demand is also expected to support segments like capital goods and infrastructure. However, challenges from an uncertain global economic scenario and weak external demand are likely to persist.

1.2.5 Consumer Price Index

India's consumer price index (CPI), which tracks the retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, the consumer inflation started to upswing from October 2021 onwards and reached the tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, some relief was seen towards the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favourable base effect, the relief in retail inflation came from a moderation in food inflation. In the current fiscal FY24, the CPI moderated for two consecutive month to 4.7% in April 2023 and 4.3% in May 2023. This trend was snapped in June 2023 with CPI rising to 4.9% and 7.4% in July 2023 largely due to rise in food inflation. The CPI has breached the RBI's target range for the first time since February 2023. This marks the highest reading observed since the peak in April 2022 at 7.8%. The notable surge in vegetable prices and elevated inflation in other food categories such as cereals, pulses, spices, and milk have driven this increase. Further, the contribution of food and beverages to the overall inflation has risen significantly to 65%, surpassing their weight in the CPI basket.

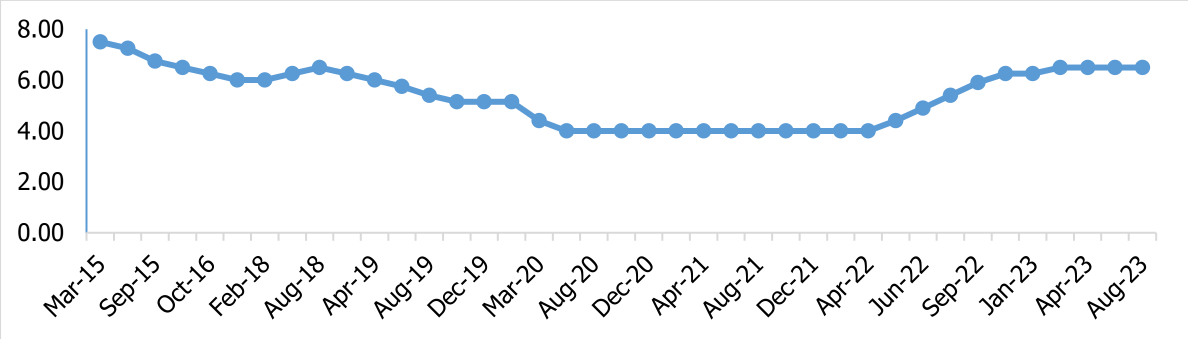
Chart 3: Retail Price Inflation in terms of index numbers and Y-o-Y Growth in % (Base: 2011-12=100)



Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023.

Chart 4: RBI historical Repo Rate



Source: RBI

However, with the inflation easing over the last few months, RBI has kept repo rate unchanged at 6.5% in the last three meetings of the Monetary Policy Committee. At the bi-monthly meeting held in August 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q2FY24 at 6.2%, Q3FY24 at 5.7%, Q4FY24 at 5.2% and Q1FY25 at 5.2%

In a meeting held in August 2023, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

The central bank continued to remain focused on withdrawal of accommodative stance. With domestic economic activities gaining traction, RBI has shifted gear to prioritize controlling inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, Central Bank has kept the window open for further monetary policy tightening in the future, if required.

1.2.6 Key Demographic drivers for Economic Growth

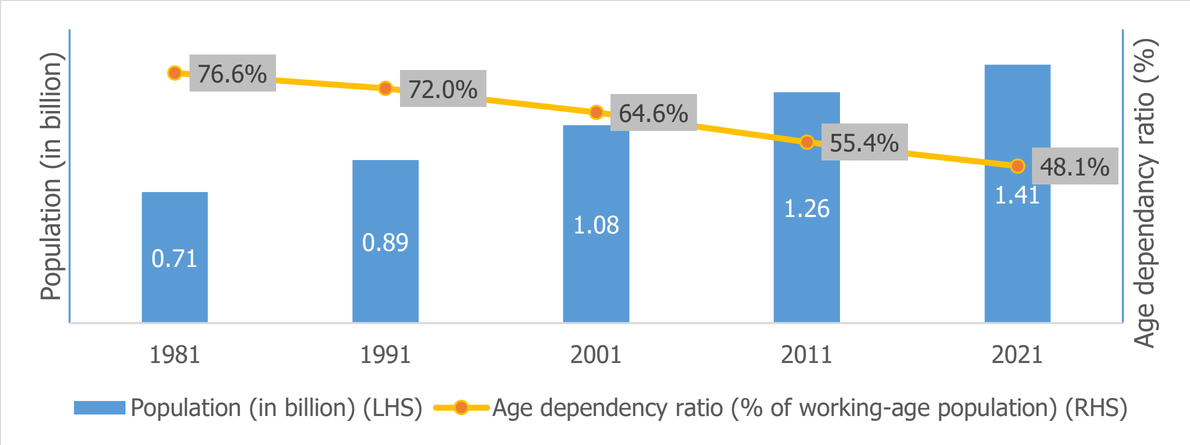
The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. Some of the key demographic drivers are as under:

- **Growing Population and Declining Dependency Ratio**

With 1.41 billion people, India is the second most populous country in the world. The population has witnessed significant growth in the past few decades.

Age Dependency Ratio is the ratio of dependents to the working age population i.e. 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76.6% in 1981, which has reduced to 48.1% in 2021. Declining dependency means the country has improving share of working age population generating income, which is a good sign for the economy.

Chart 5: Trend of India Population vis-à-vis dependency ratio

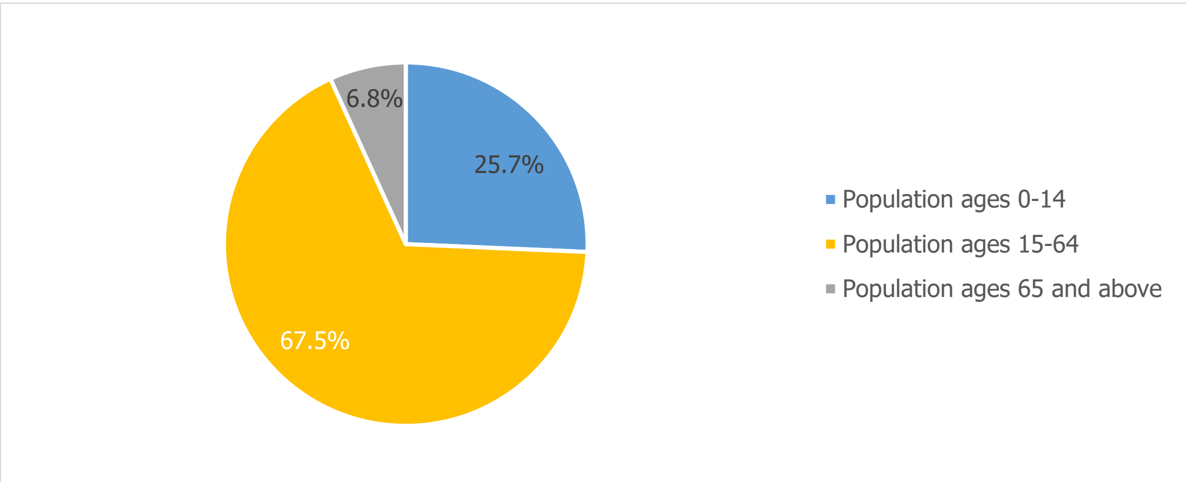


Source: World Bank Database

- **Young Population:**

With an average age of 29, India has one of the youngest populations globally. As a vast resource of young citizens enters the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

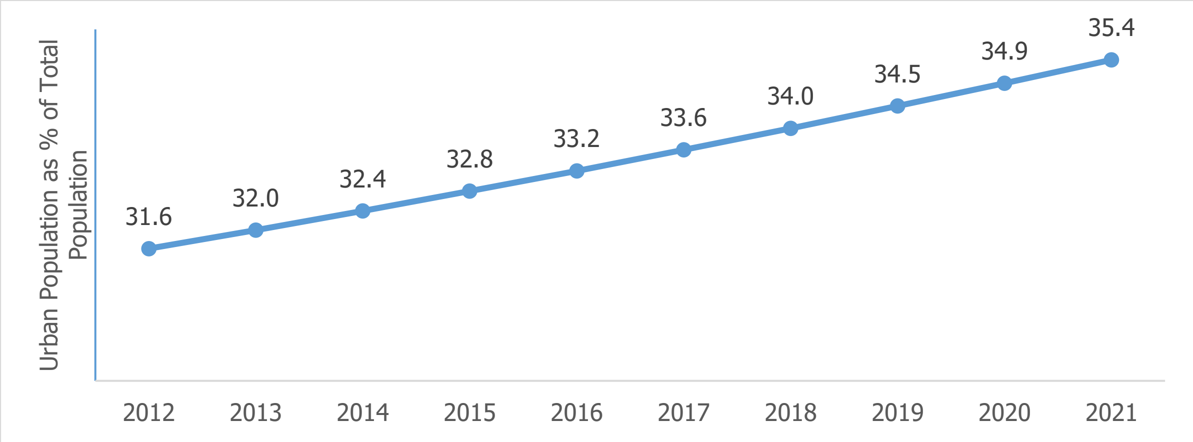
Chart 6: Age-wise break up of Indian population



Source: World Bank Database

- **Urbanization**

Urbanization of India's population is growing on a larger population base. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in the year 2012 to 498 million (35.4% of total population) in the year 2021. People living in tier-2 and tier-3 cities have greater purchasing power.

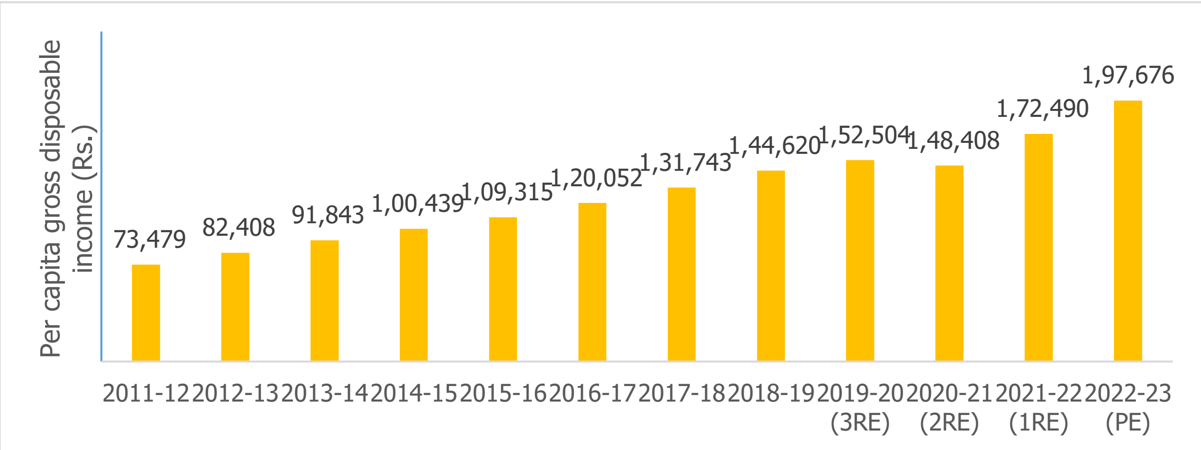


Source: World Bank Database

- **Increasing per capita disposable income**

Gross National Disposable Income (GNDI) is measure of the income available to the nation for final consumption and gross saving. Between the period fiscal 2012 to fiscal 2023, per capita GNDI registered CAGR of 9.4%. More disposable income, in turn drives more consumption, thus economic growth. Below chart depicts the trend of per capita GNDI in past 12 years:

Chart 7: Trend of Per Capita Gross National Disposable Income



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, 2AE – Second Advanced Estimate; Source: MOSPI

1.2.7 Concluding Remarks

Despite the global growth uncertainties, Indian economy is relatively better placed in terms of GDP growth when compared with other emerging economies as it is expected to grow at 6.3% in CY24 compared to world GDP growth projection of 3%. The major headwinds to economic growth are escalating geopolitical tensions, volatility in global commodity prices and shortages of key inputs. However, the bright spots for the economy are continued healthy domestic demand, support from government towards capital expenditure, moderating inflation and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the FY23. Moreover, normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

In line with the India Meteorological Department's (IMD's) projection, the rainfall activity has been muted in August with cumulative rainfall deficit of 8%. Weak to moderate El Nino conditions are expected to lead to a prolonged dry spell.

Public investment is expected to exhibit healthy growth as the government has budgeted for strong capital expenditure of about Rs. 10 trillion for FY24. Private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, the volatility in commodity prices and the economic uncertainties emanating from global turbulence may slow down the improvement in private capex and investment cycle.

Among sectors, the industrial segment is expected to perform better as the input costs are now moderating. With flagship programmes like 'Make in India' and the PLI schemes, the government is continuing to provide the necessary support to boost the industrial sector. Service sector is expected to see continued growth in FY24 with healthy economic growth. However, some segments like information technology in the services sector would feel the pinch of slowdown in the US and European economies.

2. Semiconductor Industry

2.1 Overview

Semiconductors are material whose conductive properties lie in between that of conductors and insulators. They can be pure metals like silicon or germanium or can be a compound like gallium arsenide or cadmium selenide. Doping is method used to introduce a small amount of impurity into the pure semiconductors to cause large changes in the conductivity of the material i.e. enabling conduction of electricity

Semiconductor's specific electrical properties enables it to be used in computers and other electronic devices. It can conduct electricity in specific conditions like temperatures, light etc. This makes it an ideal choice to control electricity in everyday electrical items.

Broadly, there are two types of semiconductors: -

- **N-type semiconductor**- It is used when the conductance is high with a large number of free electrons.
- **P-type semiconductor**- It is used when the inductance is high with a lower number of free electrons.

The electrical conductivity of a semiconductor device can be controlled over a wide range, either permanently or dynamically, making them highly versatile for various applications. Essential electronic components such as transistors, diodes, and photovoltaic cells contain semiconductors. These are also used in the development of electronic chips, computing components and devices, and integrated circuits.

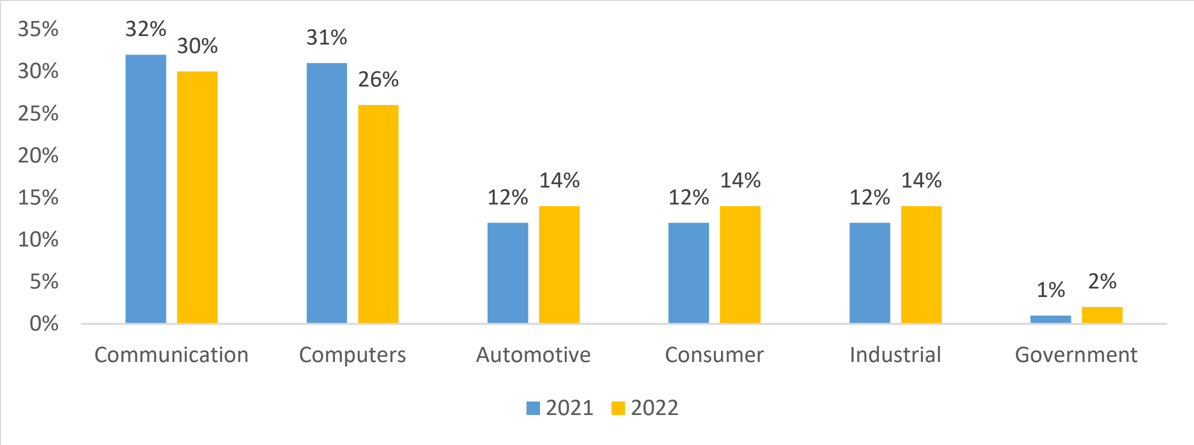
Elemental semiconductors include antimony, arsenic, boron, carbon, germanium, selenium, silicon, sulphur and tellurium. Silicon is best known semiconductor, forming the basis of most integrated circuits (ICs). Common semiconductor compounds include gallium arsenide, indium antimonide and the oxides of most metals.

2.2 Global Semiconductor Market Overview

Semiconductors are the integral part of the technology used in a broad range of products across almost all industries in the global economies. According to Semiconductor Industry Association, despite the downwards trend in the semiconductor market during the second half of 2022, the global semiconductor sales reached USD 574 Bn, a growth of 3.3% as compared to 2021.

Historically, end-user markets like computers and communication accounted for one-third of the total sales. However, according to World Semiconductor Trade Statistics Organization End-use Survey 2022, the automotive and industrial applications experienced the largest growth for the year despite computer and communication retaining the largest share.

Chart 8: Share of Global Sales Revenue by End Market for 2021-22



Source: World Semiconductor Trade Statistics, Semiconductor Industry Association

The semiconductor industry is very prone to shortages due to natural disasters, variations in supply chain of raw materials, changing economic conditions or geographical and political events.

Usually, the semiconductor manufacturing companies work at around 80% utilization and modify their capacities according to the demand. In the last 2 years, the operating flow of the semiconductor industry has been disrupted due to various reason as listed below-

- In the beginning of the pandemic in 2020, car manufacturers reduced their semiconductor demand drastically as they predicted sales downturn. But subsequently, the demand for digital infrastructure, laptops and IT equipment increased as people began working from home. This led to the production of expensive processors as per the IT industry needs and decrease in low cost car chips, leading to shortage of automotive chips.

- The trend of increasing use of cryptocurrency has added to the already high demand of high-end computing systems. Cryptocurrency mining requires large amount of data mining with specialized computers. The high demand for cryptocurrency mining machines led to lower availability of chips for other uses. The collapse of cryptocurrencies since first quarter of 2022 as however eased the problem.

- Taiwan is the leading producer of semiconductor chips. Severe drought conditions in the country led to unavailability of ultra-pure water needed to clean the silicon wafers which also affected the semiconductor chip supply.

- Neon is an essential part of the lasers used in chip manufacturing and Ukraine is the leading supplier of neon globally. The geopolitical issues between Russia and Ukraine led to disruption in supply of neon used for chip manufacturing.

India has seen huge growth in the consumer electronics market in the past few decades. Market for white goods like TVs, music systems and mobile phones started to see demand growth in the 1980s and 1990s. According to India Semiconductor Association, the electronic system design and manufacturing sector in India is estimated to grow to USD 220 Bn in FY25 from USD 78 Bn in FY18, with a CAGR of about 16%. This in turn is expected to push the electronics component market, which consists of semiconductor, to reach USD 72 Bn by FY25 from USD 27 Bn in FY18 at a CAGR of about 15%.

The key end-use industries for semi-conductor consists of mobile services, information technology, automation, telecommunication devices, industrial machinery, automobiles etc. All these industries are witnessing growing demand in India. The lack of indigenous semiconductor manufacturing has led to high imports to meet the domestic demand. According to the India Semiconductor Association, the total demand for wafer[2] is expected to grow to 17.6 million units in FY25 from 7.5 million units in FY19.

2.3 Opto-semiconductor – Overview

[2] A wafer is a thin slice of semiconductor usually made of crystalline silicon or other semiconductor material design in the form of a very thin disc to create integrated circuits.

Opto-semiconductor are semiconductors that work by absorption and emission of light. They are based on the quantum mechanical effects of light on electronic materials. Photodiodes, light emitting diodes (LEDs), solar cells and semiconductor lasers are categorized as opto-electronics devices. The opto-semiconductor devices work on the basis of interaction of light and interaction of the electron-holes. They are advantageous over other semiconductors on the basis of conversion efficiency.

Opto-semiconductor can be made from a variety of materials which includes silicon, germanium, etc. dependent on the wavelength of the light that is to be generated or detected.

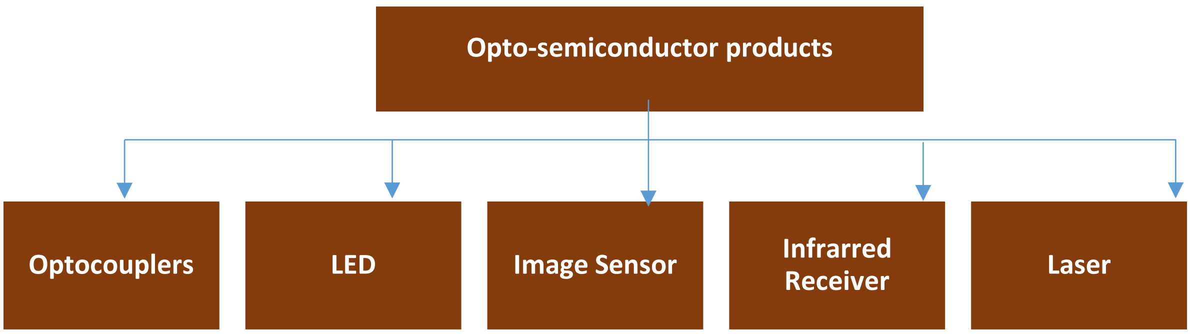
Properties of Opto-semiconductor Devices-

- Product using opto-semiconductor for emitting light have long wave length.
- These products can be easily fabricated and are cost-effective.
- The opto-semiconductor wafers are a size of nanometre.

The opto-semiconductor consists of light sensitive surface that absorbs and emits light. The light is incident on the p-n junction and is converted to charge called photocurrent. Hence the electricity flows through the semiconductor. Opto-semiconductors converts electricity to light and vice versa which is the key to LEDs.

Type of Opto-semiconductors

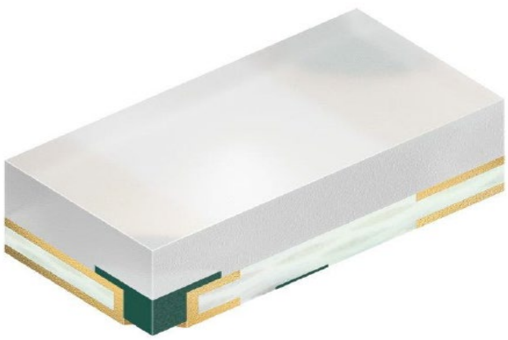
The opto-conductor semiconductor market consists of the following different products-



i. LED

An LED is a semiconductor device that emits light when electric currents pass through it. Light is produced when electric current-carrying particles (called electrons and holes) combine together in a semiconductor material. The holes in the p-type semiconductor recombine with the electrons in the n-type semiconductor, releasing energy in the form of photons. The photon energy determines the wavelength of the emitted light and thus the colour of the LED. Different semiconductor materials with different bandgaps produce different colours of light. The precise wavelength (colour) can be tuned by changing the composition of the emitting or active region.

Figure 1 : Light Emitting Diode



Source: Maia Research, CareEdge Research

With the rapid advancement of LED technology and the continuous increase of LED light efficiency, the uses of LED are becoming more widespread. As the worldwide energy constraint worsens, people are paying greater attention to the development prospects of LED in the lighting business. LED lighting has the potential to replace incandescent, tungsten, and fluorescent lamps.

LEDs are very highly efficient and directional which make them ideal for many industries. They are ideal for street lights, parking garage lighting, walkways, offices, industrial areas, refrigerated case lighting, modular lighting, automobile lighting, general lighting, camera flashes, medical flashes, etc. Infrared LED are used in remote-control circuits used in electronics.

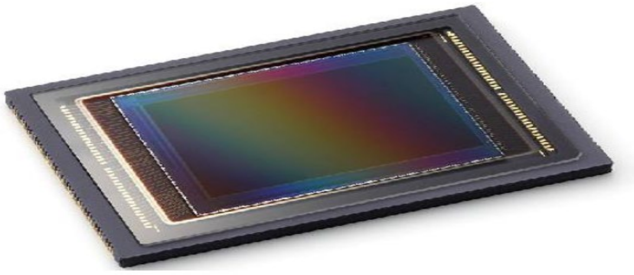
ii. Image Sensor

An image sensor is a semiconductor device that uses the photoelectric conversion function of an opto-semiconductor to convert the light image on the photosensitive surface into an electrical signal that is proportional to the light image. It is widely used in digital cameras and other electro-optical devices. It is the core module of the camera product and plays an important role in the camera's imaging quality.

The solid-state image sensor chip contains pixels which are made up of light sensitive elements, micro lenses, and micro electrical components. The chips are manufactured by semiconductor companies and cut from wafers. After light strikes on the photodiode in the image sensor, the picture is then converted into electrical signals and is sent to a series of internal devices like shift register, capacitor, amplifier, etc. Hence the image is converted from analog to digital. In this process, voltage signals are transformed into binary values and are stored and processed.

From the perspective of product categories, the current mainstream image sensors include two categories: Charge-coupled Device (CCD) image sensors and Complementary Metal-oxide Semiconductor (CMOS) image sensors. Among them, CCD image sensors are mainly used in professional cameras, industrial applications and other fields due to their performance advantages such as high resolution and low noise. Due to the performance advantages of lower power consumption and cost, smaller size, and ability to read random image information, CMOS image sensors have a wider range of applications. In addition to being used in digital cameras, they are also used in smartphones, automobiles electronics, mobile payment, security, medical imaging etc.

Figure 2: Image Sensor



Source: Maia Research, CareEdge Research

iii. Optocouplers

An optocoupler is a semiconductor device that allows electrical signals to be transmitted between two isolated circuits. It is a combination of an LED that emits infrared light and a semiconductor photosensitive device that detects the emitted infrared light. There are two parts of an opto-coupler, LED that emits infrared light and a photosensitive device that detects the light. The photo sensor in the output circuit detects the light and converts it into AC or DC electric current dependent on the circuit.

The opto-coupler removes any electrical noise from the signal. It can isolate low-voltage devices from high voltage circuits i.e. it avoids disruptions from the voltage surges.

Some common market applications for optocouplers include microprocessor input/output switching, PC communications, DC and AC power control, signal isolation and power conditioning. Increasing adoption of optical technology in various end-user industries is an important factor attracting investments in the optocoupler market.

In addition to the above, manufacturers of industrial automation equipment (such as robot controllers, AC servos, and general-purpose inverters) and green energy systems (such as solar inverters and battery systems) are under intense pressure to significantly reduce the size to gain cost advantages. At the same time, new safety standards require longer creepage and clearance distances for electrical isolation components. These factors are also leading to incremental demand for optocouplers.

Figure 3: Opto-coupler

Source: Maia Research, CareEdge Research

The growing demand for advanced techniques, especially for advanced switching applications, is driving the development and adoption of digital opto-coupler. For example- CMOS (complementary metal-oxide semiconductor) digital isolators use magnetic coupling through thick insulation to provide high speed, high isolation and low power consumption at high data rates.

In addition, the shift from automobiles to electric and connected vehicles has also triggered the extensive development of electronic and safety components in the automotive field, thereby promoting the adoption of optocouplers. Optocouplers are also increasingly used in powertrain systems to enhance their functionality and efficiency.

iv. Laser Diode

A laser diode is an opto-semiconductor that converts electrical energy into light energy, producing high-intensity coherent light. In laser diodes, the pn-junction of a semiconductor diode acts as the lasing medium or active medium. They produce radiation with the same frequency and similar wavelength, hence the beam produced is very bright and focused. They might either produce a visible or infrared spectrum. Laser diodes work almost like LEDs. The key difference between LEDs and laser diodes is that LEDs emit incoherent light while laser diodes emit coherent light. Laser diodes are widely used in various devices like barcode readers, laser printers, security systems, fibre optic communications, Light Detection and Ranging (LIDAR) systems in autonomous vehicles etc.

Figure 4: Laser Diode

Source: Maia Research, CareEdge Research

Since the boom in data communication (datacom) and telecommunications, more and more devices have been used in materials processing applications. For more than a decade, laser diode revenue has been primarily driven by sensing applications. However, the overall laser diode market size is expected to grow significantly owing to booming optical communications and 3D sensing markets, as well as recent growth in medical laser systems.

Growth in optical communications is driven by data-centric applications such as cloud services from companies like Apple and Facebook, higher-definition 4k and 8k video streaming from companies like Netflix, and Disney+, and growing industrial automation traffic. The migration from 400G and beyond to higher-speed optical communications continues as cloud operators race to connect more and more data centers to keep up with the massive growth in IP traffic in India. In addition to optical communications, 3D sensing also Issues great growth prospects for the laser diode market. All these factors are expected to push up the demand in laser diode market.

v. Infrared Receiver

The infrared receiver is an IC - based light-receiving component. It is a device that operates in the range of infrared light. Generally, it can receive infrared light in the 850~1,100 nm band. It receives light from an infrared transmitter and decodes the infrared signal. Together they form a complete infrared sensor for a variety of applications.

They typically generate infrared using LEDs, and the main component of a receiver unit is usually a photodiode. A remote control flashes a pattern of invisible light, which is picked up and then turned into an instruction by the receiver module. The infrared receiver receives the modulated infrared waves from the transmitter and changes it into output. After receiving the signals, the infrared receiver encodes and amplifies the signal into suitable transmission through low voltage wiring. The receiver and transmitter must be located in the same space as the process requires line-of sight transmission.

Infrared receivers are widely used in communication equipment, photographic equipment, automobile electronics, lighting, and other fields. It is also used in consumer electronics for remote control, in driverless vehicles for obstacle sensing, and military and aerospace monitoring and measurement systems. Apart from this, they are used in medical devices like in radiation thermometers and anesthesiology testing, night vision cameras, meteorology, flame monitors, gas detectors etc.

Figure 5: Infrared Receivers

Source: Maia Research, CareEdge Research

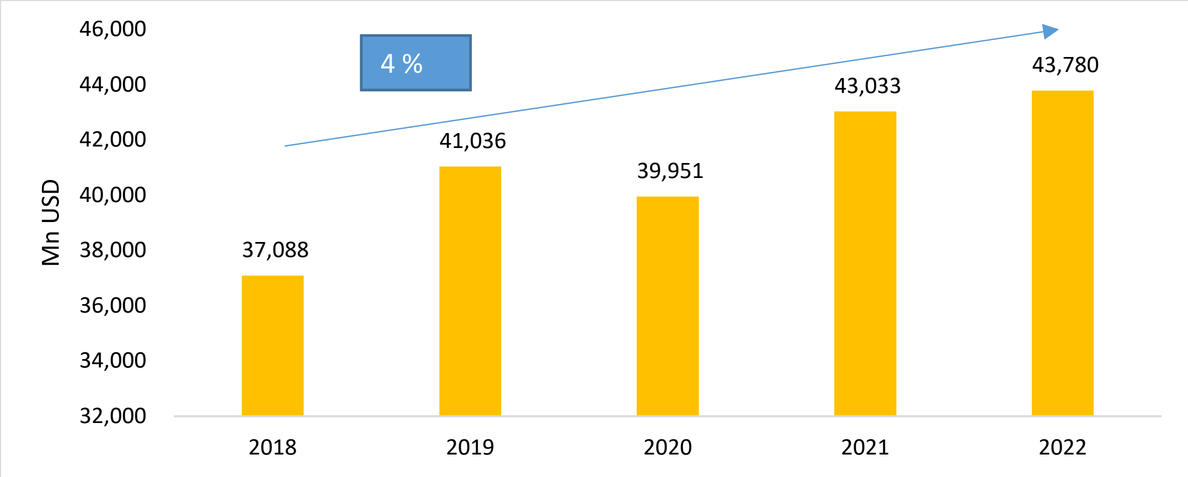
3. Global Opto-semiconductors Industry

Japan, Taiwan and Southeast Asia are the main producers of opto-semiconductors with Japan being the largest producer and China being the largest consumer of opto-semiconductors.

As China is the global manufacturing hub producing a wide range of auto parts and lighting products, it consumes the largest quantity of opto-semiconductors. Additionally, China is the world's largest market for consumer electronics, including smartphones, TVs and wearables. All these factors have resulted in China becoming the largest consumer of opto-semiconductors, with a strong domestic market and an important role in the global supply chain.

Japan, Taiwan, and South Korea are the main exporting countries, while China is the main importing country of opto-semiconductors in the world. The global opto-semiconductor market was estimated at USD 37,088 Mn in 2018 and has grown at a CAGR of 4% to USD 43,780 Mn in 2022.

Chart 9: Global Opto- Semiconductors Market Value

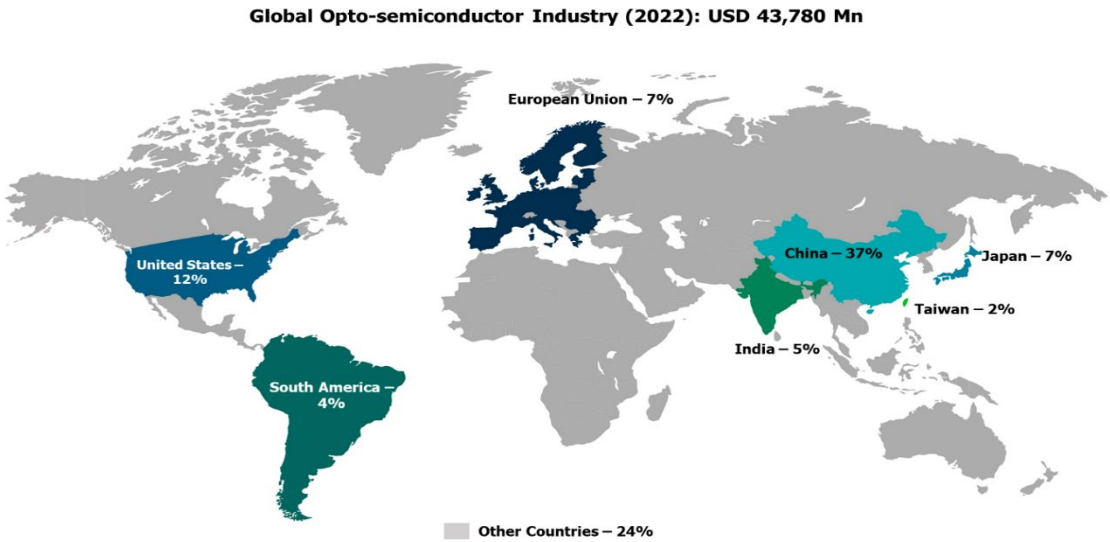


Source: Maia Research, CareEdge Research

3.1 Region-wise Consumption Market Size

China accounts for 37% of total global consumption of opto-semiconductors, followed by the U.S. which accounts for 12%, and by European Union and Japan, both accounting for 7%.

Chart 10: Opto- Semiconductors – Region-wise Market Share as on 2022

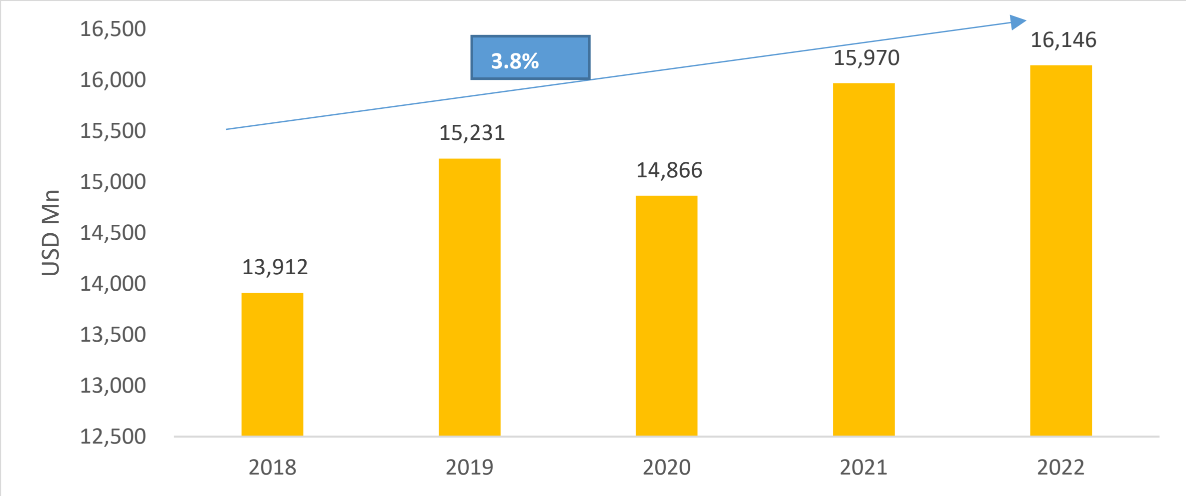


Source: Maia Research, CareEdge Research

i. China

The opto-semiconductor market in China was estimated at USD 13,912 Mn in 2018 and has grown at a CAGR of 3.8% to USD 16,164 Mn in 2022.

Chart 11: Opto- Semiconductors Market Value in China

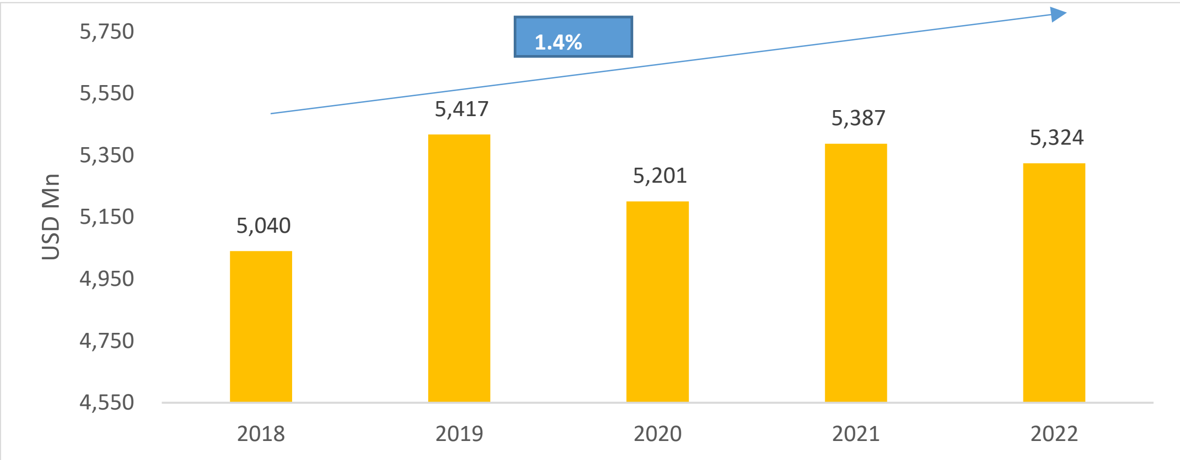


Source: Maia Research, CareEdge Research

ii. The US

The opto-semiconductor market in U.S. was estimated at USD 5,040 Mn in 2018 and has grown at a CAGR of 1.4% to USD 5,324 Mn in 2022.

Chart 12: Opto- Semiconductors Market Value in USA



Source: Maia Research, CareEdge Research

The U.S. optoelectronic semiconductor market has been driven by growth in industries such as technology, telecommunications, automobiles, healthcare and consumer electronics.

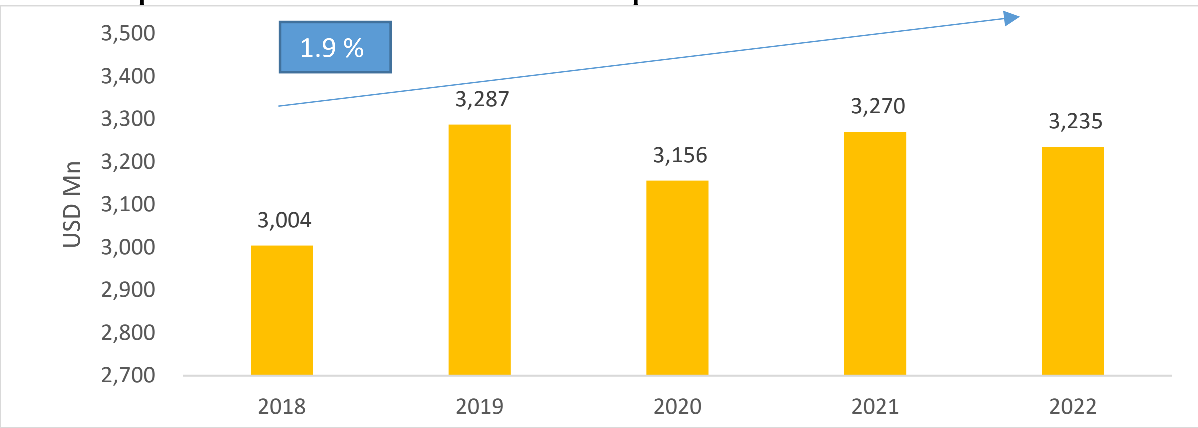
In the lighting segment, factors such as growing environmental concerns and energy efficiency are driving the demand for optical semiconductors in applications including LED lighting and renewable energy systems. Government policies and industry efforts being taken to reduce carbon emissions and improve energy efficiency are also aiding the market growth.

The U.S. also has a strong market for consumer electronics, including smartphones, televisions, wearables and smart home technology. Opto-semiconductors used in applications such as display panels; image sensors and lighting systems are important components of these devices. Growing consumer demand for advanced and innovative electronic products are some of driving factors for the opto-semiconductors market in U.S.

iii. European Union (EU)

The opto-semiconductor market in E.U. was estimated at USD 3,004 Mn in 2018 and has grown at a CAGR of 1.9% to USD 3,235 Mn in 2022.

Chart 13: Opto- Semiconductors Market Value in European Union



Source: Maia Research, CareEdge Research

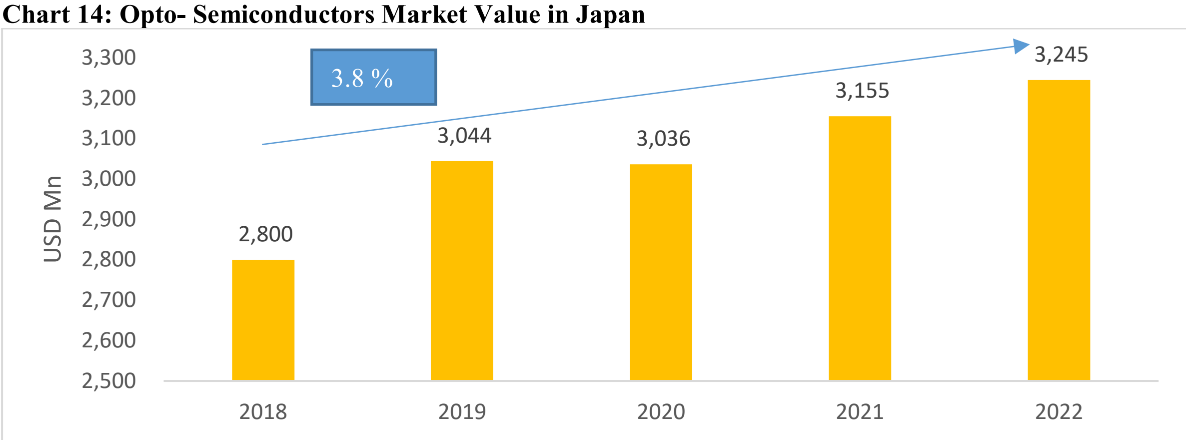
The E.U. optoelectronic semiconductor industry is driven by environmental and energy efficiency concerns. The EU attaches great importance to sustainability, energy efficiency and environmental protection. Opto-semiconductors, especially LED lighting solutions, Issue energy-efficient alternatives to traditional lighting sources, driving demand in areas such as smart lighting, building automation and renewable energy systems.

The E.U. automotive industry is very focused on electric vehicles, advanced driver assistance systems (ADAS) and connected car technologies. Opto-semiconductors are an integral part of applications such as LED lighting, lidar sensors, image sensors and optical communications, driving demand in this segment.

iv. Japan

The opto-semiconductor market in Japan was estimated at USD 2,800 Mn in 2018 and has grown at a CAGR of 3.8% to USD 3,245 Mn in 2022.

Chart 14: Opto- Semiconductors Market Value in Japan



Source: Maia Research, CareEdge Research

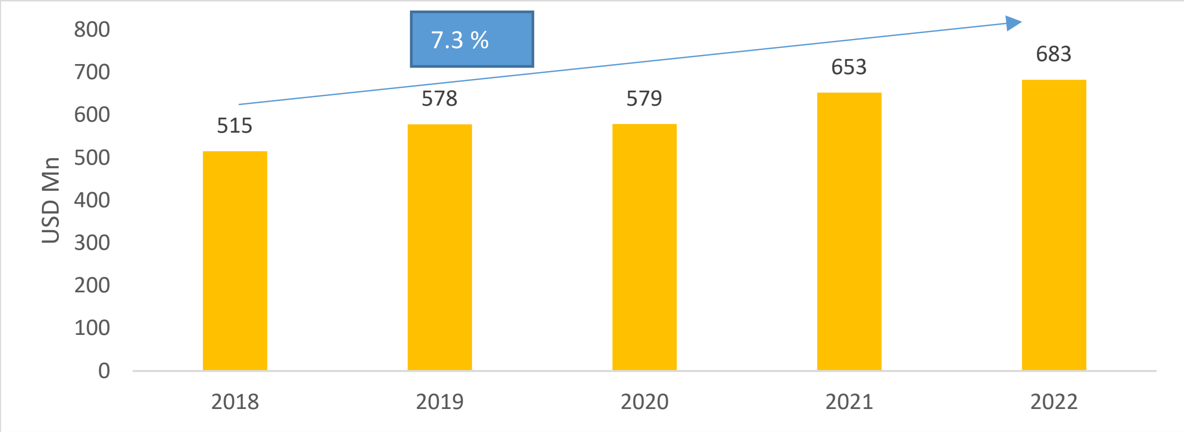
The Japanese opto-semiconductor industry is driven by manufacturing and exports. Japan is an important player in global manufacturing of opto-semiconductors, including LEDs, lasers and image sensors, and a wide variety of electronic devices, automotive applications and industrial equipment are produced in Japan. Demand is driven by both domestic consumption and export markets.

Japan is known for its automotive industry and the production of high-quality cars. Japan's focus on advanced safety features, electric vehicle and autonomous driving technologies is the driving factor for opto-semiconductors in automotive applications including lighting systems, sensors and communication components. In addition, Japan has a strong industrial sector that makes extensive use of opto-semiconductors in various applications such as factory automation, robotics, machine vision systems, and optical communications. Opto-semiconductors enable advanced sensing, imaging and data transmission functions in these industrial applications.

v. Taiwan

The opto-semiconductor market in Taiwan was estimated at USD 515 Mn in 2018 and has grown at a CAGR of 7.3% to USD 683 Mn in 2022.

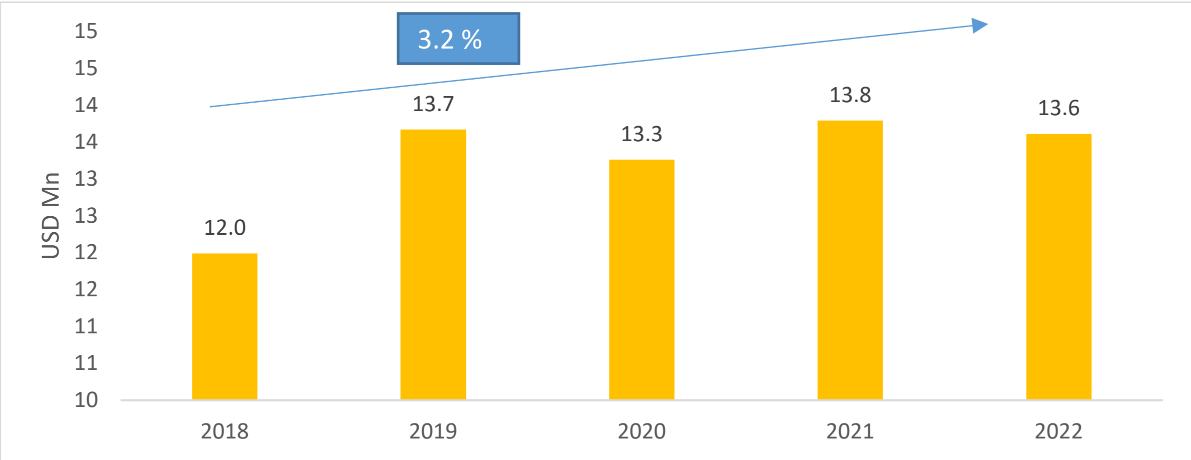
Chart 15: Opto- Semiconductors Market Value in Taiwan



Taiwan is known for its expertise in opto-semiconductors. Demand drivers include strong manufacturing capabilities, an export-oriented economy, and the presence of leading semiconductor companies, which contribute to the demand for opto-semiconductors.

Taiwan has a strong manufacturing industry which includes LED lighting, display panels and optical communication components. Growth in opto-semiconductors market is driven by the production of these optoelectronic products, both for local downstream industry extension and for export to global markets. In addition, the consumer electronics industry is an important end user of Taiwan Opto-semiconductors. This market is driven by the production of smartphones, tablets, televisions and other electronic devices that require opto-semiconductors for display technology, sensors and lighting systems.

vi. Finland



Source: Maia Research, CareEdge Research

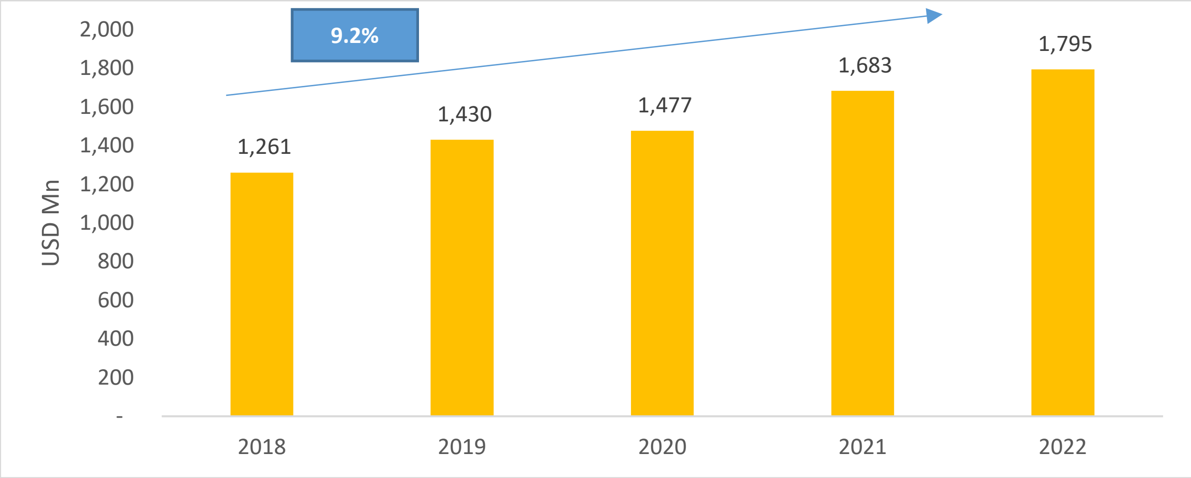
Finland's demand for opto-semiconductors is mainly driven by the country's focus on developing advanced technologies in areas such as telecommunications, electronics, healthcare and industrial automation. Finland has a strong research and development culture, with active collaboration between academia, industry and research institutions.

In the lighting industry, Finland places great emphasis on sustainability and energy efficiency. Opto-semiconductors, especially LED lighting solutions, provide energy efficient alternatives to lighting and contribute to sustainable development. The demand for opto-semiconductors is also driven by the need for high speed communications, data transmission, networking equipment, and advanced electronics.

vii. South America

The opto-semiconductor market in South Africa was estimated at USD 1,261 Mn in 2018 and has grown at a CAGR of 9.2% to USD 1,795 Mn in 2022.

Chart 16: Opto- Semiconductors Market Value in South America



Source: Maia Research, CareEdge Research

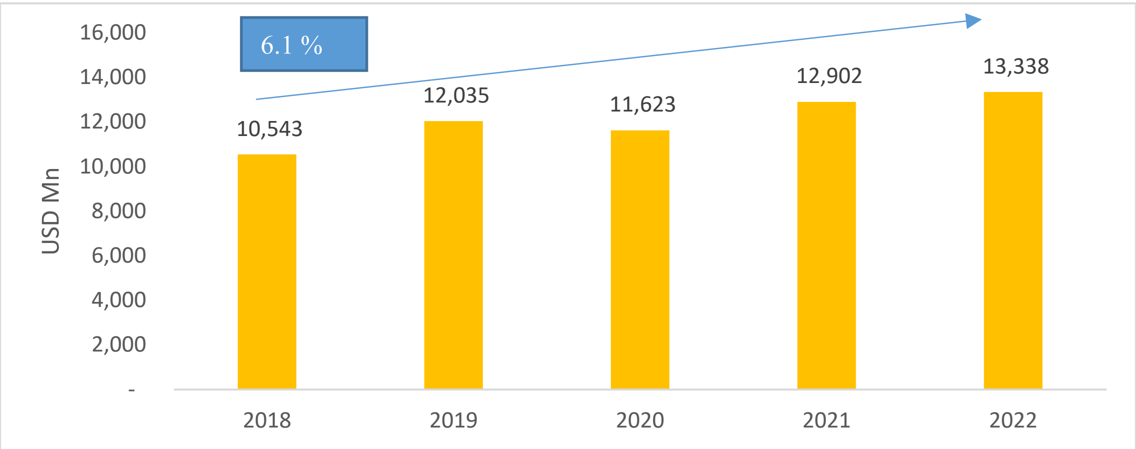
With the economic development of South America in recent years, the process of urbanization has accelerated leading to increase of disposable income and the expansion of middle-class population. As a result, consumer demand has surged for electronics, telecommunications, and automotive products, all of which rely on opto-semiconductors. Meanwhile, governments across South America are implementing policies and incentives to boost domestic manufacturing and attract investment in the semiconductor industry. These initiatives aim to strengthen the supply chain, encourage research and development, and create a favourable business environment for optoelectronic semiconductor manufacturers.

The automotive industry in South America has also been expanding, driven by factors such as increasing urbanization, rising disposable income, and government policies to promote electric vehicles. Additionally, the region is investing in infrastructure development, including expanding telecommunications networks and improving transportation systems. All these factors have been contributing to the growing opto-semiconductor market in the country.

viii. Other countries

The opto-semiconductor market in other countries was estimated at USD 10,543 Mn in 2018 and has grown at a CAGR of 6.1% to USD 13,338 Mn in 2022.

Chart 17: Opto- Semiconductors Market Value in other countries



Source: Maia Research, CareEdge Research

The most important market for opto-semiconductors among other countries is China. China has a huge domestic market from lighting, consumer electronics and automotive industries. The local optoelectronic semiconductor industry is well positioned to meet this demand and benefit from rising consumer spending. The Chinese government also provides strong support to the semiconductor industry through various policies, incentives and funding programs. These initiatives are aimed at boosting domestic manufacturing, improving technological capabilities and reducing reliance on imports.

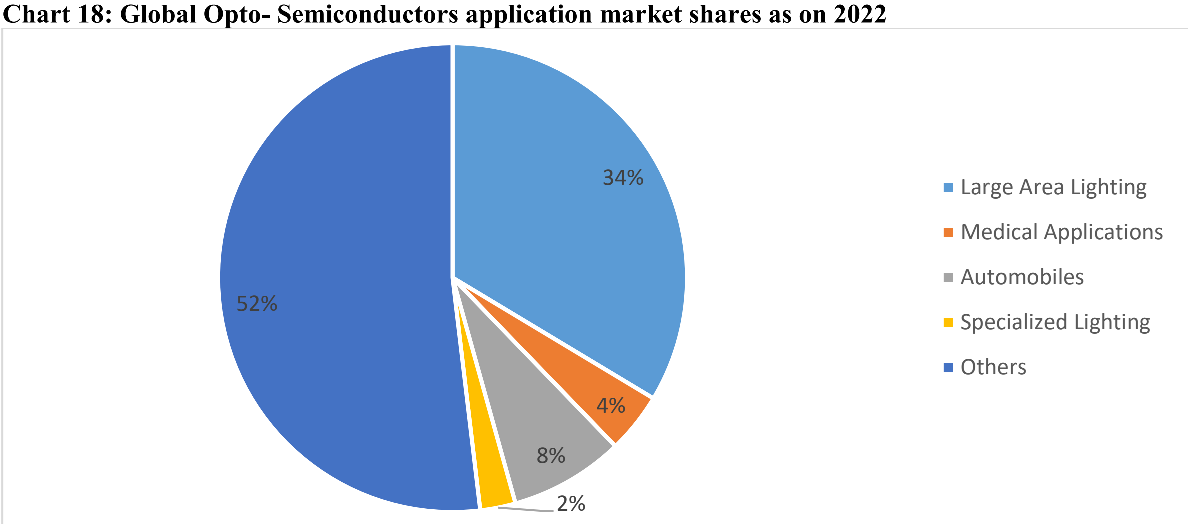
Apart from China, India, Middle East, Africa and Indonesia are among the growing markets for opto-semiconductors. The demand in these regions are driven by improving network infrastructure, rising consumption in consumer electronics goods etc.

3.2 Global Opto-semiconductor Market by Application

The global market for opto-semiconductor is majorly driven by applications which includes large area lighting, medical uses, automation of automobiles and specialized light like photosynthesis, aqua lightings, sanitization etc.

Large area lighting accounts for 34% of the total market followed by automobiles. The other applications which consists of more than 50% of the total market are consumer segment products like mobile phone, sensors, cameras, solar cells etc.

Chart 18: Global Opto- Semiconductors application market shares as on 2022

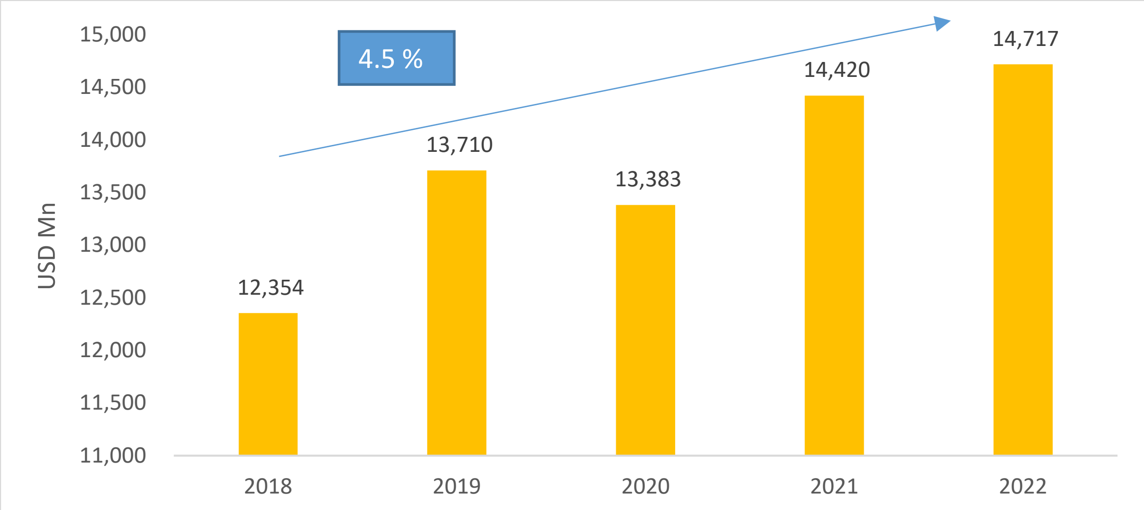


Source: Maia Research, CareEdge Research

i. Large Area Lighting

The global market size of opto-semiconductors used in large area lighting stood at USD 14,717 Mn in 2022, up from USD 12,354 Mn in 2018, implying a CAGR of 4.5%.

Chart 19: Global Opto-semiconductor Market - Large Area Lighting



Source: Maia Research, CareEdge Research

Opto-semiconductors are extensively used in large area lighting applications, such as street lighting, stadiums, industrial lighting and architectural lighting. LEDs and other opto-semiconductor devices Issue energy-efficient and long-lasting lighting solutions for these applications.

Large area lighting requires cost reduction, sustainability and improved performance and use LEDs abundantly. Some large occupancy areas also have occupancy sensing lightings to save energy. LED lighting sensors are used in warehouses, where they help optimize the space and improve workflows. Intelligent light fixtures with the light sensing functionality can increase productivity by tracking the movements of goods and workers through the warehouse space and generating data for real-time optimizations. Motion sensing LED lights are also becoming popular in street lights and office buildings to reduce energy consumptions.

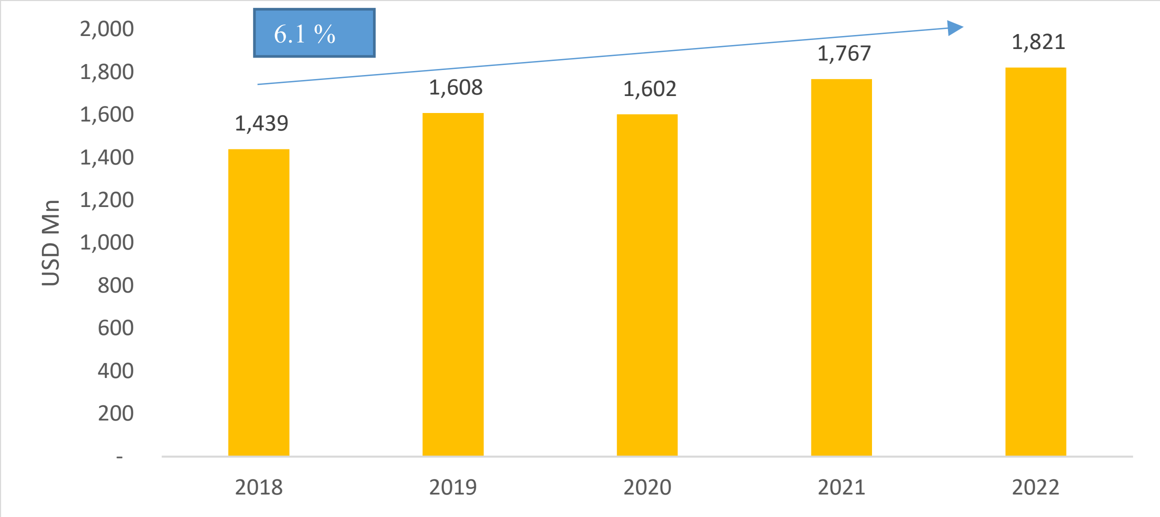
The market potential of opto-semiconductors for large area lighting in the Asia Pacific region is more as these are developing countries. Rapid urbanization, infrastructure development and need to upgrade outdated lighting systems are the major demand drivers. Government initiatives to improve energy efficiency and cost savings are further boosting the adoption of optoelectronic semiconductor-based lighting solutions in this region.

The market for opto-semiconductors in large area lighting is stable in United States and EU. Developed countries place great emphasis on energy efficiency and reducing carbon emissions. Strict regulations and incentives to promote the use of energy efficient lighting have resulted in a huge demand for large area lighting solutions, including LED lighting, in commercial and industrial applications, and public infrastructure projects. In addition, the increasing adoption of smart city technologies and outdoor lighting control systems is also driving the demand for advanced large area lighting solutions in these regions.

ii. Medical Applications

The global market size of opto-semiconductor used in medical applications stood at USD 1,821 Mn in 2022, up from USD 1,439 Mn in 2018, implying a CAGR of 6.1%.

Chart 20: Global Opto-semiconductor market value in Medical Applications



Source: Maia Research, CareEdge Research

Opto-semiconductors play a crucial role in various medical applications, including medical imaging, surgical instruments, phototherapy and diagnostics. A large number of optical devices which use opto-semiconductors and sensors are used in imaging. Among these, optical coherence tomography (OCT), confocal microscopy (CM), and photoacoustic (PA) imaging, endoscopy and laparoscopy are the predominant one. In medical imaging, opto-semiconductors such as laser diodes are used in devices like laser scanners etc. LED-based light sources are also used in phototherapy for treating skin conditions.

Opto-semiconductor laser light sources have many advantages over other light sources for a variety of medical applications. These light sources of a given wavelength are chosen for a given application because of their ability to emit light to interact with the tissue so as to achieve the desired effect. This process is known as selective photothermolysis. Emphasis is on conversion efficiency, temperature sensitivity, and cost rather than beam quality and brightness, which tend to be the driving factors for opto-semiconductor light sources in medical industry. The power supply needed to generate the optical energy is significantly less, and the required cooling system is smaller because there is less waste heat. Opto-semiconductor lasers can also be used to produce a variety of monochromatic wavelengths and generate significant optical power in a small, compact footprint. Other medical applications of opto-semiconductors include pulse oximetry, heart-rate monitors, blood diagnostics like blood glucose monitoring, urine analysis and dental color matching.

In United States, a large healthcare industry coupled with substantial investments in R&D drive the demand for opto-semiconductors in medical applications. High quality healthcare standards and presence of leading medical equipment manufacturers also add to the demand.

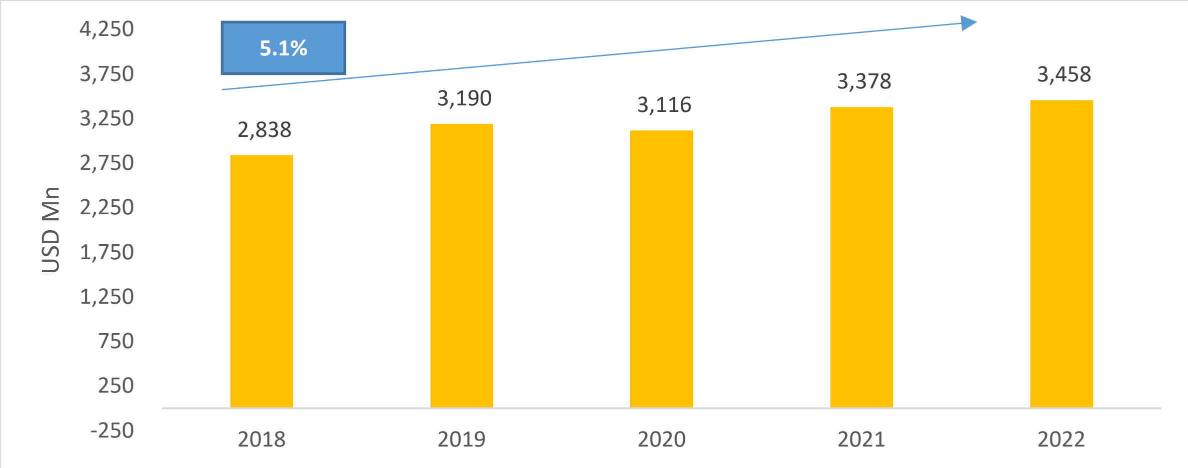
In EU, medical needs are on the rise as the population ages. A strong medical infrastructure, emphasis on innovation and collaboration between academia and industry drive the adoption of opto- semiconductor technologies for medical applications. Regulatory frameworks that promote patient safety and healthcare efficiency also aid the demand.

In Asia Pacific, the rapid growth of the healthcare market in developing countries, rising disposable income and increasing focus on healthcare infrastructure have increased the demand for optical semiconductors in medical applications. The well-established expansion of healthcare infrastructure in emerging countries such as China and India have further boosted the market. In addition, countries such as Japan and South Korea occupy an important position in the field of medical device manufacturing. Rising aging population, increasing healthcare spending, and advancements in medical imaging and diagnostics also add to the demand for optical semiconductors for medical applications in the region.

iii. Automobiles

The global market size of opto-semiconductor used in medical appliances stood at USD 3,458 Mn in 2022, up from USD 2,838 Mn in 2018, implying a CAGR of 5.1%.

Chart 21: Global Opto-semiconductor market value in Automobiles



Source: Maia Research, CareEdge Research

Opto-semiconductors are widely utilized in the automotive industry for various lighting applications. LED technology is extensively used in automotive lighting systems, including headlights, taillights, turn signals and interior lighting. Opto-semiconductors provide energy efficiency, improved visibility, and design flexibility for automotive lighting solutions. Opto-semiconductors also play a vital role in sensors and communication technologies.

The United States has a well-established auto industry that focuses on advanced technology and safety features. The integration of LED lighting systems, LiDAR sensors and other optical components in vehicles is driving demand for opto-semiconductors in vehicles to improve safety, driver assistance systems and support autonomous driving initiatives.

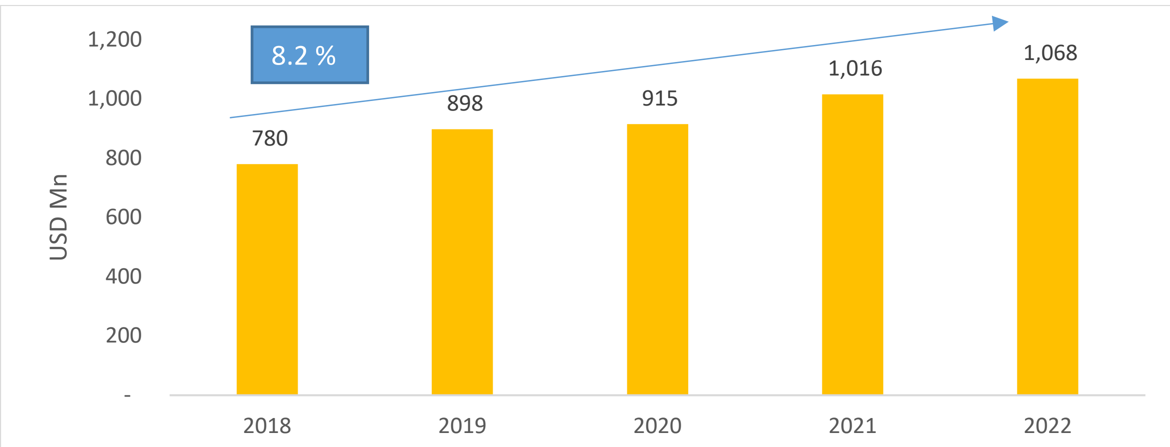
The European automotive industry is known for its emphasis on safety, sustainability and innovation. Automotive demand for opto-semiconductors is driven by the integration of advanced lighting technologies, optical sensors and imaging systems to meet safety standards, improve energy efficiency and support autonomous driving functions.

The Asia-Pacific region is the largest automotive market in the world, in which countries such as China, Japan and South Korea play an important role. India has also registered a big growth in the segment in FY23. The rapid growth of the automotive industry, increasing adoption of EVs and the implementation of stringent safety regulations drive the demand for opto-semiconductors in this region. Government initiatives to promote the adoption of electric vehicles and the development of intelligent transportation systems are further aiding market growth.

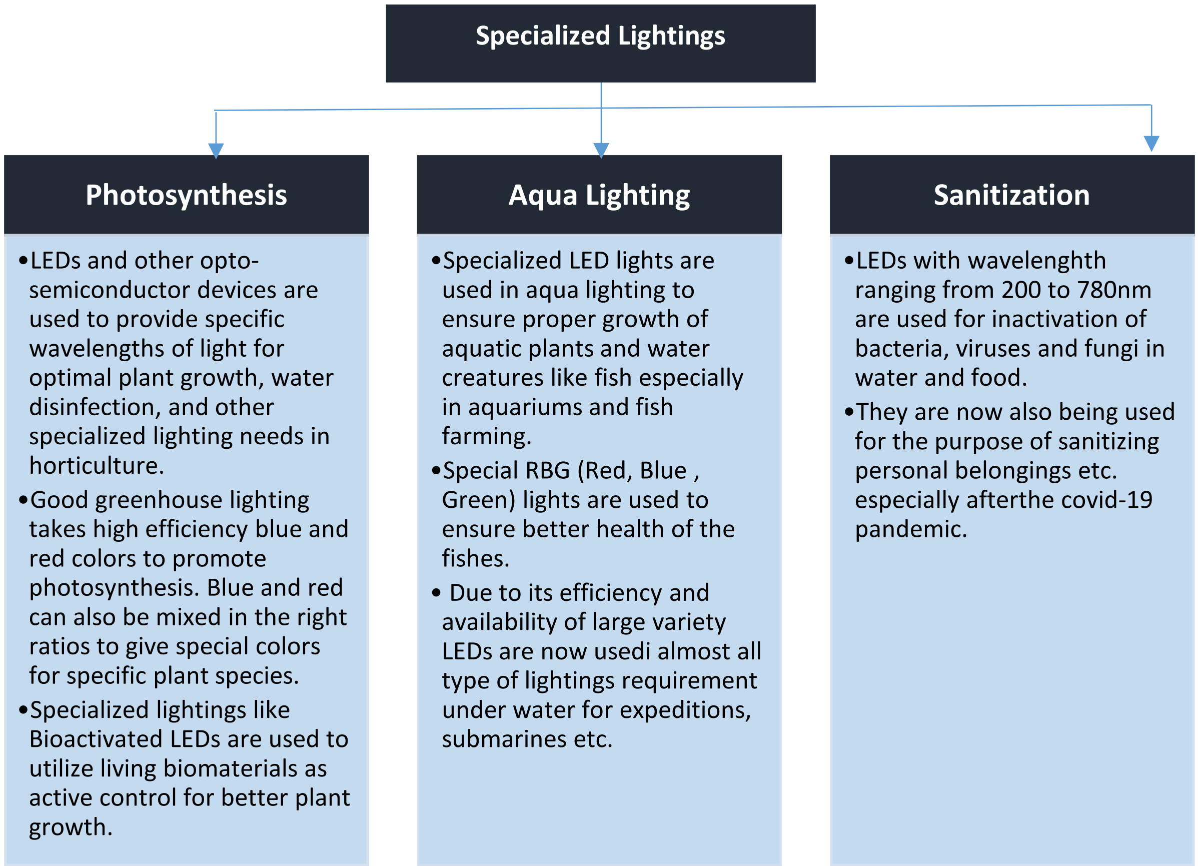
iv. Specialized lighting for photo synthesis, aqua lighting, sanitization etc.

The global market size of opto-semiconductor used in specialized lighting applications stood at USD 1,068 Mn in 2022, up from USD 780 Mn in 2018, implying a CAGR of 8.2%.

Chart 22: Global Opto-semiconductor market value in Specialized lighting



Source: Maia Research, CareEdge Research



In the United States, the field of greenhouse and indoor farming occupies a significant position. The demand for photosynthesis-specific lighting is driven by the adoption of advanced horticultural lighting solutions that enable year-round crop production, improve crop quality and maximize yield in a controlled environment.

In Europe, there is growing focus on sustainable agricultural practices and food security. The need to optimize crop growth in greenhouse agriculture, vertical farming and other controlled-environment farming systems drives the need for photosynthesis-specific lighting, thereby reducing reliance on traditional seasonal farming.

The Asia-Pacific region, especially countries such as China and Japan, places a lot of emphasis on high-tech agriculture and vertical farming. The need to address food security challenges, optimize resource use and improve crop quality and productivity within limited land areas drives the need for photosynthesis-specific lighting.

v. Others applications

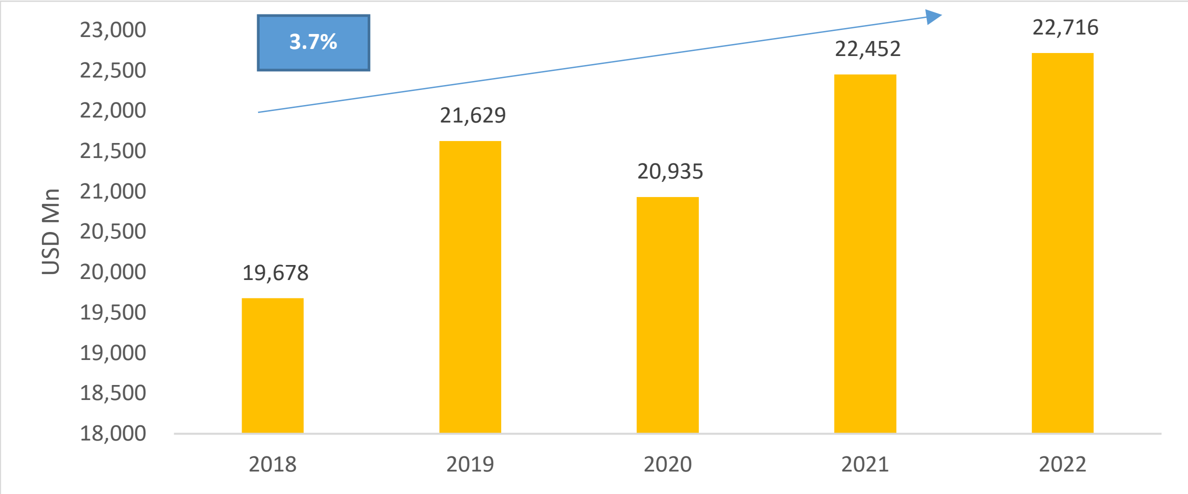
Opto-semiconductors have diverse applications beyond the mentioned categories. They are used in consumer electronics, communication systems, optical data transmission, optical sensing, display technology, smartphones, photovoltaic devices, wireless communications, aerospace, architectural lightings, data and computing centres and many other industries and applications.

Nowadays, a growing number of premium smartphone manufacturers are turning to iris recognition as biometric identification method, which is much more accurate and reliable than fingerprint recognition. When a user wants to unlock the device, he must have his iris irradiated by an infrared LED light and then shot by a camera in the front of the device. The phone's iris recognition system will check the iris image against the one stored in the system. If the two images are identical, the device will be unlocked for the user. In smartphone applications, iris recognition technology uses the phone's front-facing camera rather than a separate sensor to capture the user's iris image

Devices like optical repeaters and fibre optics which are use opto-semiconductors as their key building blocks are massively used in military and aerospace. They are used to transmit over-air radio frequency that is usually cannot reach their intended receivers due to many obstacles like confined spaces, tunnels etc.

The global market size of opto-semiconductor used in other applications stood at USD 22,716 Mn in 2022, up from USD 19,678 Mn in 2018, implying a CAGR OF 3.7%.

Chart 23: Global Opto-semiconductor market value in other applications

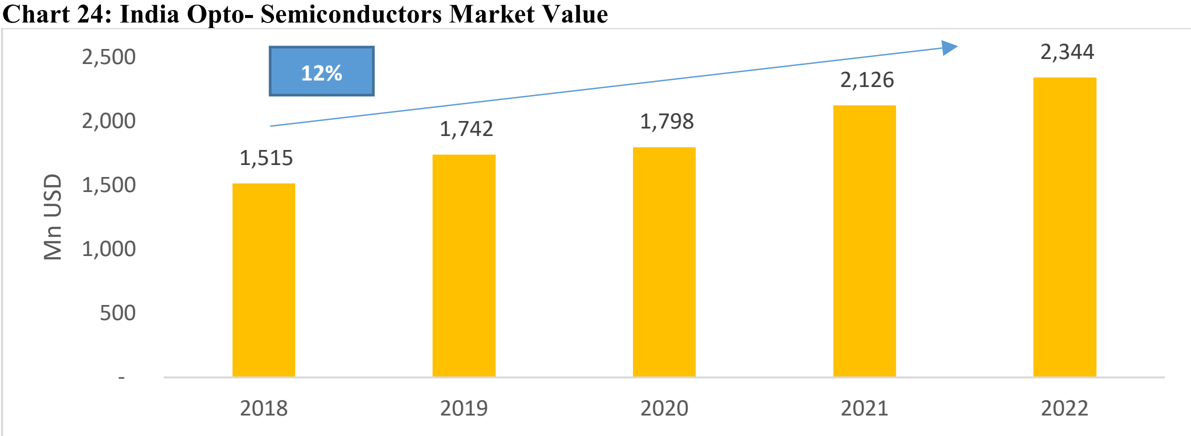


Source: Maia Research, CareEdge Research

4. Indian Opto-semiconductors Industry

The Indian opto-semiconductor market was estimated at USD 1,515 Mn in 2018 and has grown at a CAGR of 12% to USD 2,344 Mn in 2022.

Chart 24: India Opto- Semiconductors Market Value



Source: Maia Research, CareEdge Research

The Indian economy has high reliance on semiconductors because semiconductor-based sectors are in high demand. The Electronic Systems Design and Manufacturing (ESDM) sector in India is rapidly increasing. The Indian government is prioritizing the development of the ESDM ecosystem in India and is Offering a variety of incentives and subsidies to companies looking to establish electronics manufacturing plants in India.

The industrial sector contributes significantly to India's economy and many enterprises in this area rely heavily on opto-semiconductor chips. India needs to lower its reliance on foreign supply and expand its production of opto-semiconductor chips. With the implementation of production-related programmes and other incentives for semiconductor makers, the Indian government has taken the right steps in this regard.

Mobile & wearable devices, information technology, industrial, consumer electronics, telecom, automotive etc. are the key consumers of opto-semiconductor in India.

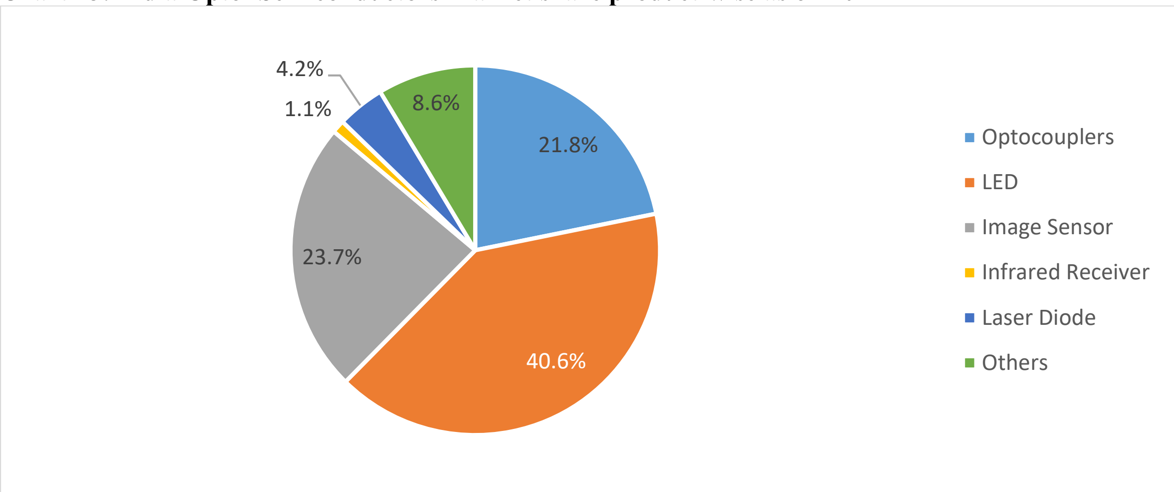
Currently, India is nearly entirely reliant on imports for its opto-semiconductors requirement. India imports opto-semiconductors mainly from China, Singapore, Japan, Germany, South Korea, Thailand, the United States, Malaysia, Vietnam and France.

Because of its high cost, high risk, time-consuming nature, and rapid technological progress, opto-semiconductor manufacturing is a highly complicated and technologically advanced sector that necessitates significant upfront and ongoing investment. Furthermore, the major materials used in the production of semiconductors include silicon, germanium, and gallium arsenide, which are not abundantly available in India.

4.1 Indian Opto-semiconductor Industry by Product

LEDs constitute 40.6% of the total opto-conductors market in India followed by image sensor opto-semiconductors. LEDs are replacing all the traditional plasma lighting as it is more efficient both in terms of life and cost. Image sensors are used in medical applications and mobile phones.

Chart 25: India Opto- Semiconductors Market share product-wise as on 2022



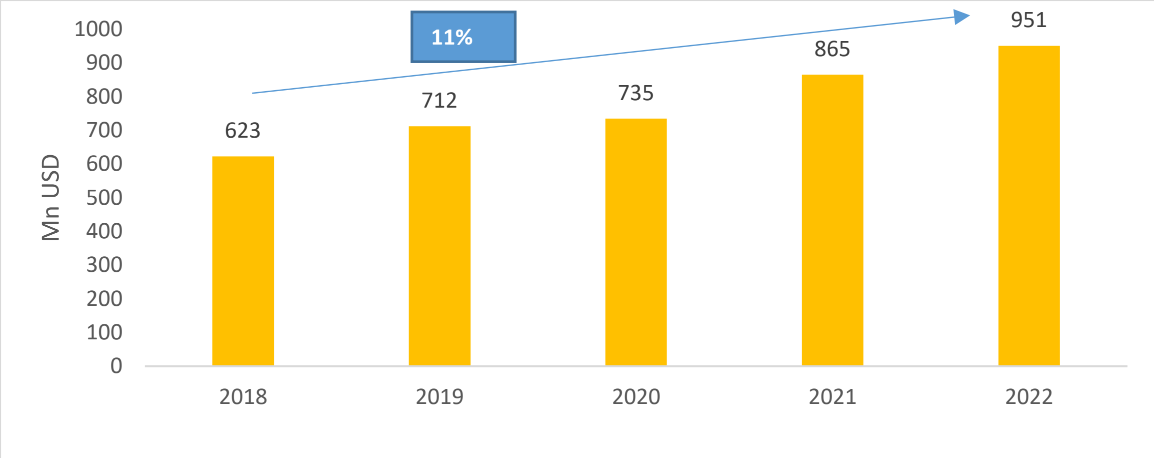
Source: Maia Research, CareEdge Research

i. LED

The LED lighting market in India has a lot of potential to grow. In recent years, with the increasing attention of the Indian government and people to energy conservation and emission reduction, traditional incandescent lamps have been gradually eliminated by the market, and the LED lighting industry has a strong development momentum.

The Indian LED market has grown from USD 623 Mn in 2018 to USD 951 Mn in 2022, implying a CAGR of 11%. This growth has been driven by growth in the end user industries, increase in replacement of incandescent lamps with LED lights, etc. LEDs form the largest subsegment of opto-semiconductors and their contribution has continued to remain around 41% in 2018 to 2022.

Chart 26: India LED Market Value

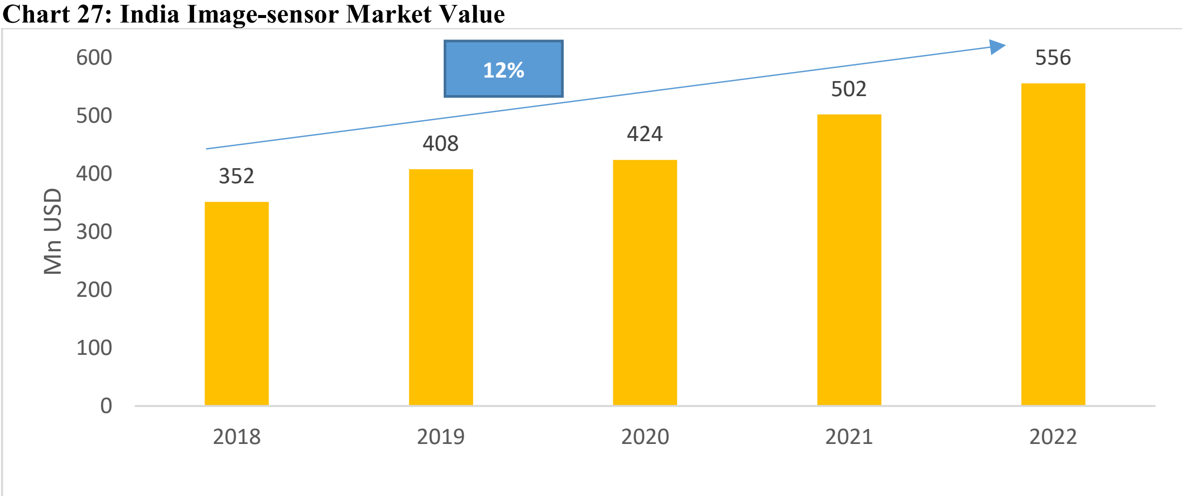


Source: Maia Research, CareEdge Research

ii. Image Sensor

The Indian image sensor market has grown from USD 352 Mn in 2018 to USD 556 Mn in 2022, implying a CAGR of 12%. This growth has been driven by demand of high-performance camera, artificial intelligence devices, smartphones, increase in mobile payment applications etc. Image sensors form the second largest subsegment of opto-semiconductors and their contribution has increased from 23.2% in 2018 to 23.7% in 2022.

Chart 27: India Image-sensor Market Value

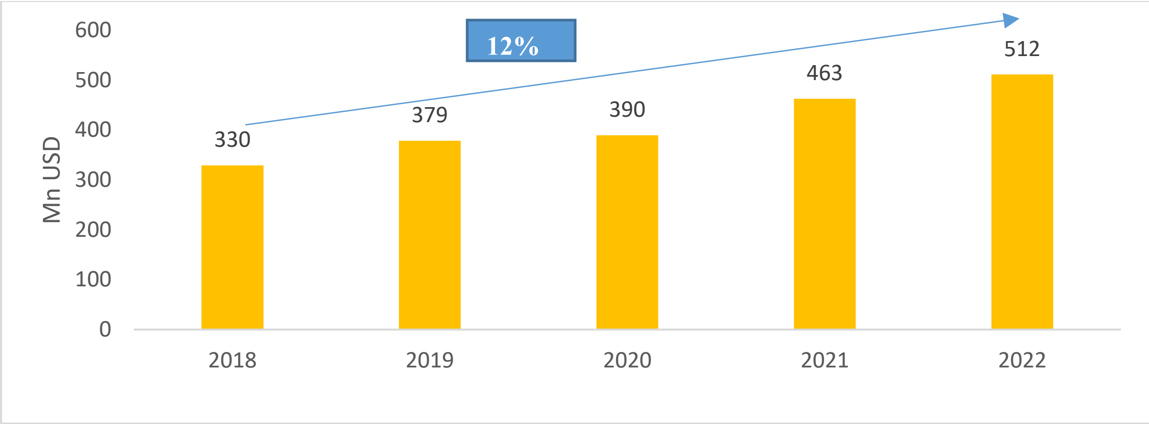


Source: Maia Research, CareEdge Research

iii. Optocouplers

The Indian optocoupler market has grown from USD 330 Mn in 2018 to USD 512 Mn in 2022, implying a CAGR of 12%. This growth has been driven by demand and popularity of advance technology driven products in all the segment. Opto-couplers accounted for 21.8% of the opto-semiconductor industry in 2022 compared 21.7% in 2018.

Chart 28: India Opto-coupler Market Value

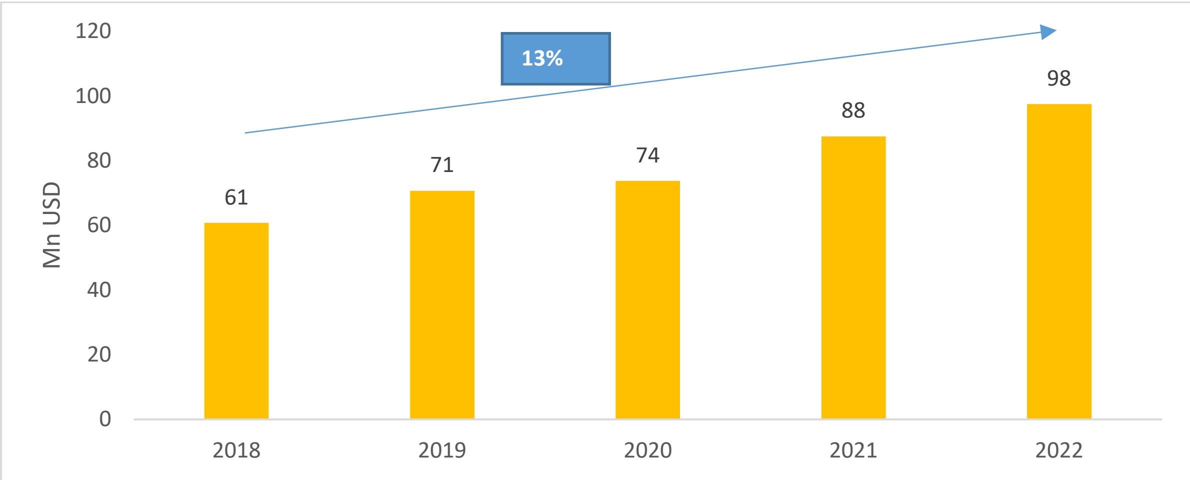


Source: Maia Research, CareEdge Research

iv. Laser Diode

The Indian laser diode market has grown from USD 61 Mn in 2018 to USD 98 Mn in 2022, implying a CAGR of 13%. Laser diodes accounted for 4.2% of the opto-semiconductor industry in 2022 compared to 4% in 2018.

Chart 29: India Laser Diode Market Value

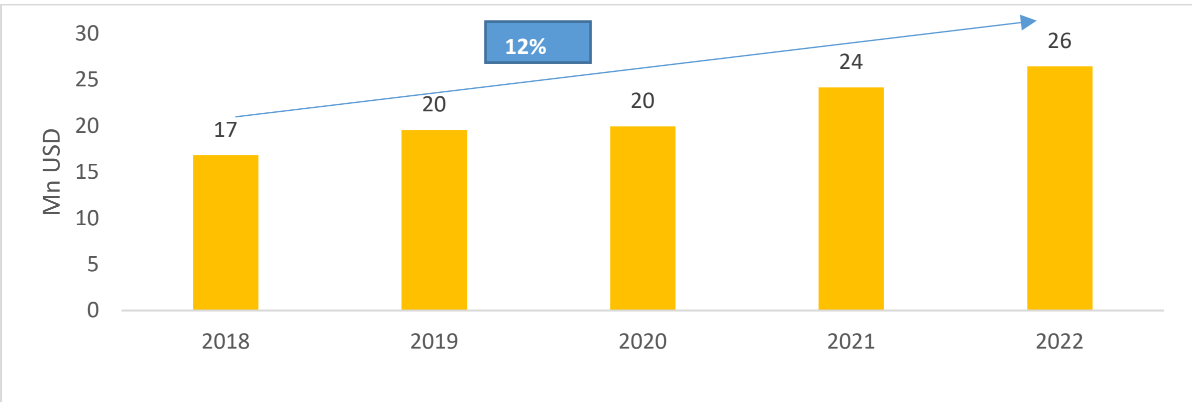


Source: Maia Research, CareEdge Research

v. Infrared Receiver

The Indian infrared receiver market has grown from USD 17 Mn in 2018 to USD 26 Mn in 2022, implying a CAGR of 12%. Infrared receivers are accounted for 1.1% of the Indian opto-semiconductor industry in 2018 and 2022.

Chart 30: India Infrared Receiver Market Value

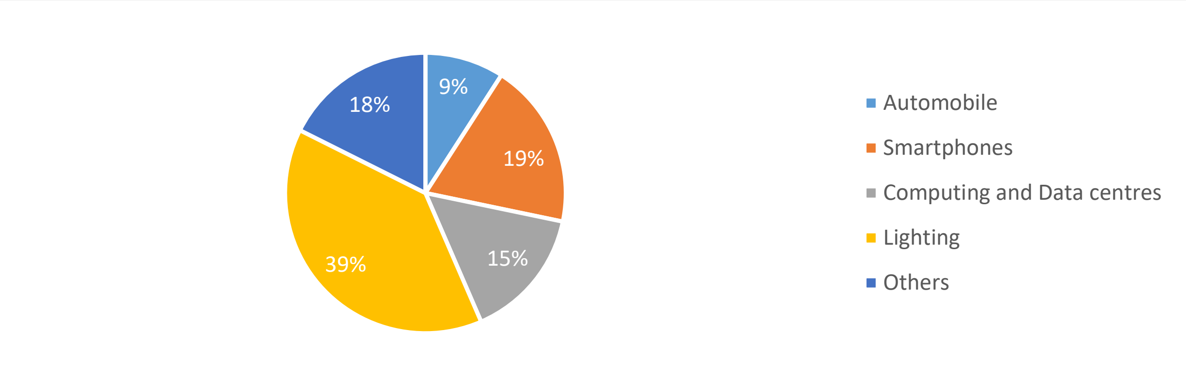


Source: Maia Research, CareEdge Research

4.2 Indian Opto-semiconductors Industry by Application

The opto-semiconductor industry in India has witnessed significant growth driven by various end-user segments such as automotive, smartphones, computing and data centers, and lighting. Opto-semiconductor is used in various other industries as well such as smartphones, automobile, computing and data centre and lighting.

Chart 31: India Opto- Semiconductors End-user Industries market share as on 2022



Source: Maia Research, CareEdge Research

The lighting industry is the key driver of the opto-semiconductor market in India. It accounts for about 39% of the total market share followed by smartphones.

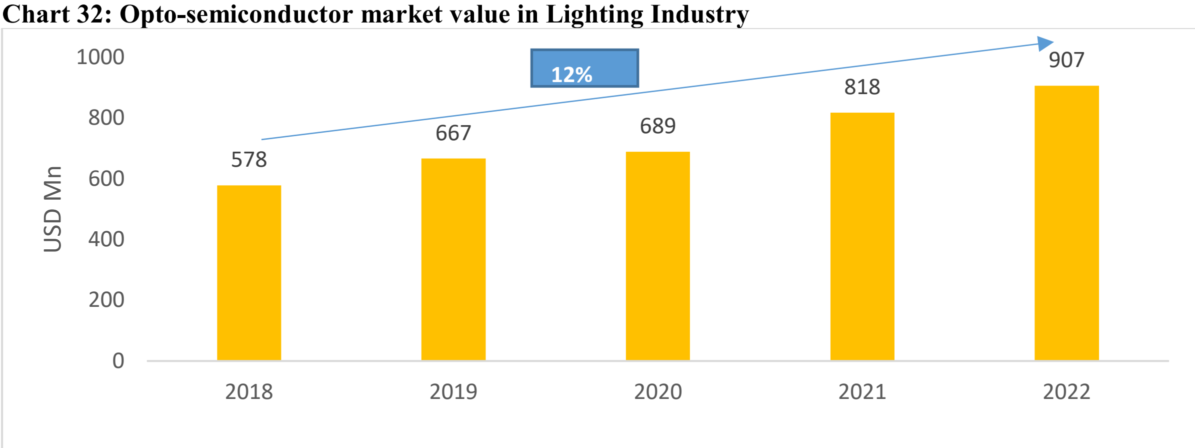
i. Lighting

India's lighting industry is shifting towards energy-efficient lighting solutions with an emphasis on LED technology. LED semiconductor light-emitting technology has gradually replaced the original incandescent lamp and gas discharge light source. LED technology has higher energy efficiency, lower cost, is more durable and is gaining popularity in the lighting industry scene. LED has both performance and pricing advantages. LED has diverse demands from home, commercial and professional lighting. LED is a lighting solution of choice as it is stable, continuous, efficient, changeable, flexible and portable. It has a lifespan of over 50,000 hours. LED lighting is more cost-effective and the overall cost of use is lower.

Government initiatives such as the UJALA program (Unnat Jyoti by Affordable LEDs for All) and the National Street Lighting Program (SLNP) have led to the widespread adoption of LED lighting in residential, commercial and street lighting applications.

Opto-semiconductor are most widely used in the lighting industry and this industry accounted for about 38% of the total opto-semiconductor market in India in 2022. The market size of opto-semiconductors used in the lighting industry stood at USD 907 Mn in 2022, up from USD 578 Mn in 2018, implying a CAGR of 12%.

Chart 32: Opto-semiconductor market value in Lighting Industry



Source: Maia Research, CareEdge Research

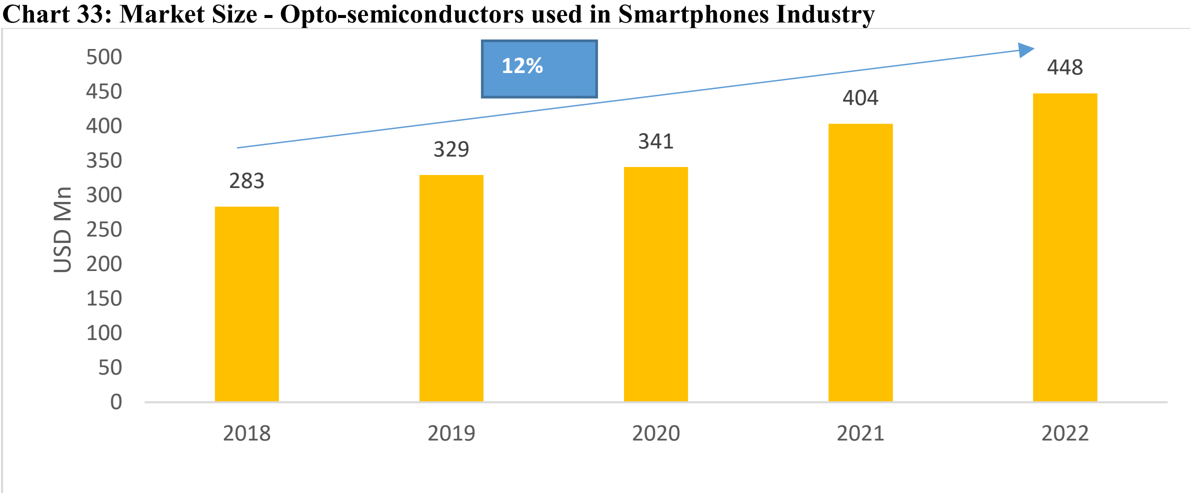
ii. Smartphones

Smartphones use several opto-semiconductor technologies. Small packages, low power consumption, high integration, and ease of use are driving designers to increasingly adopt opto-semiconductors for consumer electronic devices. Among them, the common smartphone is a major application of opto-semiconductors. The application of opto- semiconductors in smartphones is mainly in two aspects of optics and sensing.
In recent years, camera has always been the focus area for mobile phone manufacturers and mobile phone manufacturers are constantly innovating and upgrading lens modules by upgrading the opto-semiconductor used. While the number of rear cameras continue to increase, the front cameras are also advancing.

In addition, most smartphones have a light sensor function - in a bright place, the brightness of the mobile phone screen will automatically increase and in a place with weak light, the screen will be automatically brightened. The photosensitive function of smartphones brings a lot of convenience to consumers in using mobile phones. It not only saves the battery consumption of mobile phones, but also facilitates consumers to use mobile phones under various light conditions and also protects the eyes.

Smartphones are the second highest contributor to the opto-semiconductor market in India with a share of 19.1% of the total market. The market size of opto-semiconductors used in domestic smartphones has increased from USD 283 Mn in 2018 to USD 448 Mn in 2022, implying a CAGR of 12%. The steady demand for smartphones and continuous demand for better camera performance are the driving factor for the opto-semiconductor market in this segment.

Chart 33: Market Size - Opto-semiconductors used in Smartphones Industry



Source: Maia Research, CareEdge Research

iii. Computing and Data Centres

A data centre is a physical building complex that houses servers, switches, central processing units (CPUs), routers, cooling mechanism, high speed cables etc. for remote storage of data and computing. The servers are networked together in the data centre. The data centre may be part of private or public cloud and are fundamental to cloud system. A user can access these data centres through internet connections or network connections.

Data centres requires different types of semiconductors chips for different purposes. They are used for the purpose of processing, security, handling workloads, adapting to the current trend, storage, efficiency etc. The rapid development and wide application of cloud computing and big data have placed high demand on data centre networks and optical interconnection technologies. Opto-semiconductors are critical for optical interconnection within the data centre ecosystem.

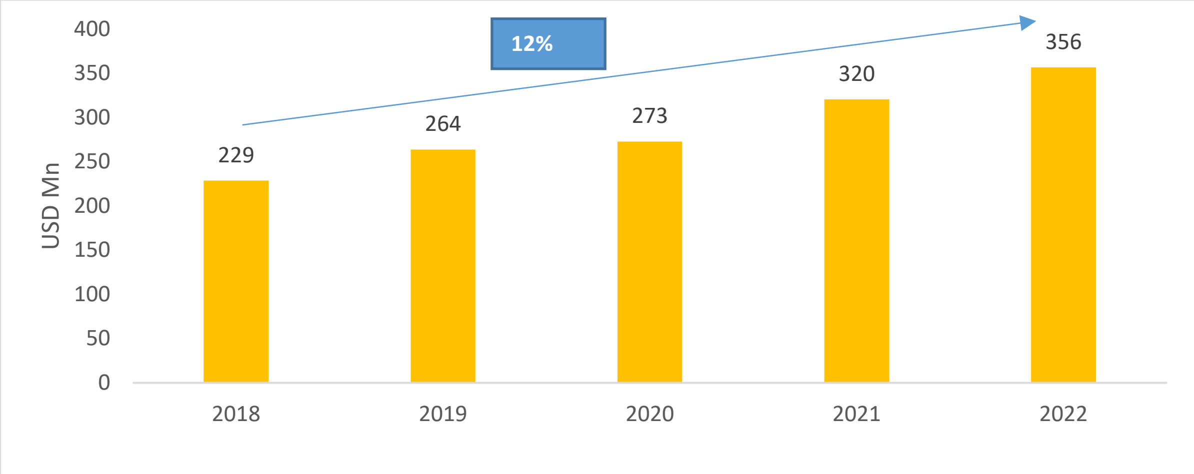
With the intensification of digital transformation and vigorous development of cloud computing and artificial intelligence applications, upgrade of optical interconnection in data centres is underway. Silicon photonics technology (combination of semiconductor technology and optical technology) has become a recognized main direction to continue Moore's Law [3] and solve traffic problems through its advantages in power consumption, cost, structure, integration and other aspects. At present, silicon photonics integration technology is still in the

[3] Moore's Law states that the number of transistors on a microchip doubles every two years. The law claims that we can expect the speed and capability of our computers to increase every two years because of this, yet we will pay less for them.

early stage of development. Photonic chips need to be integrated with mature electronic chip technology, using advanced manufacturing technology and modular technology of electronic chips.

Computing and data centres accounted for 15% of the opto-semiconductors consumption in India in 2022. The market size of opto-semiconductors used in this segment stood at USD 356 Mn in 2022, up from USD 229 Mn in 2018, implying a CAGR of 12%.

Chart 34: Market Size - Opto-semiconductors used in Computing and Data Centre Industry



Source: Maia Research, CareEdge Research

The demand for high-performance computing and data storage continues to increase with effective data transfer. Optoelectronic components, such as optocouplers, enable high-speed, reliable data communication, making them critical for data centres and computing infrastructure.

iv. Automobiles

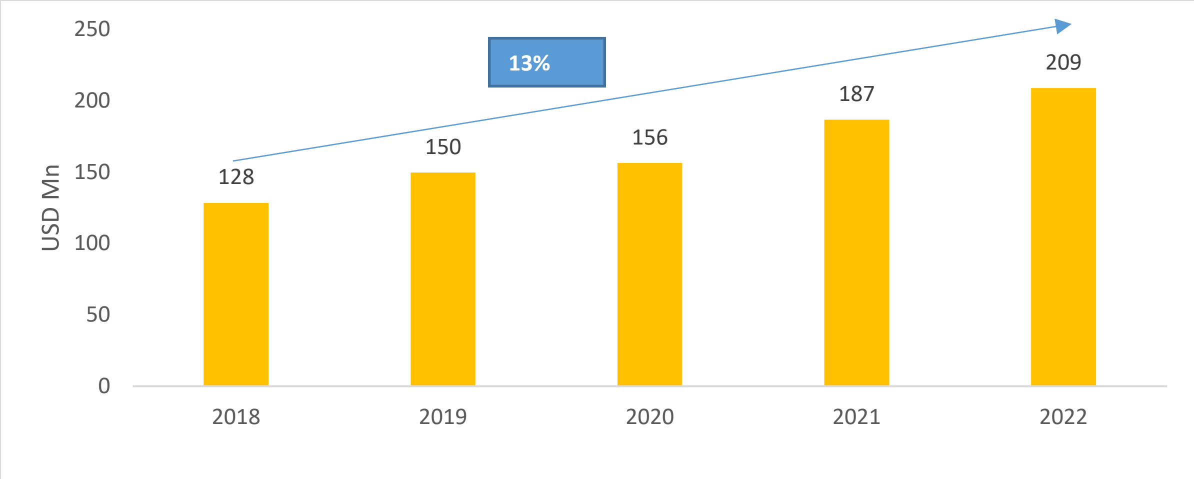
With the continuous rise in demand for automobiles and the rapid development of the automobile industry, the automobile ancillary industry has also witnessed good development opportunities. Among them, LED, as an emerging technology in automotive lighting, has received great attention from many companies. LEDs reflect road signs better than xenon, and high intensity discharge (HID) lights. In vehicles, LEDs can be used in lighting, security, convenience, and climate applications. In addition, LED products have outstanding advantages in volume, light source efficiency, price and cost, stable performance, energy saving, etc., which is gradually expanding their automotive application fields. LED lights are now widely used in automotive headlights, automotive taillights, window lighting, functional lighting, advanced lighting, etc.

In modern automobiles, semiconductors are used to enable safety systems and as driving assistance in semi-autonomous vehicles. Intelligent functions enabled by semiconductor devices are blind-spot detection systems, backup cameras, collision-avoidance sensors, adaptive cruise controls, lane-change assist, airbag deployment sensors and emergency braking systems. Additionally, with the increased popularity of driver assistance systems (ADAS) and LED lighting solutions is also adding to the demand for opto-semiconductor in automobiles.

The market size of opto-semiconductors used in domestic automobile industry has increased from USD 128 Mn in 2018 to USD 209 Mn in 2022, implying a CAGR of 13% and it accounted for about 9% of the total opto-semiconductor market in India in 2022.

The automotive industry is undergoing steady development and with continuous technological innovation and changing market demands, the future market potential of opto-semiconductors in the automotive industry is very large.

Chart 35: Market Size – Opto-semiconductors used in Indian Automobile Industry

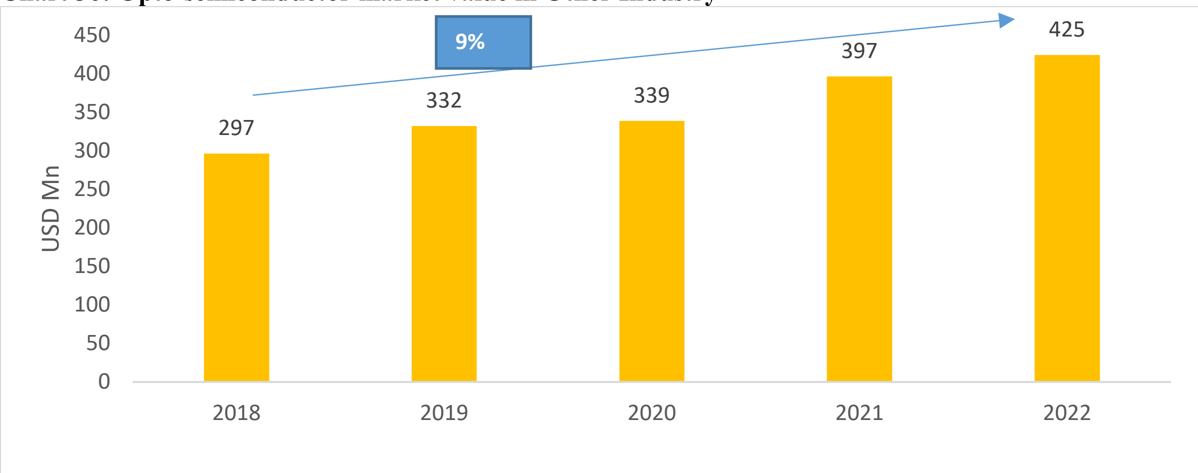


Source: Maia Research, CareEdge Research

v. Others

Overall, the opto-semiconductor industry in India is experiencing growth across several end-user segments. These user-industries consists of consumer electronics, telecommunication, healthcare, energy and power. All these industries are currently growing in India. These industries combined used about 19% of the total opto-semiconductor in 2022. The market size of opto-semiconductors used in these industries stood at USD 425 Mn in 2022, up from USD 297 Mn in 2018, implying a CAGR of 9%.

Chart 36: Opto-semiconductor market value in Other Industry



Source: Maia Research, CareEdge Research

5. Key Demand Drivers for Indian Opto-Semiconductor Industry

i. Infrastructure and industrial development (large area lighting)

One of the main applications of Opto-semiconductors are in large area lighting which includes lighting of airports, large commercial spaces, industrial establishments, street lights etc. As India outpaces the world in economic growth, significant infrastructure and industrial development is expected in the country.

The Government has envisaged investments of more than Rs. 1.43 trillion for airport sector under national infrastructure pipeline, over a period of 5 years. Further, the Ministry of Civil Aviation (MoCA) envisages 100 new airports to be built in the country over the next 10 to 15 years.

The growth in manufacturing and industrial activities is also expected to be healthy in the medium term driven by government's initiatives such as Make in India, Performance Linked Incentives, target to become a USD 5 trillion economy by FY27 and achieve exports worth USD 2 trillion by 2030.

Further, India has committed to reduce the carbon intensity of the economy by 45% by 2030 compared to 2005 levels and targets to achieve net zero emissions by the year 2030. In direction of this target, the government has taken multiple initiatives to promote use of LED lighting in the country.

The Street Lighting National Programme (SLNP) was launched in 2015 to replace conventional street lights with smart and energy efficient LED street lights across India. Under SLNP, 1576 Urban Local Bodies (ULBs) have been enrolled, out of these ULBs, work has been completed in 1060 ULBs. As on May 2022, 1.27 crore LED street lights have been installed in ULBs and Gram Panchayats across India.

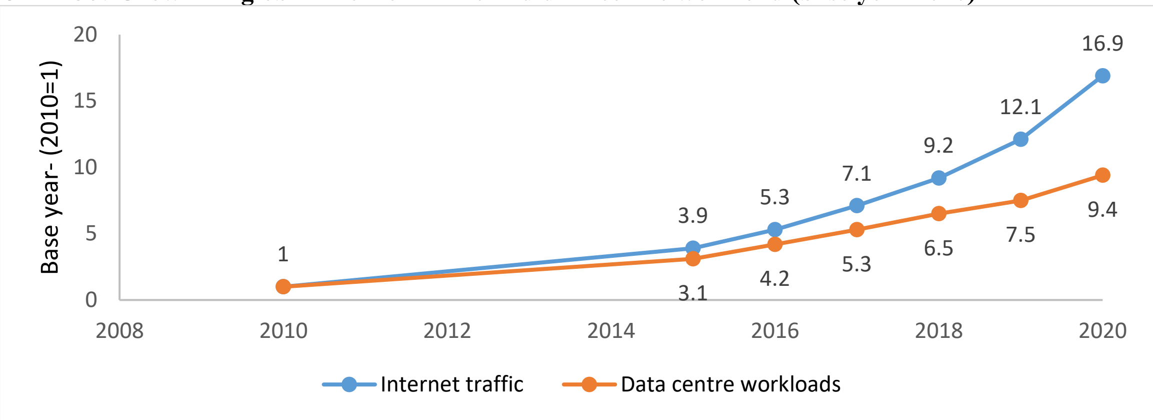
The above factors are expected to lead to an increase in demand for large area lighting in the country and in turn lead to a strong demand for opto-semiconductors in India.

ii. Surging demand for data, transfer speeds

The need for computing power is rising as more and more data is created by digitalization and by the Internet of Things (IoT). Cloud computing has further increased the demand for fast data transfers. The global internet traffic has increased about 17-fold in 10 years from 2010 to 2020 and is expected to continue to increase exponentially in the coming years. This has also led to increase in workload on data centres. The same trend has been observed in India as well.

Continuously increasing demand and speed of data is a sizable opportunity for component manufacturers that have presence in optical communication products such as opto-semiconductors, which play a vital role in data transmission, fiber optic communications and high-speed connections within data centers.

Chart 37: Growth in global internet traffic and data centre workload (base year 2010)

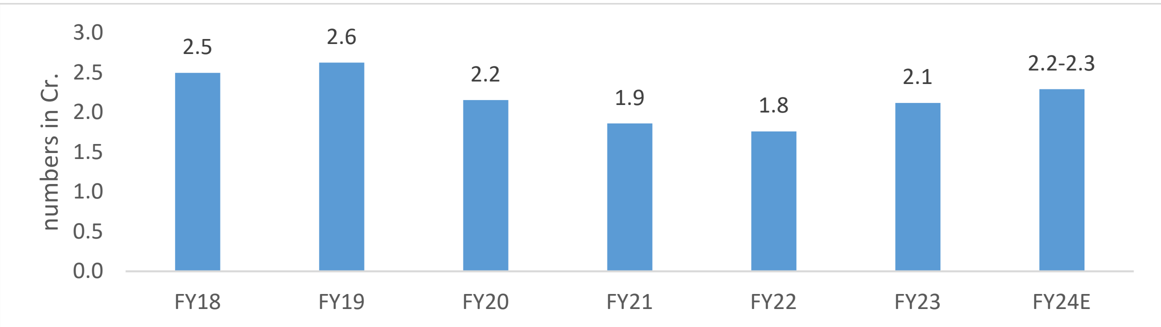


Source: International Energy Agency, CareEdge Research

iii. Upward trajectory in the Indian Automotive Industry

The Indian automotive industry is witnessing rapid technological advancements driving the demand for opto-semiconductor components. The implementation of safety regulations and the adoption of advanced driver assistance systems (ADAS) require opto-semiconductor devices such as image sensors, LiDAR sensors and LED lighting systems. CareEdge Research expects the Indian auto industry to grow at 7-9% in FY24 driven by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the passenger vehicle segment and maintain stable growth trajectory in the medium-long term. As the auto industry grows and adopts technologically advanced features, it will drive the development and usage of opto-semiconductors.

Chart 38: Domestic Auto Sales Volumes



Source: Maia Research, CareEdge Research

iv. Healthy demand, decreasing average replacement cycle of smartphones, laptops

Opto-semiconductor based components find applications in smartphones, laptops and tablets in light assembly, sensors etc. India is one of the leading consumers of these products and the demand is expected to increase driven by factors such as increasing disposable income, large youth population, growing workforce and rising aspirations to own premium brands.

Further, shrinkage of average replacement cycles and demand for upgraded products are further driving the growth in the segment. Factors of sophistication, safety, energy efficiency and convenience, the average number of electronic components across various products are constantly on the rise. This bodes well for the growth of opto-semiconductor markets in India.

v. Rise of digital manufacturing

3-D printers are being used to make everything from semiconductors to automobile parts and prototypes. The major driving factor for 3D- printing are surge in digitization, implementation of progressive technologies, smart factories, robotics, machine learning, etc. Photonics components are crucial in increasing the performance of this equipment and in reducing its cost.

vi. Rapid adoption in non-invasive surgeries

Treatment of a wide range of conditions (including cancer and diabetes) has got a boost from non-invasive technologies. Such technologies may also help healthcare become more efficient and accessible. Most lasers that enable these procedures rely on photonic materials.

For example, laser technology uses photonics to achieve concentrated beam of light. In medical industry, laser technology is used widely for treatment of cancer, eye surgeries, endoscopy, removing stones from kidney, treating tumor etc.

vii. Rising use of ultraviolet sanitizing lights

Ultraviolet (UV) irradiation particularly UV-C (wavelength of 180-280 nano meter) and far-UVC (wavelength of 200-235 nano meter), is increasingly being used as a disinfection technique to either

kill or inactivate microorganisms. Opto-semiconductors are one of the key components of this technology. This technique can be used for air, surface and water disinfection and is finding increasing applications where people are not directly exposed including medical fields for disinfection of critical surfaces and places such as the operation theatre, water treatment, food disinfection etc.

viii. Transition to sustainable energy sources and hence demand growth in photovoltaic components in solar power projects

As the global consciousness towards the environment increases, the pressure to reduce harmful emissions and pollutants is going to intensify which will increase demand for renewable sources of energy all over the world.

Multiple countries including India have already commenced the transition to renewable energy driven by the COP 26 targets[4]. This has led to a significant increase in capacity of solar power generation. The pace of project bidding by the government has also remained strong in the recent years. Capacity expansions are projected to continue in the medium term, owing to increase in domestic manufacturing of solar modules, technological breakthroughs, interest from domestic and institutional investors, and the Government of India's sustained thrust on the sector.

Growth in solar power capacity is expected to lead to significant demand for photovoltaic components, which in turn will drive the demand for opto-semiconductor.

ix. Advent of niche applications such as horticulture and aqua lighting

LED lights are being used in various horticulture processes such as photosynthesis, photo morphology etc. LED lights promote healthier plant growth by accelerating photosynthesis, strengthening plant immunity, and increasing nutritional value.

[4]The COP 26 target by Government of India states that by 2030, the non-fossil fuel energy capacity would be 500 GW, and 50% of the energy requirement would be fulfilled by renewable sources. Also, the aim is to reduce the carbon intensity of the economy by 45% and reduce the total projected carbon emission by 1 billion tonnes.

LEDs are also preferred for aquarium lighting as they are cost effective and greatly enhance the colours and esthetics of the objects and fish.

6. SWOT Analysis of Indian Opto-Semiconductor Industry

Opto-semiconductor is an emerging manufacturing sector in India. SWOT analysis of the opto-semiconductor industry in India is detailed below:

Strengths	Weakness
• Indian government policy support • Healthy growth prospects of end user industies • Cost saving for consumers	• High capital cost of estalishing manufacturing faciliies, limited technical knowledge • Non-availability of requisite manpower
Opportunity	**Threat**
• Foreign investor interest • Lower preference for China-made products • Indian government's focus on scaling up local opto semiconductor manufacturing capacity	• Lack of cost-effective transport infrastructure • Uninterrupted power and water availability

6.1 Strengths

- **Indian government policy support**

  The Government of India has announced an investment of USD 10 Bn for production incentive plan under the Program for Development of Semiconductors and Display Manufacturing Ecosystem. The Indian Government plans to provide incentive program for the semiconductor, display manufacturing, and design industries, creating a conductive environment for Indian electronics manufacturing. These initiatives have been taken in a bid to ensure that there will be no sudden shortage of chips needed in India in the next 3 to 5 years, and also avoid sharp rise in chip prices in various fields of electronic products, automobiles, and high-tech products caused by the shortage.

  Under this scheme, the Government will provide financial support of up to 50% of the project cost to eligible display and semiconductor manufacturers. Apart from this, the Government has also launched various programs like Indian Semi-conductor Mission, SEMICON India and National Electronics Policy, Make in India initiatives and Production Linked Incentive Schemes etc. to support the semiconductor production in India.

- **Healthy growth prospects of end-user industries**

  The key end user industries of opto-semiconductors include automobiles, smartphones, computing and data centers, consumer electronics and lighting. The automobile sector is expected to demonstrate steady growth with increasing consumer spending and demand for high performance and latest technology integrated vehicles. Further, developments in the automotive industry, including the development of autonomous vehicles, will drive demand for opto-semiconductors used in sensors and lighting systems.

  The smartphone market is expected to grow with growing demand for high-end cameras and decreased replacement cycle. Lighting has major market share in the opto-semiconductor market. The replacement of incandescent lamps with LED lights is gaining momentum. In the consumer electronics, the demand for portable and efficient appliances are the key demand drivers.

- **Cost Saving for Consumers**

  Lighting:

  LED lighting is known for their high energy efficiency. They use significantly less electricity than traditional incandescent or fluorescent bulbs, reducing energy bills and operating costs, and reducing maintenance costs associated with bulb replacement. In addition, optoelectronic semiconductor lighting enables flexible and controllable lighting solutions, such as dimming, color changing and intelligent lighting systems. This enables energy-saving features and customization options that provide additional cost advantages.

  Smartphones and computing devices:

  Opto-semiconductor devices can be designed to be smaller and thinner, enabling thinner smartphones and computing devices. Optoelectronic semiconductor components such as high-speed fiber optic transceivers enable faster data transmission and improved network connectivity, enhancing the overall performance of smartphones and computing devices.

  Data Centers:

  Opto-semiconductor components enable data centers to efficiently expand their network infrastructure to support ever-increasing data transmission and storage needs, which can reduce data center energy consumption and operating costs.

  Automobile:

  Opto-semiconductors such as LED headlights and taillights are more energy efficient than conventional lighting technologies, reducing power consumption and fuel consumption in electric vehicles. In addition, opto-semiconductors enable compact and customizable designs, enabling automakers to optimize space utilization, reduce weight and potentially lower production costs.

6.2 Weakness

High capital cost of establishing manufacturing facilities, limited technical knowledge.

Opto-semiconductor factories require significant capital investment which are typically in excess of USD 200 million for a commercial size opto-semiconductor unit. Further, the factories also have larger lead times and typically take 2-3 years to complete. Additionally, there are only a few Indian players with the requisite technology. Thus, there is high technical and capital entry barriers in this industry.

Non-availability of requisite manpower.

India has limited availability of workforce required for setting up and operating an opto-semiconductor manufacturing unit. There are limited number of semiconductor engineers trained in the knowledge of device physics and process technology, which is essential for fabricating and manufacturing chips designed by the design engineers.

6.3 Opportunities

Foreign investor interest

According to data released by the International Monetary Fund, India will remain one of the fastest-growing economies in the world, with leading investors seeing India as the most attractive markets. Rising foreign direct investment is expected to provide lucrative opportunities for new entrants to raise funding for setting up manufacturing facilities.

Lower preference for China-made products

China is one of the largest producers and exporter of semiconductors in the world. The trade war between USA and China, which started in 2018, has shifted the focus towards other Asian countries for manufacturing and export of electronic components under China+1 policy. Many multinational companies have hence shifted to other Asian countries like Vietnam and India. This reduction in preference for China-made products is also expected to push the indigenous production of components like opto-semiconductor.

Indian government's focus on scaling up local opto-semiconductor manufacturing capacity

The Indian government is focusing on the development of semiconductor capacity locally. It has established a center of excellence in nanoelectronics at the Indian Institute of Technology, Bombay and the Indian Institute of Science. In addition, the Indian government is trying to introduce semiconductor-related courses in high schools. If semiconductor education for high school students is implemented effectively, then India's competitiveness in the opto-semiconductor talent pool will improve significantly. The growing talent pool is also expected to create lucrative development prospects for new entrants in the market.

6.4 Threat

Lack of cost-effective transport infrastructure

For the industry to be competitive, a strong and cost-effective transportation infrastructure is required. The logistics cost in India is higher compared to global averages which may impact the competitiveness of the opto-semiconductor industry. However, the government is taking multiple initiatives to reduce the logistics costs in line with global averages including development of highways, dedicated railway freight corridors etc., whose impact will be visible in the medium-long term.

Uninterrupted electricity supply and water availability

The opto-semiconductor manufacturing industry needs a stable and reliable power supply because the manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. Power disruptions in India, especially during the peak demand months, can impact the industry adversely. Further, as semiconductor manufacturing requires significant amount of water, there needs to be uninterrupted water supply at the plant location.

7. Key Challenges faced by the Industry

7.1 Availability of stable power and water resources

The opto-semiconductor manufacturing industry needs a stable and reliable power supply because the processing process is very delicate, and a very short-term power outage or voltage instability can cause shutdowns, however, not too many locations are available in India where this can be ensured. At the same time, the opto-semiconductor manufacturing industry has a significant requirement of pure water resources.

7.2 High capital investments

Semiconductor Fabrication Facilities requires a wide range of expensive devices in function. It also requires a non-contaminated clean room with controlled temperature, no dust as a single speck of dust will ruin the microcircuit. The clean room is to be maintained within a narrow band of temperature and humidity with is dampened against vibration.

The fabrication process requires a multistep series of photolithographic and chemical processing steps during which electronic circuits are created on a wafer made up semiconductor material. As a result, the fabrication facility requires huge initial capital investments and also needs to be kept up to date with evolution in technology.

7.3 Requirement of specific raw material

Silicon is most commonly used raw material in semiconductor fabrication. Apart from this, Germanium, Gallium arsenide and silicon carbide are also used in fabrication process. Silicon is made from sand but the sand needs to be clean and of the proper quality. Most of the world’s silicon comes from the beaches of Australia. Many of the chemicals and gases required to manufacture semiconductors are also required to be imported and are not readily available in India.

7.4 Non-availability of requisite manpower

There is limited availability of skilled manpower required for semiconductor manufacturing in India such as semiconductor engineers trained in the knowledge of device physics and process technology. While foreign experts can be contracted initially for setting up operations in India, it is imperative to develop a trained work force in India in the long term.

8. Competitive Profile of Key Players

- **Polymatech Electronics Pvt. Ltd.**

Particulars	Details
Established	Incorporated by Polymatech Co., Ltd., Japan in 2007 and subsequently sold to current promoters in 2018
Headquarter	India
Business Distribution Region	Worldwide
Business Overview	Polymatech is India's first opto-semiconductor chip manufacturer. Polymatech is involved in the designing, manufacturing, packaging and assembly of semiconductor chips, chip modules, sensors, LED, Liquid Crystal Display, transducers, actuators, touch panels, Nano electronic components, etc.

Table 4: Polymatech Electronics Pvt. Ltd. - Revenue, Gross Margin and India Market Share

	FY20	FY21	FY22	FY23
Value (M USD)	0.2	6.1	17.0	80.82
PBT Margin	- 16.4%	15.4%	27.5%	25.7%

- **Broadcom Inc.**

Particulars	Details
Established	1961
Headquarter	United States
Business Distribution Region	Worldwide
Business Overview	Broadcom is a technology company that designs, develops and delivers a broad range of semiconductor and infrastructure software solutions. The company's product portfolio includes memory adapters, controllers and ICs, wireless, wired and optical products.

Table 5: Broadcom Inc. Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	251.8	277.7	289.5	325.4	360.1
Gross Margin	32.3%	32.1%	31.9%	31.6%	32.6%

Source: Maia Research, CareEdge Research

- **OSRAM GmbH**

Particulars	Details
Established	1919
Headquarter	Germany
Business Distribution Region	Worldwide
Business Overview	OSRAM is a subsidiary of ams AG, a supplier of opto semiconductors and lighting products. The company provides luminaires, LEDs, light management systems and lighting solutions. OSRAM's Opto semiconductors business unit Issues a wide range of LEDs for general lighting, automotive, consumer, and industrial applications as well as infrared, laser, and optical sensors. The company's automotive business unit develops and produces lights, light modules, and sensors for the automotive industry and the spare parts market.

Table 6: OSRAM Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	172.1	196.2	201.8	242.6	259.1
Gross Margin	31.7%	31.1%	30.8%	30.1%	31.4%

Source: Maia Research, CareEdge Research

- **Samsung Group**

Particulars	Details
Established	1938
Headquarter	South Korea
Business Distribution Region	Worldwide
Business Overview	Samsung is a South Korean multinational conglomerate headquartered in Seoul, South Korea. It was founded in 1938 and has grown to become one of the world's largest and most influential companies. Samsung operates in various industries, including electronics, semiconductors, information technology, and more. Samsung has a strong presence in the opto-semiconductor industry. It manufactures and supplies a variety of opto-semiconductor components, including LEDs, image sensors, and optical communication devices. Samsung is a leading manufacturer of LED products, including LED chips, LED packages, and LED displays. Its LED products are widely used in applications such as consumer electronics, automotive lighting, and general lighting. In display & mobile, Samsung LEDs was the first manufacturer to start mass production of Communication Service Provider (CSP) applied display LEDs and mobile flash.

- **Renesas Electronics Corporation**

Particulars	Details
Established	2002
Headquarter	Japan
Business Distribution Region	Worldwide
Business Overview	Renesas Electronics Corporation designs develops, manufactures, and sells various semiconductor products. The company's product portfolio includes microcontrollers and microprocessors, discrete and power devices, power devices, amplifiers, switches and multiplexers, DC/DC converters, RF amplifiers, flow sensors, gas sensors, power supplies, batteries management, data converters, automotive sensors, transistor arrays, and memory interface products. The company provides integrated circuits (ICs) for communications and mobile devices, factory automation, and motor drives. It serves the automotive, communications, healthcare, high-performance computing, home and building, industrial, personal electronics, and technology markets.

Table 7: Renesas Electronics Corporation Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	78.9	94.5	97.1	116.4	129.4
Gross Margin	31.8%	31.4%	31.2%	30.8%	32.1%

Source: Maia Research, CareEdge Research

- **LITE-ON Technology**

Particulars	Details
Established	1975

Headquarter	Taiwan
Business Distribution Region	Worldwide
Business Overview	LITE-ON manufactures and markets a wide range of computer components and Peripheral equipment. The Company's products include computers, digital home products, consumer electronics, communications products, key components and sub-systems, and optoelectronic components.

Table 8: LITE-ON Technology Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	69.9	81.0	82.8	101.9	116.1
Gross Margin	32.6%	32.9%	32.6%	31.9%	32.2%

Source: Maia Research, CareEdge Research

- **Lumileds Holding**

Particulars	Details
Established	1999
Headquarter	United States
Business Distribution Region	Mainly in Europe, North America and Asia
Business Overview	Lumileds is a global lighting solutions company helping customers around the world deliver differentiated solutions to gain and maintain a competitive advantage.

Table 9: Lumileds Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	57.4	67.9	69.9	81.6	89.1
Gross Margin	22.4%	22.5%	22.4%	22.5%	23.2%

Source: Maia Research, CareEdge Research

- **Toshiba Electronic Devices & Storage Corporation**

Particulars	Details
Established	2017
Headquarter	Japan
Business Distribution Region	Worldwide
Business Overview	Toshiba Electronic Devices & Storage Corporation provides semiconductor and storage products. It Issues silicon carbide (SiC) power devices, diodes, microcontrollers, bipolar transistor products, and more. The company serves automotive, industrial, and consumer product applications. Toshiba Electronic Devices & Storage Corporation is a subsidiary of Toshiba Corporation.

Table 10: Toshiba Electronics Devices Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	47.2	50.9	51.6	57.2	59.4
Gross Margin	26.6%	26.2%	27.5%	28.5%	27.7%

Source: Maia Research, CareEdge Research

- **Mitsubishi Electric Corporation**

Particulars	Details
Established	1921
Headquarter	Japan
Business Distribution Region	Worldwide

Business Overview	Mitsubishi Electric Corporation develops, manufactures, and sells electrical and electronic products. The company provides products such as turbo generators, nuclear power plants, and power electronics equipment, electric motors, transformers, circuit breakers, gas-insulated switchgear, switch control, and display devices. It also provides surveillance systems control and safety systems, power transmission and distribution systems, electrical equipment for locomotives and rolling stock, elevators, escalators, building security and management systems, and more. The company provides logistics, real estate, advertising, procurement, financial and other services. Mitsubishi Electric serves the information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation, and construction equipment sectors.

Table 11: Mitsubishi Electronics Corporation Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	33.5	38.4	40.3	48.5	53.1
Gross Margin	31.4%	30.9%	30.1%	29.6%	30.5%

- **ROHM Company Limited**

Particulars	Details
Established	1958
Headquarter	Japan
Business Distribution Region	Mainly in America, Asia and Europe
Business Overview	ROHM CO.LTD is a manufacturer of various electronic products. The company supplies ICs and other related semiconductors and electronic components to its customers worldwide. Its product portfolio includes monolithic ICs, power modules, power ICs, application-specific ICs, laser diodes, resistors, capacitors, transistors, diodes, LEDs, thermal heads, bipolar transistors, image sensor heads, LED displays, among others. ROHM products are used in various fields such as industrial, automotive, healthcare, infrastructure, computer, and consumer products.

Table 12: ROHM Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	35.4	40.9	41.9	50.3	52.9
Gross Margin	30.6%	30.3%	29.7%	30.1%	30.7%

Source: Maia Research, CareEdge Research

- **ON Semiconductor (Onsemi)**

Particulars	Details
Established	1999
Headquarter	United States
Business Overview	ON Semiconductor is a designer, manufacturer, and supplier of semiconductor products and solutions. The company Issues products under the Power Solutions Group (PSG), Advanced Solutions Group (ASG), and Intelligent Sensing Group (ISG). It serves customers from the automotive, medical, aerospace and defense, industrial, Internet of Things (IoT), communications, 5G and cloud power, wireless, networking, consumer, personal electronics, medical and computing industries.

Table 13: On Semiconductor Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	21.4	25.1	26	28.9	33.7
Gross Margin	30.4%	29.5%	29.1%	28.7%	29.6%

Source: Maia Research, CareEdge Research

- **Vishay Intertechnology**

Particulars	Details
Established	1962
Headquarter	United States
Business Distribution Region	Worldwide
Business Overview	Vishay Intertechnology is a manufacturer of semiconductors and passive electronic components. The company's product portfolio includes MOSFETs, ICs, a wide range of diodes and rectifiers, and different types of optoelectronic products. These products perform the single function of switching, amplifying, rectifying, and transmitting electrical signals. Vishay Issues passive components including resistors, inductors, magnetics, and capacitors. They can be used to store charge, resist current flow, and aid in filtering, surge suppression, measurement, timing, and tuning. Vishay's products and services serve a variety of industries, including automotive, computer, industrial, telecommunications, avionics, military, aerospace, consumer, and medical.

Table 14: Vishay Intertechnology Revenue, Gross Margin and India Market Share

	2018	2019	2020	2021	2022
Value (M USD)	16.6	19.9	20.8	25.9	28.8
Gross Margin	26.1%	26%	25.5%	25.1%	25.6%

Source: Maia Research, CareEdge Research

9. Indian Regulatory Policies and its implication on the industry

Government of India has taken various initiative to build the overall semiconductor ecosystem in the country to ensure India's dependency on imports reduces in the medium-long term. The government has also taken various steps to address the challenges faced by this sector, facilitate scale-up of local manufacturing capacity and increase the availability of skilled manpower required for growth of this sector. Following schemes have been announced by the Government to facilitate growth in semiconductor manufacturing:

9.1 Indian Semi-conductor Mission

Indian Semi-conductor Mission (ISM) is an Independent Business Division of Digital India Corporation. It has all the financial and administrative powers to catalyze the Indian semiconductor ecosystem in manufacturing, packaging and design. It is serving as a nodal agency to efficiently, coherently and smoothly implementing the developmental programme for semiconductor manufacturing ecosystem in India.

Objectives:

- To facilitate adoption of good microelectronics and developing trusted semiconductor supply chain which includes raw materials, specialty chemicals, gases and equipment for manufacturing.
- To enable multi-fold growth of Indian semiconductor design industry by providing required support in the form of Electronic Design Automation (EDA) tools etc.
- To promote and facilitate indigenous Intellectual Property (IP) generation and incentivize transfer of Technologies.
- To enable research in semiconductors and display industry through grants, global collaborations, academia, industry and through establishing Centres of Excellence.

The following 3 schemes have been introduced under the aforesaid programme:

i. **Modified Scheme for setting up of semiconductor fabs in India.**
This scheme aims at attracting large investments for setting up semiconductor wafer fabrication facilities in the country to strengthen the electronics manufacturing ecosystem in India. The Scheme extends a fiscal support of 50% of the project cost on pari-passu basis for setting up of Silicon CMOS based semiconductor fab in India.

ii. **Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging/ OSAT facilities in India**
Under this scheme, fiscal support of up to 50% of the capital expenditure on pari-passu basis is extended for setting up compound semiconductors / silicon photonics / sensors fab / discrete semiconductors fab and semiconductor assembly, testing, marking and packaging/ OSAT facilities in India.

iii. **Modified Scheme for setting up of display fabs in India**
This scheme aims at attracting large investments for manufacturing Thin Film Transistor Liquid Crystal Display (TFT LCD) or Active-Matrix Organic light-emitting diode (AMOLED) based display panels in the country to strengthen the electronics manufacturing ecosystem. Scheme extends fiscal support of 50% of Project Cost on pari-passu basis for setting up of display fabrication facilities (Fabs) in India.

9.2 Semicon India Future Design: Design Linked Incentive (DLI) Scheme

Ministry of Electronics and Information Technology has announced the Design Linked Incentive (DLI) Scheme to offset the challenges in the domestic industry involved in semiconductor design in order to not only move up in value-chain but also strengthen the semiconductor chip design ecosystem in the country. Centre for Development of Advanced Computing (CDAC) is responsible for implementation of the DLI Scheme as Nodal Agency.

The DLI Scheme aims to Issue financial incentives as well as design infrastructure support across various stages of development and deployment of semiconductor design(s) for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design(s) over a period of 5 years in form of an incentive of 4-6% of net sales turnover over 5 years subject to a ceiling of Rs.30 Crore per application.

As on June, 2023, under the Modified Semicon India Programme, the government has decided to invite new applications for setting up of Semiconductor Fabs. The applications will be received by India Semiconductor Mission, the designated nodal agency entrusted with the responsibility of implementing the Modified Semicon India Programme for development of semiconductors and display manufacturing ecosystem in India.

Under the Modified Programme, Fiscal Incentive of 50% of the project cost is available to companies/consortium/joint ventures for setting up of semiconductor fabs in India of any node (including mature nodes). Similarly, fiscal incentive of 50% of the project cost is available for setting up of display fabs of specified technologies in India.

9.3 National Policy on Electronics

The National Policy on Electronics 2019 was announced on February, 2019. The vision of the program is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. To attract and incentivize large investments in the electronics value chain and promote exports, following three schemes have been notified under the aegis of NPE 2019:

Production Linked Incentive Scheme (PLI) for Largescale Electronics Manufacturing was announced on April, 2020 to provide an incentive of 4% to 6% to eligible companies on incremental sales (over base year) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.

The total outlay under the Scheme is Rs. 38,645 crores. Till date, 16 companies including 5 global companies (under category Mobile Phone), 5 domestic companies and 6 companies were approved under the scheme.

After the success of the First Round of PLI Scheme, 2nd round of the PLI Scheme which targeted Specified Electronic Components was announced in March 2021, incentivizing 5% to 3% on incremental sales to eligible companies, for a period of 4 years. A total of 16 companies were approved by the Competent Authority under this scheme. The tenure of the PLI Scheme has been extended by one year i.e. from 2024-25 to 2025-26. Out of total 16 companies, 15 companies opted for extension and has led to total production of more than Rs. 1,67,770 crore including exports of Rs 65,240 crore as of June 2022.

i. **Production Linked Incentive Scheme (PLI) for IT Hardware** was announced in March 2021 to provide an incentive of 4 % to 2 %/1 % on net incremental sales (over base year) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four years. The target segment under this PLI Scheme includes (i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers. Support under the Scheme was to be provided for 4 years from FY22 with FY20 as the base year. Under this scheme, a total of 4 applications from foreign companies have been approved as on March 2021.

ii. **Production Linked Incentive Scheme 2.0 for IT Hardware** was announced in May 2023. Under this scheme, the manufacturing ecosystem for components and sub-assemblies and supply chain **development** is encouraged to be more localized in the country. Additionally, the scheme is expected to increase flexibility and options for applicants and is given on incremental sales and investments thresholds to further incentivise growth. Semiconductor design, IC manufacturing, and packaging are also included as incentivised components under the scheme.

- The PLI Scheme 2.0 for IT Hardware was approved with a budgetary outlay of Rs 17,000 crore.
- The scheme is expected to lead to total production of about Rs. 3.35 lakh crore, bring an additional investment of Rs. 2,430 crores in electronics manufacturing and will lead to generation of 75,000 additional direct jobs.
- The Scheme will promote large scale manufacturing in Laptops, Tablets, All-in-One PCs, Servers and Ultra Small Form Factor (USFF) devices and contribute significantly to achieve electronics manufacturing turnover of approximately USD 300 billion by 2025-26.
- Approved applicants of existing PLI will be allowed to apply under PLI 2.0.
- The scheme has three category of applicants, namely global companies, hybrid (global/domestic) companies and domestic companies.

iii. **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) was** announced in April 2020 to provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic **products**, i.e. electronic components, semiconductor/display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods.

As on February 28, 2022, the Executive Committee (EC) has approved 23 applications with total project outlay of Rs. 6,816 crore and committed incentives of Rs 1,245 crore.

iv. **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme** was announced in April, 2020 to provide support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds/Plug and Play facilities for attracting **major** global electronics manufacturers along with their supply chain to set up units in the country. The scheme provides financial assistance for setting up of both Electronics Manufacturing Clusters (EMCs) projects and Common Facility Centres (CFCs) across the country.

As on March 2023, three EMCs over an area of 1,337 acres with project cost of Rs 1,903 crore, including central financial assistance of Rs 889 crore have been approved which projected investment target of Rs 20,910 crore.

v. **Program for Development of Semiconductors and Display Manufacturing Ecosystem**: India **Semiconductor** and Display Manufacturing Ecosystem Development Plan was announced in December 2021, under which Rs 760 Bn (USD 10 Bn) is to be spend to develop a sustainable semiconductor and display manufacturing ecosystem in India. The USD 10 Bn fund is to be provided over six years and is expected to bring in investments of up to Rs 1,700 Bn. Overall, the program will provide attractive motivation and support to companies engaged in silicon semiconductor fabs, display fabs, compound semiconductor/silicon photonics/sensors fabs, semiconductor packaging, and semiconductor design and manufacturing. Among other goals, India wants to build at least two greenfield semiconductor factories and two display factories under this scheme.

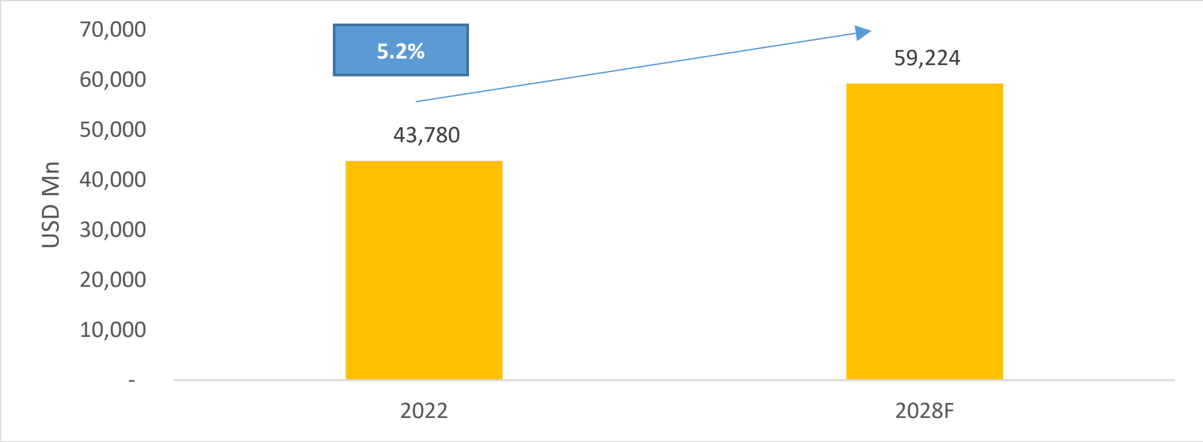
As on February 28, 2022, the Executive Committee (EC) has approved 23 applications with total project outlay of Rs.6,**816** crore and committed incentives of Rs 1,245 crore. The total employment generation potential of the approved applications is 29,021.

10. Outlook

10.1 Global Opto-semiconductor Industry

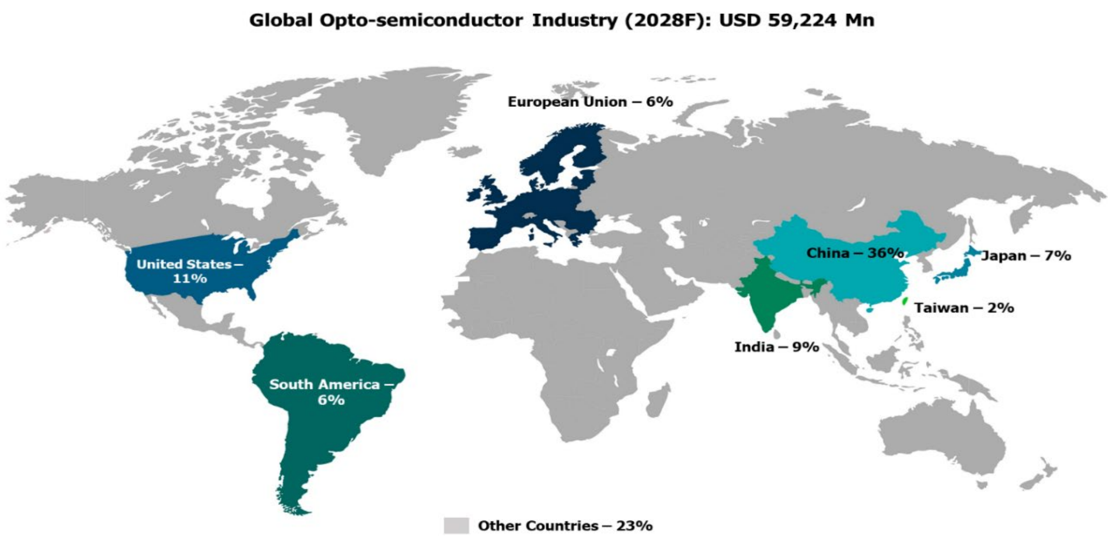
The global opto-semiconductor industry is expected to reach USD 59,224 Mn by 2028, growing at a CAGR of 5.2% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally.

Chart 39: Global Opto-semiconductor market value forecast for 2028



F- Forecasted
Source: Maia Research, CareEdge Research

Chart 40: Region-wise market share for 2028



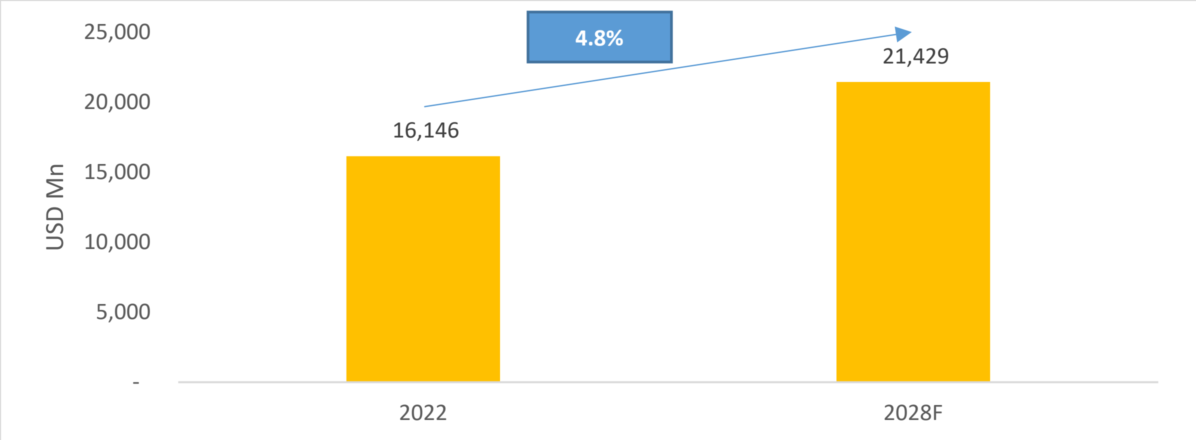
F- Forecasted
Source: Maia Research, CareEdge Research

10.1.1 Region-wise Outlook

- **China**

The Opto-semiconductor market in China is expected to reach USD 21,429 Mn by 2028 from USD 16,146 Mn in 2022, growing at a CAGR of 4.8%.

Chart 44: Opto-semiconductor market value of China Forecast for 2028

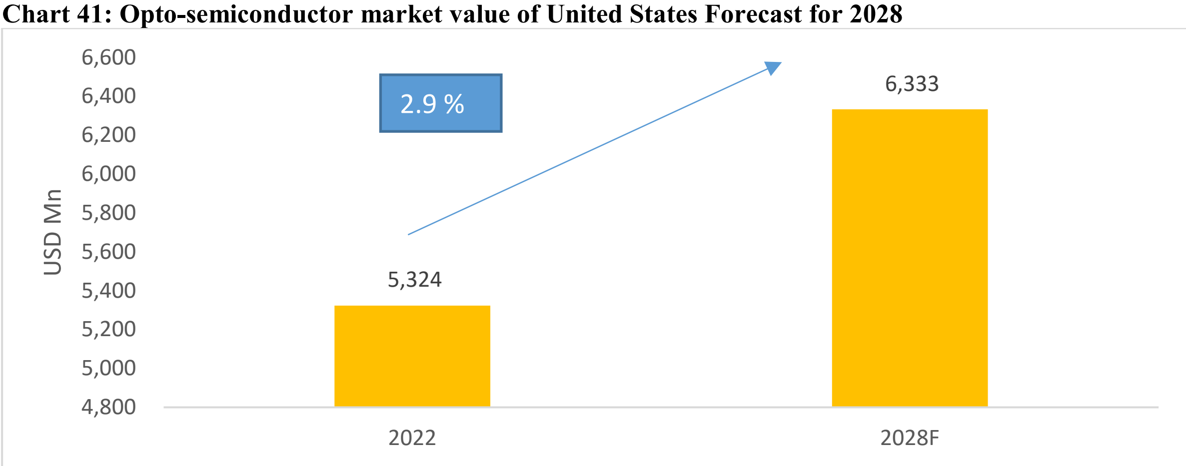


F- Forecasted
Source: Maia Research, CareEdge Research

- **United States**

The Opto-semiconductor market in United States is expected to reach USD 6,333 Mn by 2028 from USD 5,324 Mn in 2022, growing at a CAGR of 2.9%.

Chart 41: Opto-semiconductor market value of United States Forecast for 2028

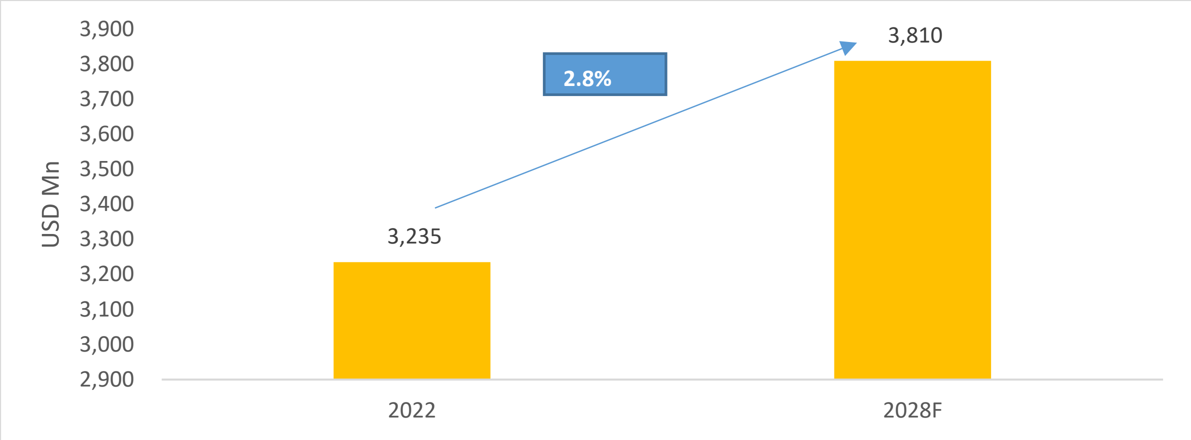


F- Forecasted
Source: Maia Research, CareEdge Research

- **European Union**

The Opto-semiconductor market in European Union is expected to reach USD 3,810 Mn by 2028 from USD 3,235 Mn in 2022, growing at a CAGR of 2.8%.

Chart 42: Opto-semiconductor market value of European Union Forecast for 2028

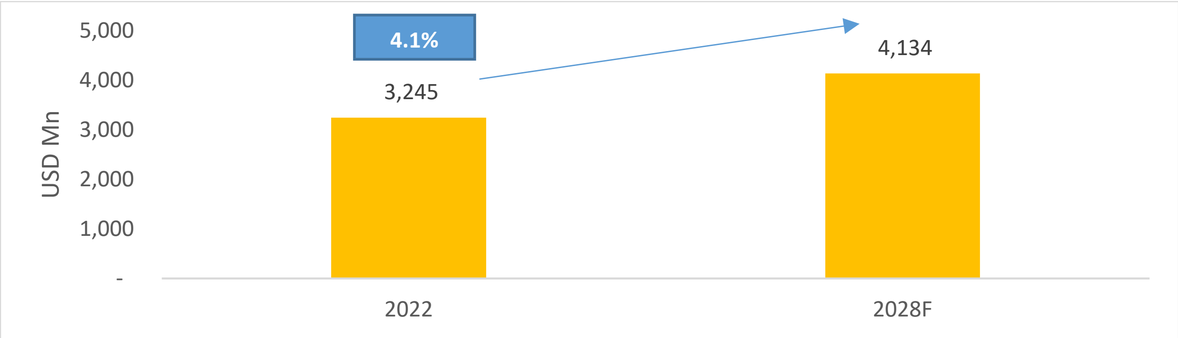


F- Forecasted
Source: Maia Research, CareEdge Research

- **Japan**

The Opto-semiconductor market in Japan is expected to reach USD 4,134 Mn by 2028 from USD 3,245 Mn in 2022, growing at a CAGR of 4.1%.

Chart 47: Opto-semiconductor market value of Japan Forecast for 2028

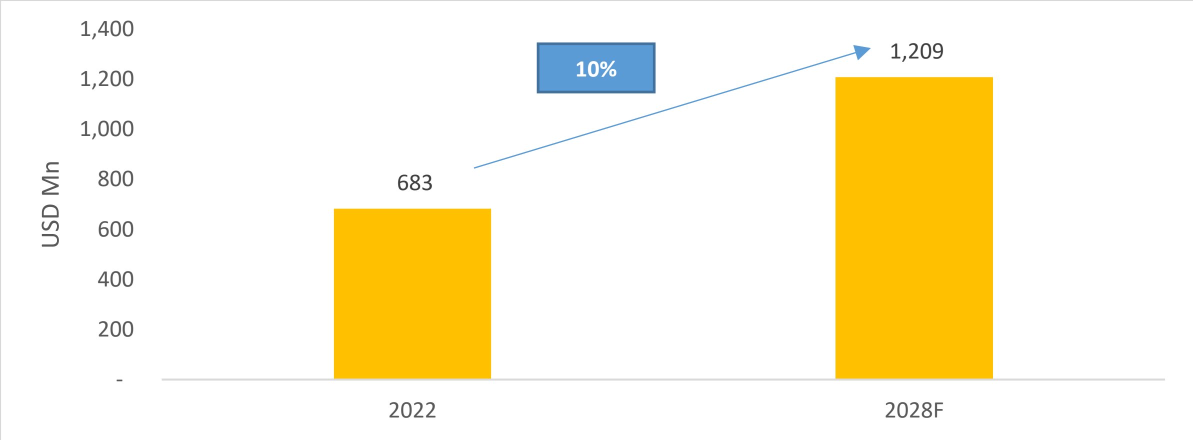


F- Forecasted
Source: Maia Research, CareEdge Research

- **Taiwan**

The Opto-semiconductor market in Taiwan is expected to reach USD 1,209 Mn by 2028 from USD 683 Mn in 2022, growing at a CAGR of 10.0%.

Chart 43: Opto-semiconductor market value of Taiwan Forecast for 2028

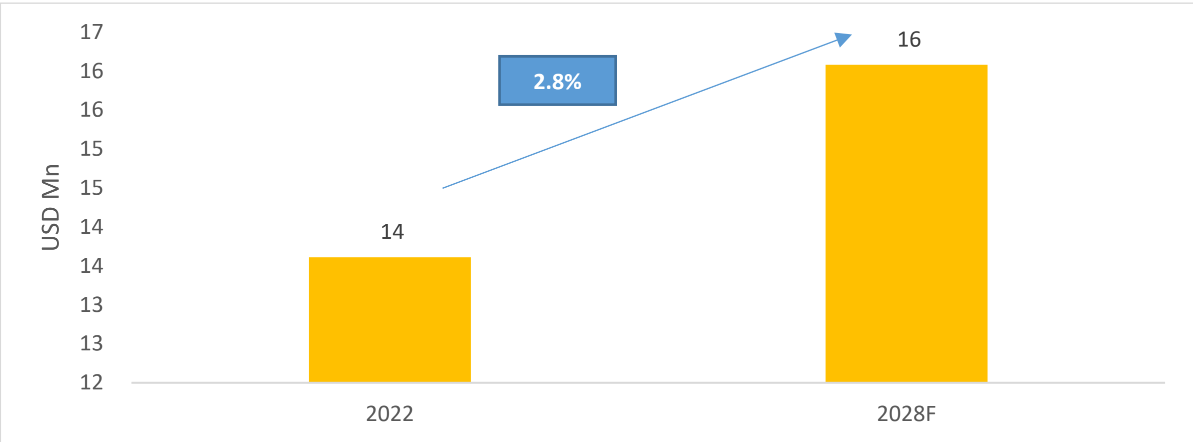


F - Forecasted
Source: Maia Research, CareEdge Research

- **Finland**

The Opto-semiconductor market in Finland is expected to reach USD 16.1 Mn by 2028 from USD 13.6 Mn in 2022, growing at a CAGR of 2.8%.

Chart 44: Opto-semiconductor market value of Finland Forecast for 2028

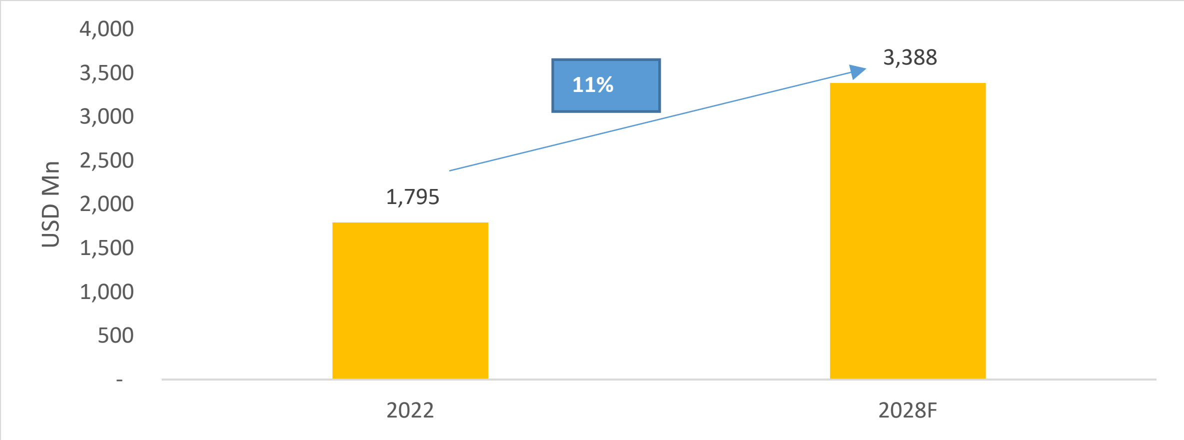


F- Forecasted
Source: Maia Research, CareEdge Research

- **South America**

The Opto-semiconductor market in South America is expected to reach USD 3,388 Mn by 2028 from USD 1,795 Mn in 2022, growing at a CAGR of 11%.

Chart 45: Opto-semiconductor market value of South America Forecast for 2028

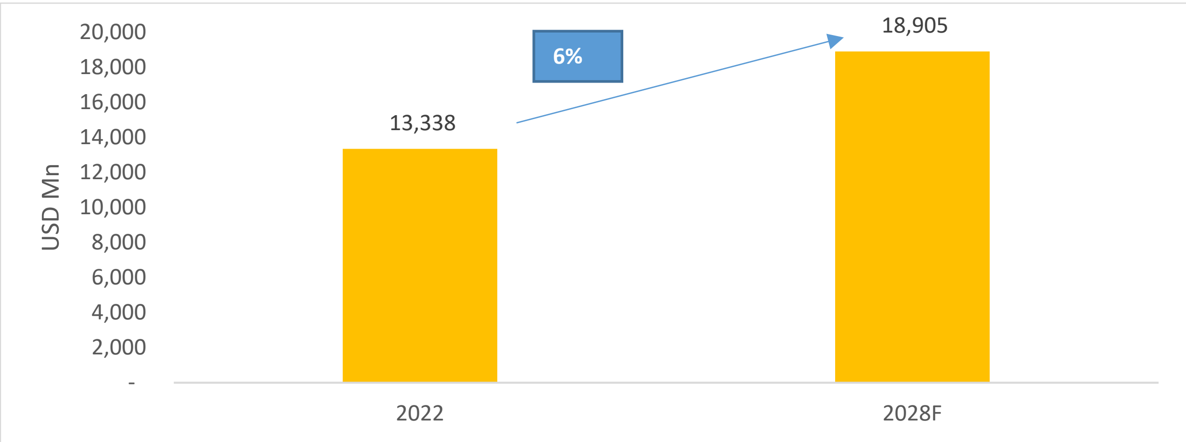


F- Forecasted
Source: Maia Research, CareEdge Research

- **Others countries**

The Opto-semiconductor market in other countries is expected to reach USD 18,905 Mn by 2028 from USD 13,338 Mn in 2022, growing at a CAGR of 6%.

Chart 46: Opto-semiconductor market value of other countries Forecast for 2028



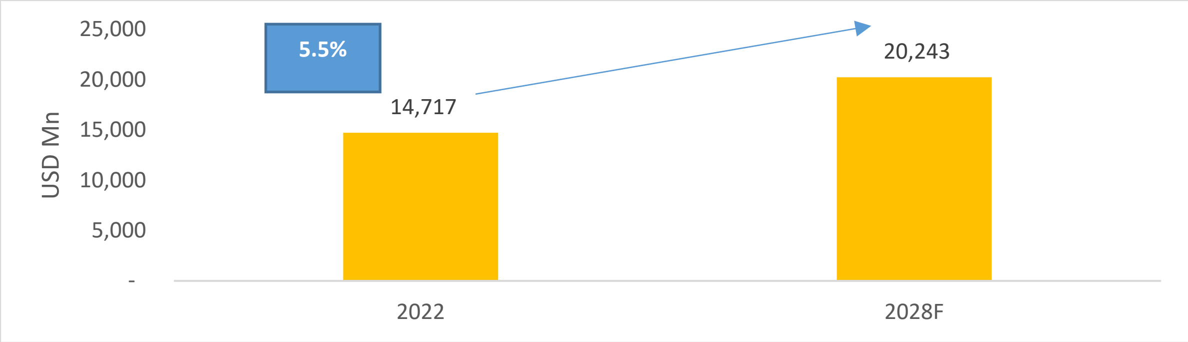
F- Forecasted
Source: Maia Research, CareEdge Research

10.1.2 Application-wise Outlook

- **Large Area Lighting**

The opto-semiconductor market for large area lighting is expected to reach USD 20,243 Mn by 2028 from USD 14,717 Mn in 2022, growing at CAGR of 5.5%.

Chart 47: Global Opto-semiconductor market value for Large Area Lighting Forecast for 2028

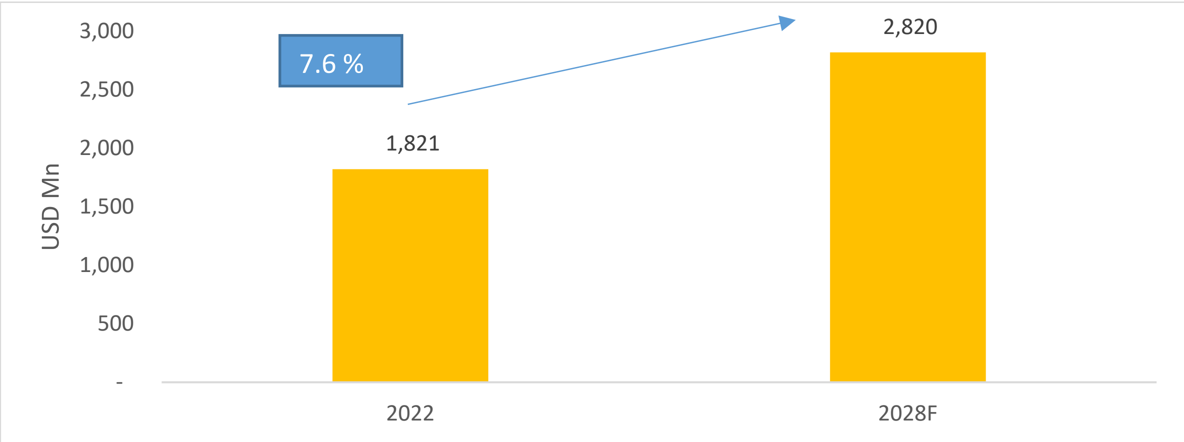


F- Forecasted
Source: Maia Research, CareEdge Research

- **Medical Applications**

The opto-semiconductor market for medical applications is expected to reach USD 2,820 Mn by 2028 from USD 1,821 Mn in 2022, growing at CAGR of 7.6%.

Chart 48: Global Opto-semiconductor market value for medical applications Forecast for 2028

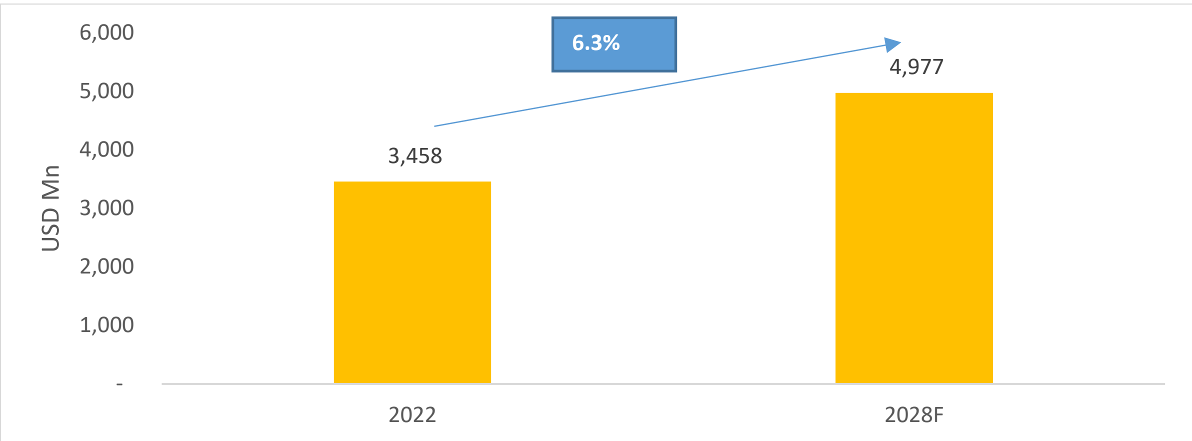


F- Forecasted
Source: Maia Research, CareEdge Research

- **Automobiles**

The opto-semiconductor market for automobiles is expected to reach USD 4,977 Mn by 2028 from USD 3,458 Mn in 2022, growing at CAGR of 6.3%.

Chart 49: Global Opto-semiconductor market value for Automobiles Forecast for 2028

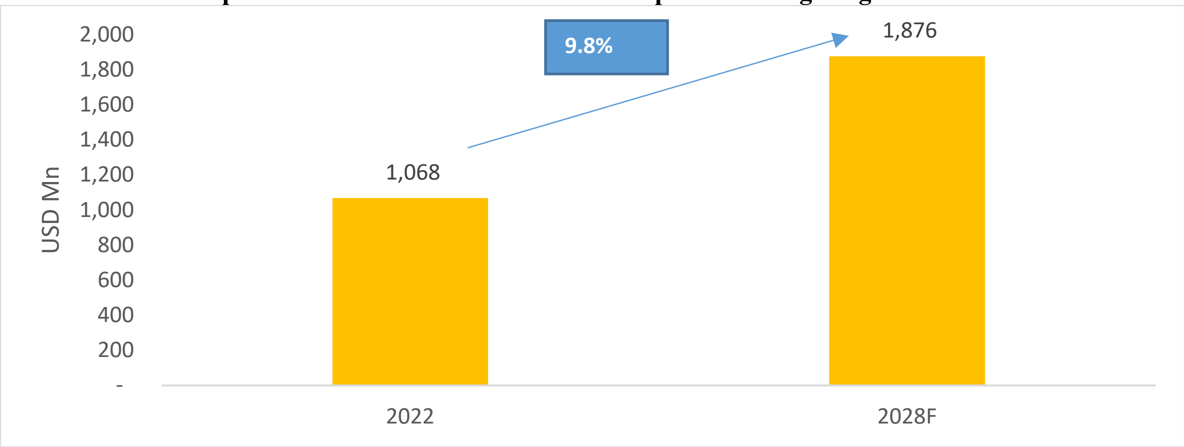


F- Forecasted
Source: Maia Research, CareEdge Research

- **Specialized Lighting**

The opto-semiconductor market for specialized lightings is expected to reach USD 1,876 Mn by 2028 from USD 1,068 Mn in 2022, growing at CAGR of 9.8%.

Chart 50: Global Opto-semiconductor market value for Specialized Lighting Forecast for 2028

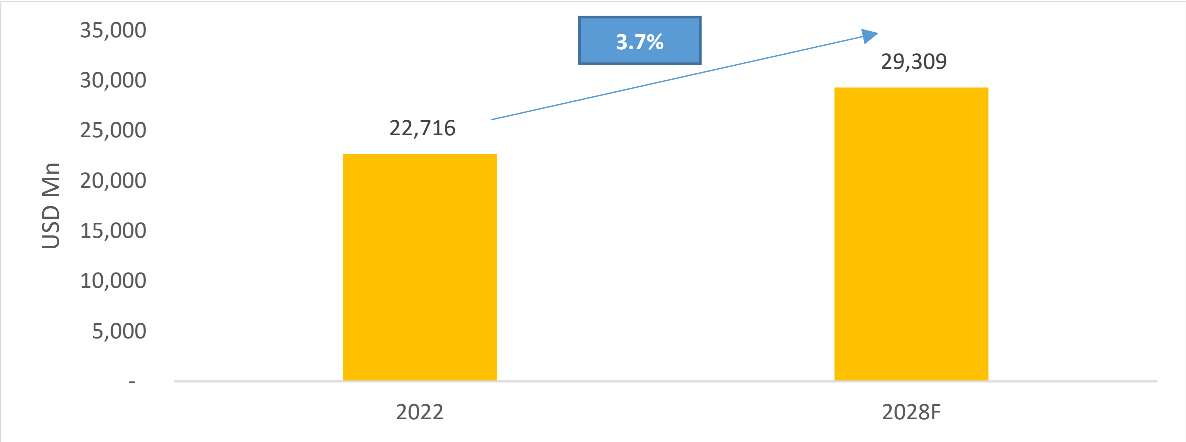


F- Forecasted
Source: Maia Research, CareEdge Research

- **Others**

The opto-semiconductor market for other applications is expected to reach USD 29,309 Mn by 2028 from USD 22,716 Mn in 2022, growing at CAGR of 3.7%.

Chart 51: Global Opto-semiconductor market value for other application Forecast for 2028

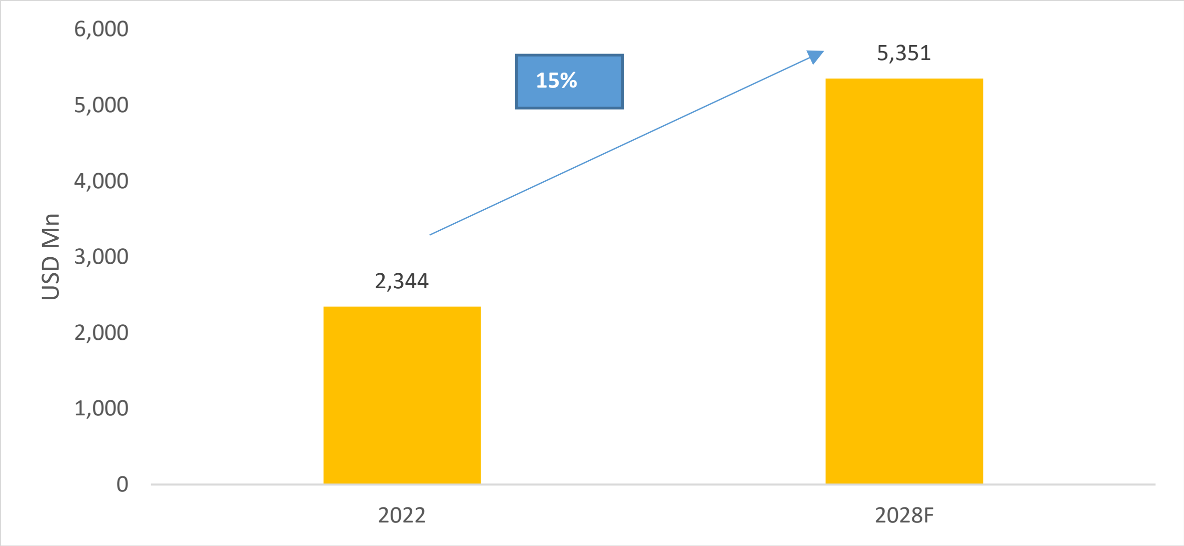


F- Forecasted
Source: Maia Research, CareEdge Research

10.2 Indian Opto-semiconductor Industry

The market of opto-semiconductor in India is expected to reach USD 5,351 Mn by 2028, growing at a CAGR of 15% from 2022 to 2028. The developments in this sector are expected to be driven by increased investment, supportive policies by the Government and increase in demand by the end-user industries.

Chart 52: Opto-semiconductor market value Forecast for 2028



F- Forecasted
Source: Maia Research, CareEdge Research

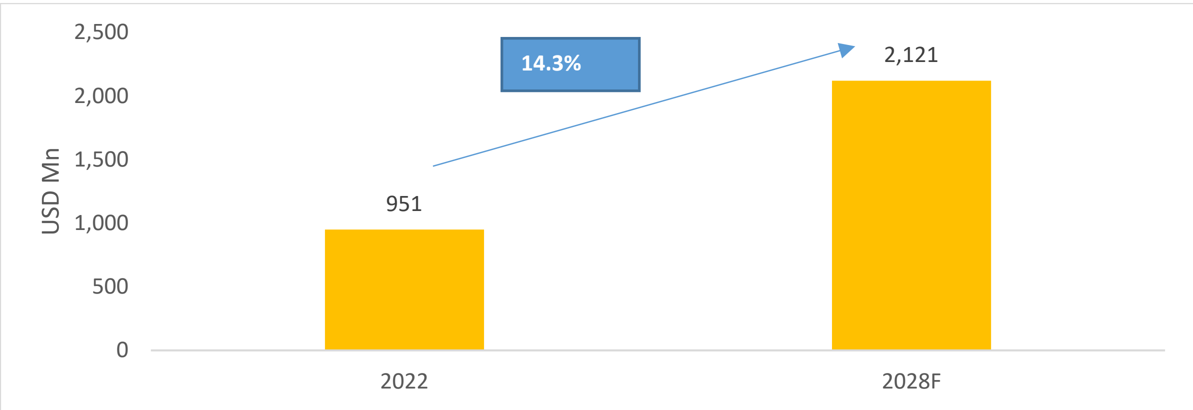
10.2.1 Product-wise Outlook in India

Outlook for the different types of opto-semiconductors in India are as follows

- **Light Emitting Diode (LED)**

The Light Emitting Diode market is expected to reach USD 2,121 Mn by 2028 from USD 951 Mn in 2022, growing at a CAGR of 14.3%.

Chart 53: LED market value Forecast for 2028

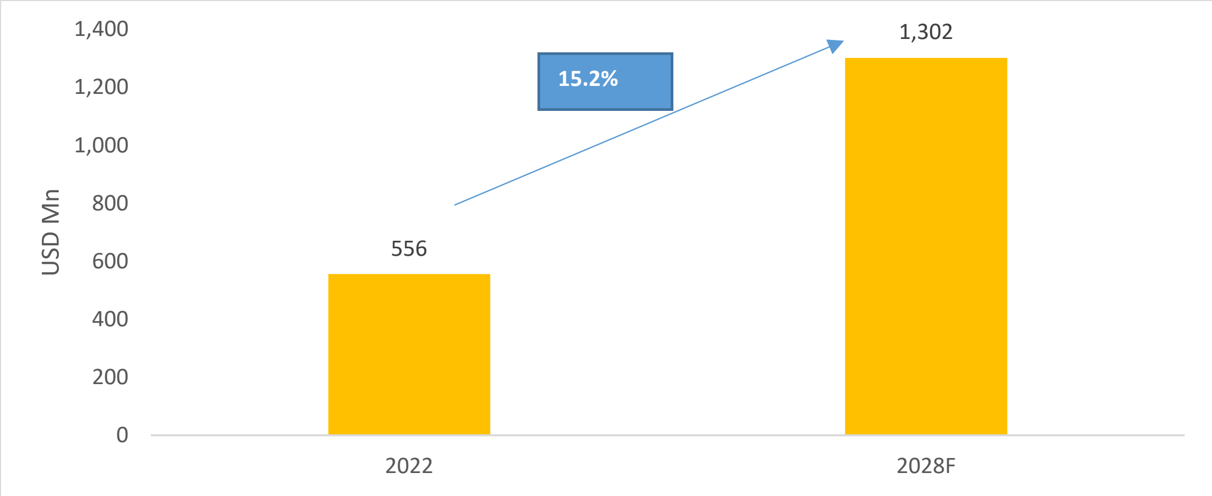


F- Forecasted
Source: Maia Research, CareEdge Research

- **Image Sensor**

The Image sensor market is expected to reach USD 1,302 Mn by 2028 from USD 556 Mn in 2022, growing at CAGR of 15.2%.

Chart 54: Image Sensor market value Forecast for 2028

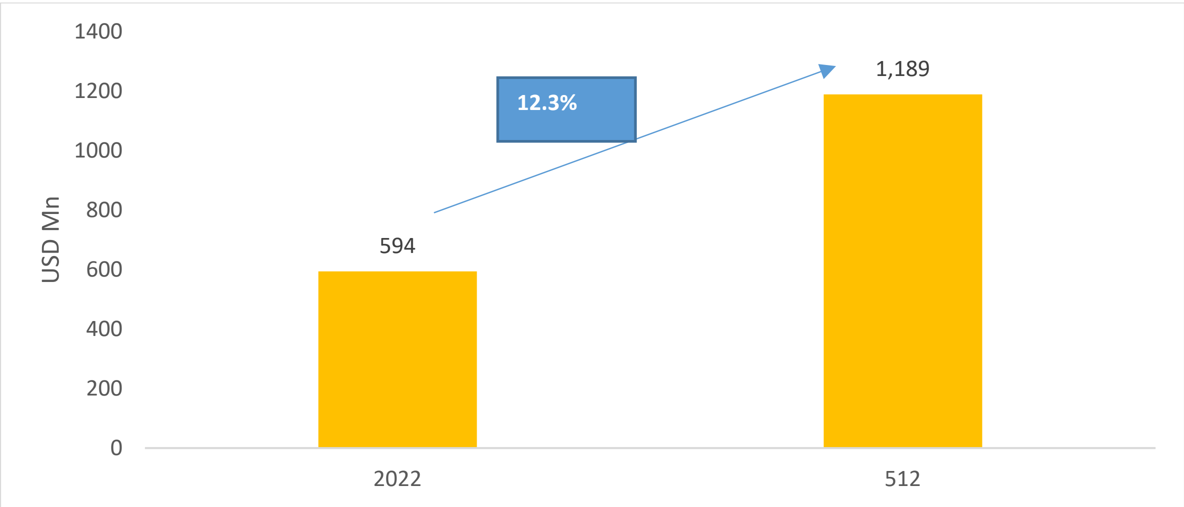


F- Forecasted
Source: Maia Research, CareEdge Research

- **Opto-coupler**

The Opto-coupler market is expected to reach USD 1,189 Mn by 2028 from USD 594 Mn in 2022, growing at CAGR of 12.3%.

Chart 55: Opto-coupler market value Forecast for 2028

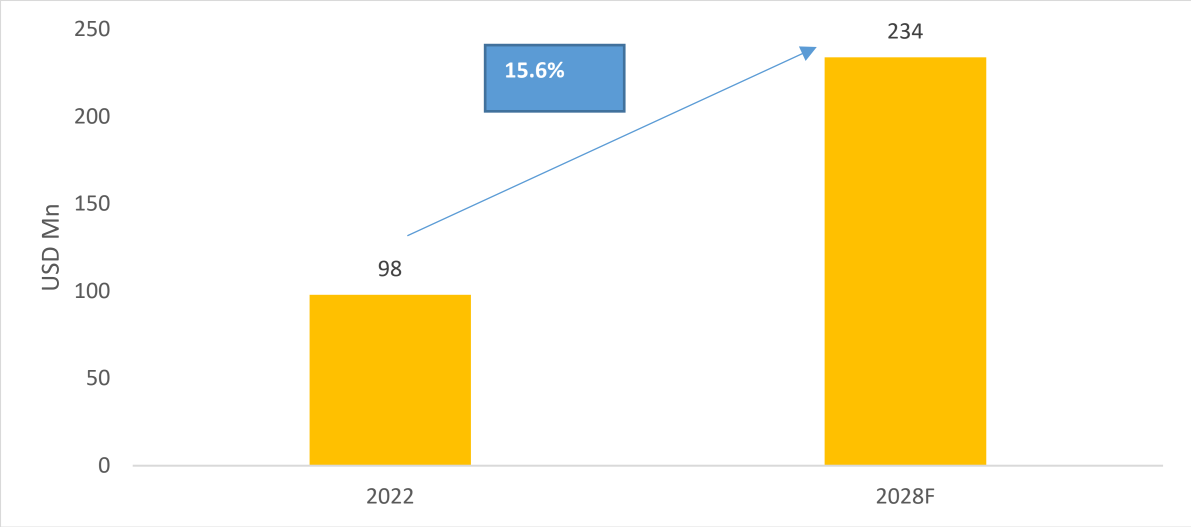


F- Forecasted
Source: Maia Research, CareEdge Research

- **Laser Diode**

The Laser Diode market is expected to reach USD 234 Mn by 2028 from USD 98 Mn in 2022, growing at CAGR of 15.6%.

Chart 56: Laser Diode market value Forecast for 2028

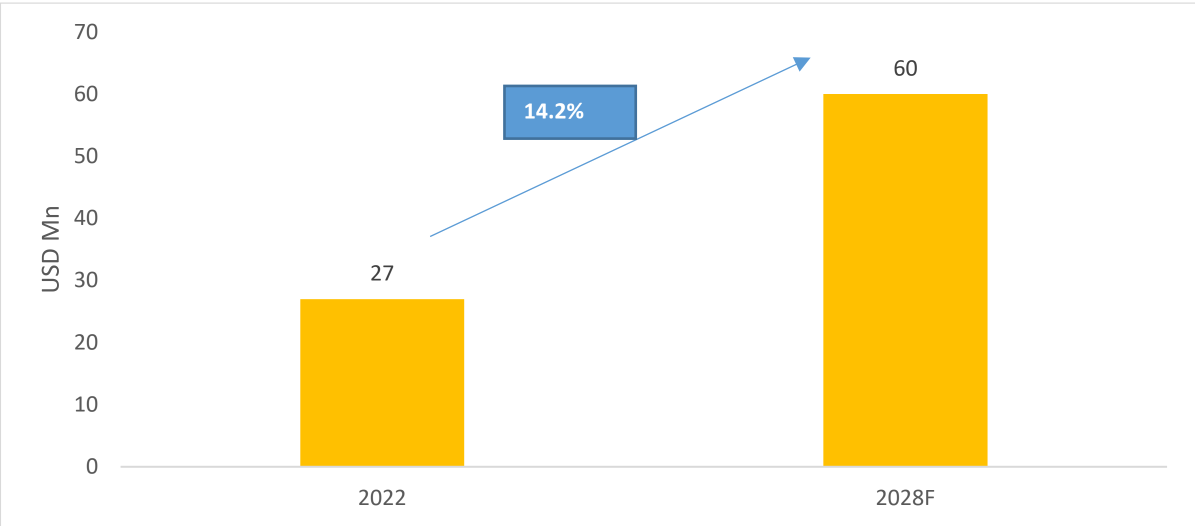


F- Forecasted
Source: Maia Research, CareEdge Research

- **Infrared Receiver**

The Infrared Receiver market is expected to reach USD 60 Mn by 2028 from USD 27 Mn in 2022, growing at CAGR of 14.2%.

Chart 57: Infrared Receiver market value Forecast for 2028



F- Forecasted
Source: Maia Research, CareEdge Research

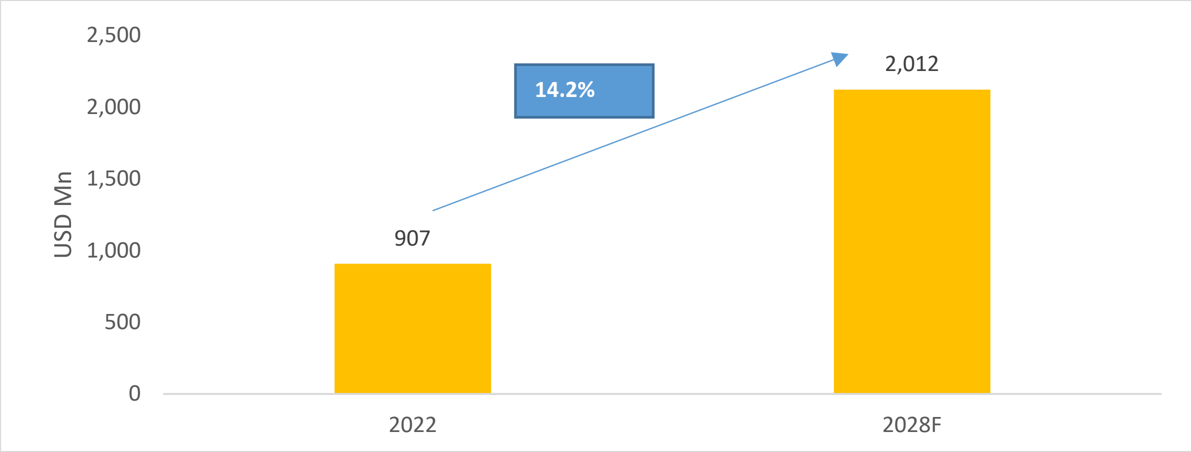
10.2.2 Application-wise outlook

Application-wise growth outlook for the Indian opto-semiconductors industry is as follows.

- **Lighting**

The opto-semiconductor market for lighting industry is expected to reach USD 2,012 Mn by 2028 from USD 907 Mn in 2022, growing at CAGR of 14.2%.

Chart 58: Lighting market value Forecast for 2028

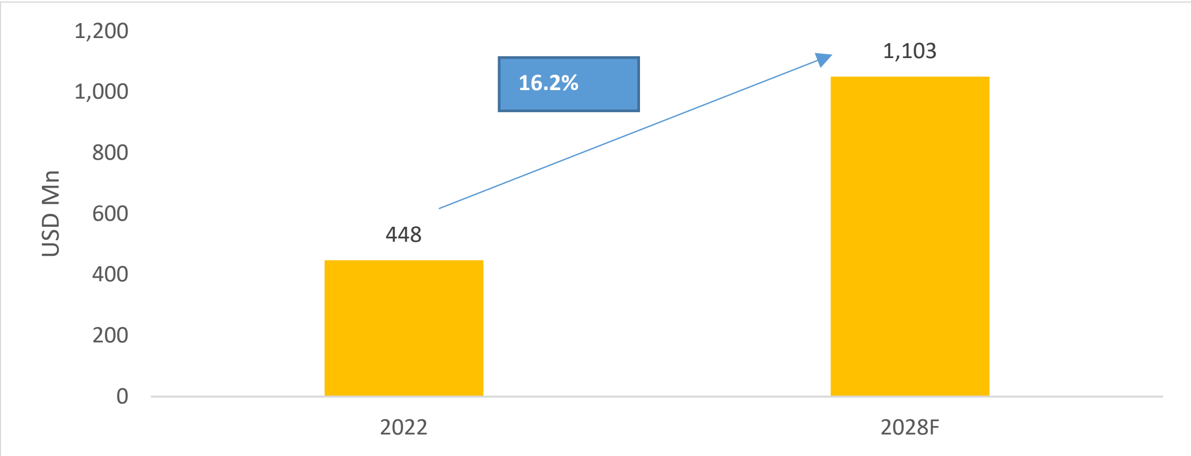


F- Forecasted
Source: Maia Research, CareEdge Research

- **Smartphone**

The opto-semiconductor market for smartphone industry is expected to reach USD 1,103 Mn by 2028 from USD 448 Mn in 2022, growing at CAGR of 16.2%.

Chart 59: Smartphone market value Forecast for 2028

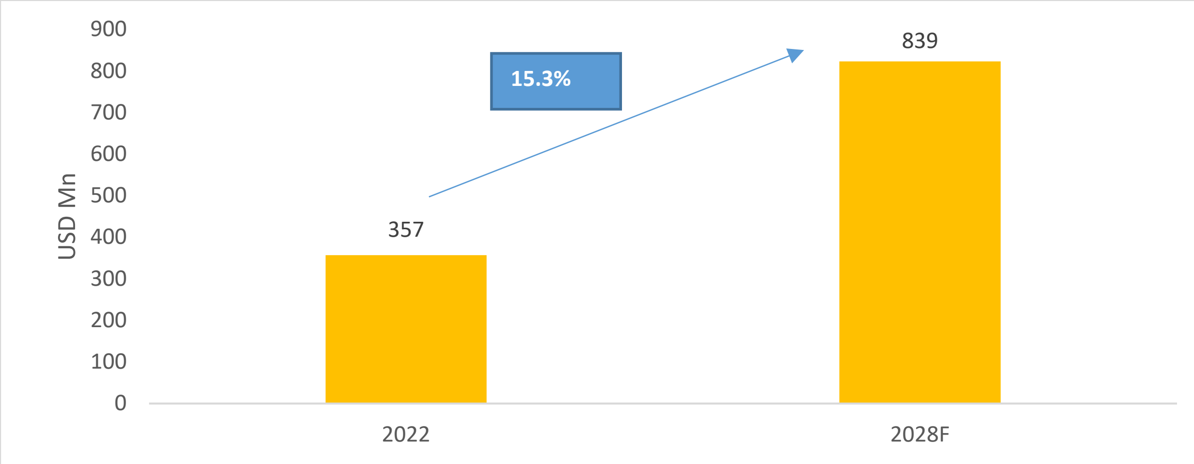


F- Forecasted
Source: Maia Research, CareEdge Research

- **Computing and Data centres**

The opto-semiconductor market for computing and data centre industry is expected to reach USD 839 Mn by 2028 from USD 357 Mn in 2022, growing at CAGR of 15.3%.

Chart 60: Computing and Data centres market value Forecast for 2028

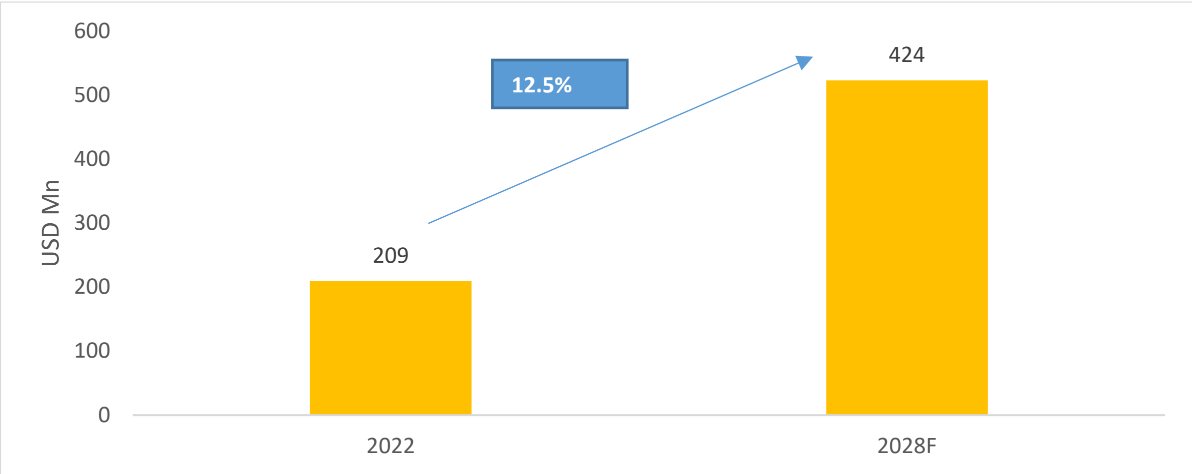


F- Forecasted
Source: Maia Research, CareEdge Research

- **Automobile**

The opto-semiconductor market for automobile industry is expected to reach USD 424 Mn by 2028 from USD 209 Mn in 2022, growing at CAGR of 12.5%.

Chart 61: Automobile market value Forecast for 2028

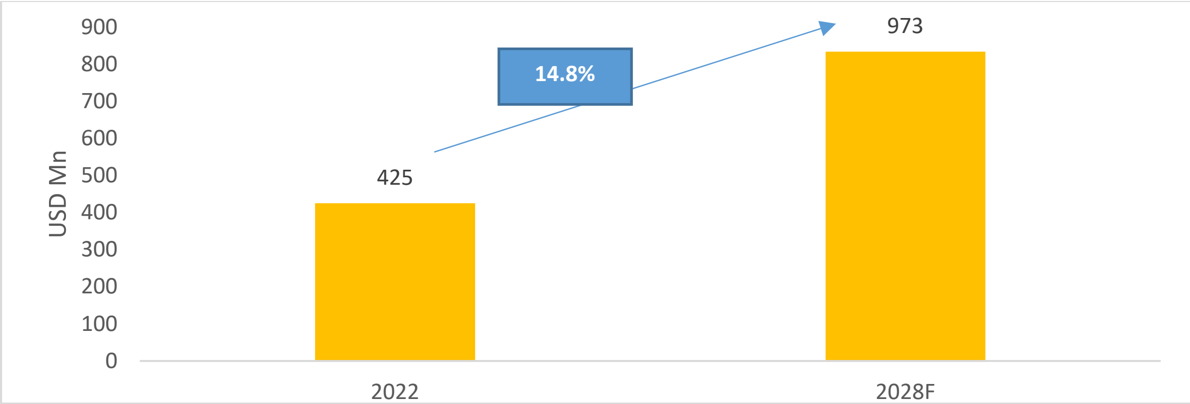


F- Forecasted
Source: Maia Research, CareEdge Research

- **Others**

The market size of opto-semiconductors used in other industries consisting of medical, telecommunication, consumer durables etc. is expected to reach USD 973 Mn by 2028 from USD 425 Mn in 2022, growing at CAGR of 14.8%.

Chart 67: Others market value Forecast for 2028



F- Forecasted
Source: Maia Research, CareEdge Research

OUR BUSINESS

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 22 *of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages* 32 and 295, *respectively of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.*

Unless otherwise indicated, industry and market data used in this section has been derived from the CARE Edge Report, which has been commissioned and paid for by us in connection with the Issue. The data included herein includes excerpts from the CARE Edge Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Edge Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. See "Risk Factors – Internal Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the CARE Edge Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" and "Industry Overview" on pages 18 and 116, respectively. The CARE Edge Report is also available at our Company's website at https://polymatech.in/industry-research-report.php.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to Polymatech Electronics Limited.

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included herein have been derived from our restated balance sheets as at March 31, 2023, March 31, 2022 and March 31, 2021, and our restated statements of profit and loss, cash flows and changes in equity for the fiscal years ended March 31, 2023 March 31, 2022 and March 31, 2021 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.

Overview

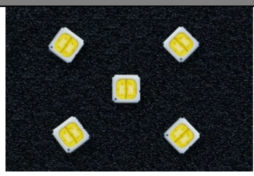
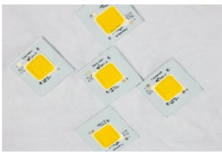
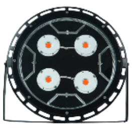
Our Company, Polymatech, is India's first opto-semiconductor chips manufacturer *(source: CARE Edge Report)*, beginning with opto-semiconductor chips production in 2019 by using latest European and Japanese technologies to provide quality products to meet international standards. Our products are present in areas where photonics, or the science of light waves, play a significant role. As on the date of this Draft Red Herring Prospectus, our products are divided into two categories (i) Fully packaged Opto-Semiconductor Chips in the form of COB, HTCC, MLCC, LTCC, etc. "Opto-Semiconductor Chips" or "Chips" and (ii) Luminaries. Our state-of-the-art manufacturing facility is located in Tamil Nadu at SIPCOT (State Industries Promotion Corporation of Tamil Nadu Limited) Hi-Tech SEZ (Special Economic Zone), Oragadam, Sriperumbudur, Kancheepuram, Tamil Nadu. We have also purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant.

We are involved in the designing, fabricating, manufacturing, packaging and assembly of opto-semiconductor chips in house which are sold directly to our customers as well as used in our luminaries assembly.

We are focused on providing superior quality semiconductor chips, and luminaries that consume less energy, generate less heat and still more efficient to help the world meet its sustainability goals. Our customers include multi-national corporations some of which are Fortune 1000 companies. Our luminaries are installed at various factories including Shin-Etsu, Japan, Vishay Precision Group, Stanley, Lohman, Okaya, Japan, AMRL Hitech City (JV with Tamil Nadu Industrial Development Corporation Limited), ASPEN Infra (formerly Suzlon Infrastructure Ltd), Mori Mura, Japan; airports such as Coimbatore airport of Everrise Electric; Stadiums such as Sawai Mansingh Stadium; gurudwaras such as Banglasaheb, New Delhi and temples such as Parthasarathi Temple, Chennai.

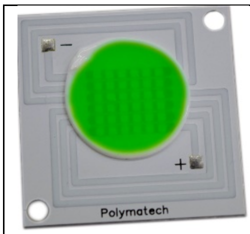
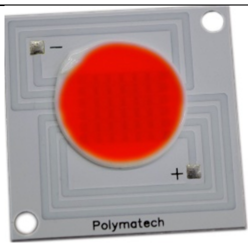
Semiconductors industry is divided into four stages primarily – (i) design, (ii) fabrication, (iii) packaging and (iv) assembly into final product. We primarily operate in design and packaging stage. Presently, the assembly into final product is done only for the luminaries used in large area lighting. Our key product wise revenue is set out below:

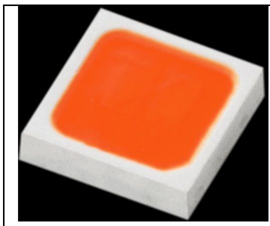
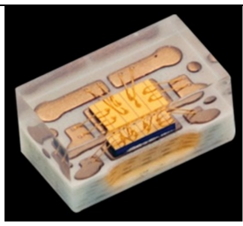
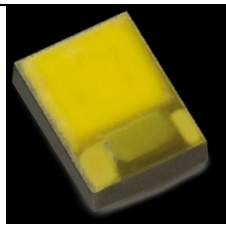
(₹ in Lakh)

Particulars	Product Pictures	Period / Fiscal Ended		
		March 31, 2023	March 31, 2022	March 31, 2020
Opto-semiconductor Chips	   	48,102.00	12,587.31	4,501.37
Luminaries :	   	16,800.00	-	-
Total		**64,902.00**	**12,587.31**	**4,501.37**

Apart from the above products we have also developed and completed trials of multiple other products as mentioned below –

- Photosynthesis lighting for horticulture
- Aquaculture lighting
- UV light for operation theaters for surgeries
- Sanitization Lighting for food processing industry
- Lights used in Endoscopy and Laparoscopy equipment
- Li – Fi (Light fidelity) equipment for transmitting data through light

 Our Opto-Semiconductor Chip for Aquaculture	 Our Opto-semiconductor Chip for Horticulture	 Our Opto-semiconductor Chip for Medical Equipments

		
Our Opto-semiconductor Chip producing Infrared light.	Our Opto-Semiconductor Chips compatible to produce UV-A, UV-B and UV-C lights.	Our Chip-Scale Package

We are an innovative company that focuses on Research and Development. All of our products are developed in house by our R&D team at Oragadam, Kancheepuram, Tamil Nadu plant. Our R&D department focuses on product designing, tools designing, electronic circuit designing and also has the facility for RPT (Rapid Prototyping). Our R&D department independently develops opto-semiconductor designs and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. Our R&D department is divided into two segments headed (i) Development of chips used in the medical applications such as endoscope, leproscope, UV-C lights, etc.; headed by Mr. Hidenobu Hitotsumatsu, (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishaal Nandam. In April 2019, we successfully developed and produced first semi-conductor chip. We further enhanced our installed capacity from 150 mpa chips (Opto-semiconductor Chips) in Fiscal 2020 to 300 mpa chips in Fiscal 2023. As on the date of this Draft Red Herring Prospectus, we are in the process to enhance our capacity further. Since the initiation of production, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. Our luminaries currently focus on large area lighting, industrial appliances. We expect that our chips for medical applications, aquaculture, horticulture, sanitization and data transmission will be ready for commercial supply by the end of this financial year. Also, our Promoter, Mr. Vishaal Nandam has applied for twenty-five trademarks (all products-related) on September 18, 2023 with the trademarks registry. Our Company plans to enter into Trademark License Agreement for these twenty-five Trademarks. For further details, see '- *Intellectual Property*' on page 195.

In Luminaries, we have completed our research and successful trials for our own drivers. We have also received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our driver which is valid till September 13, 2025. We also design the fixtures but the casting and related operations are outsourced as they are low value added activities.

In our manufacturing operations, we aim to adopt the best available environment, health and safety practices. Our manufacturing facility in Oragadm, Kancheepuram, Tamil Nadu is a *white labeled* manufacturing plant as per the directive and board proceedings of Central Pollution Control Board and directive of Tamil Nadu Pollution Control Board.

We have promoters with technological knowhow and experienced management team. Our promoter, Mr. Eswara Rao Nandam, has over three decades of experience in electronic components manufacturing, auto mobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, integration of self-developed software and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organisations such as Rane Group, Hero group, Pricol, Nokia, Suzlon, GMR, etc. A life member of India Institute of Plant Engineers, Mr. Eswara Rao Nandam has studied M. Tech in Manufacturing Engineering from BITS Pilani, is a Six Sigma practitioner who has acquired multiple other certifications such as 'Lean Manufacturing' from Leancost Solutions, 'Certified System Integrator' from Allen Bradley, CNC Training from Siemens, among others. Mr. Vishaal Nandam who heads the Research and Development division for design and development of chips has over 5 years of experience in electronics and semiconductors. After graduating in B. Tech from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre. He completed 'Embedded Systems Internship Program' by Simple Labs, secured top ranks in competitions such as 'Modelling & Animation of Mechanical Parts' held by SAEINDIA. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world's largest CAD training network. He is also certified VFX Professional and holds certificates in 3D Max, Advanced Animation (Maya) from Arena Animation. He also holds learnt Robot Operation & Programming Arc Tool from FANUC.

We have one facility located in Oragadam (Kancheepuram), Tamil Nadu and we are in the process to setup our second plant in Krishnagiri, Tamil Nadu which we purchased as BTS (Built to Suit) facility through a sale deed dated August 22, 2023. As on the date of Draft Red Herring Prospectus, all the chip manufacturing and the luminaries assembly is conducted in Oragadam (Kancheepuram), Tamil Nadu plant with the help of two lines of machinery imported from Japan/ USA with a capacity of 300 mpa chips which enable us in bringing efficiencies and economies of scale. Our modern and state-of-art manufacturing facility at Oragadam (Kancheepuram), Tamil Nadu, is equipped with high quality machinery inside class 10,000 clean room – (for maintaining humidity and temperature at certain levels) and based on an anti-static floor to avoid the generation of any kind of static electricity. The clean room is cooled by centralized dual air conditioning units of two 200 TR each. Our manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. For 100% power backup, we have installed three gensets of capacity 125 KVA, 200 KVA and 500 KVA. Also, as per the Memorandum of Understanding dated February 26, 2021, signed by government of Tamil Nadu and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis.

Brief History on Takeover of our Company by our Current Promoters :-

Polymatech Electronics Limited was formed in the year 2007 as a foreign company, owned and promoted by foreign shareholders, under the name and seal of Polymatech Electronics Private Limited with the object of manufacturing components and parts for electronics and electrical equipments of every description including mobile phones, car and home appliances multimedia equipments, sale and service thereof and related business. The 'initial promoters' or the 'previous promoters' of our company were Polymatech Co. LTD., Japan, and Polymatech (Malaysia) SDN. BHD., Malaysia. The initial promoters constructed the current structure of plant building in May 2009 along with the machineries installed to produce rubber parts, plastic parts with assembly capacity. An official plant opening ceremony was held on September 02, 2009 and the plant was jointly inaugurated by Industries Secretary, Tamil Nadu and Consul General of Japan in Chennai. The major product which was sold by our company was rubber sheet for mobile applications or the 'rubber keypads'. However, the company suspended its production operations effective December 2010 due to falling demand for its products.

In the year 2012, the previous promoters of our company started looking for a prospective buyer for the business and / or land, building and equipments. Polymatech Co. Ltd., Japan, the ultimate holding company was providing the requisite financial and operational support to enable the Company to settle its debts and meet its financial obligations. Further, the financial statements for the year ending March 31, 2012, did not assume the going concern principle and were prepared on liquidation basis.

In the year 2016, Mr. Eswara Rao Nandam through a recently incorporated company, Sensa Integrated Township SDN. BHD., entered into a Share Purchase Agreement dated December 07, 2016, with our company and the then foreign shareholders, to acquire our company. The Share Purchase Agreement was subsequently amended on November 28, 2017 to replace Sensa Integrated Township SDN. BHD. with our promoters Mr. Eswara Rao Nandam and Ms. Uma Nandam in their individual capacities. Under the terms of the agreement(s), Polyma Asset Management Co. LTD., Japan (the holdings of Polymatech Co. LTD, Japan, were transferred to Polyma Asset Management Co. LTD, Japan) and M/s. Polymatech Malaysia SDN. BHD., who held the entire share capital in the Company, agreed to transfer the shares held by them to Mr. Eswara Rao Nandam (52.20 %) and Ms. Uma Nandam (47.80 %) for consideration as stated in the SPA.

Our Company later appointed Mr. Eswara Rao Nandam, Ms. Uma Nandam and Mr. Hidenobu Hitotsumatsu as Directors of the Company in the calendar year 2018 with the resignation of Mr. Yoshihiko Okubo, Mr. Toshihiro Nishihira, Mr. Kenji Komaki and Mr. Kenjiro Shinohe (directors from previous promoting companies) w.e.f August 14, 2018. For further details on Share Purchase Agreement, see *Our History and Certain Other Corporate Matters - Share Purchase Agreements* on page 206.

After the financial year 2011-12, our company for the first time showed the signs of revival in financial year 2019-20 with a total revenue of ₹ 170.00 lakhs and a loss of ₹ 27.90 Lakhs as per the audited results.

Financial Information and Key Performance Indicators (KPIs)

Set forth below is certain financial information and certain KPIs of our business

(Rs. in Lakhs)

Particulars	Restated Financial Information

	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Revenue from Operations	64,902.00	12,587.31	4,501.37
Total Income	65,162.29	12,807.68	4,718.58
EBITDA (1)	18,801.84	4,207.57	1,255.94
EBITDA Margin (2)	28.97%	33.43%	27.90%
Profit/(Loss) after Tax	16,776.62	3,426.81	628.83
PAT Margin (3)	25.85%	27.22%	13.97%
Capital Expenditure	8,036.53	991.06	3,181.44
ROCE (4)	75.57%	42.95%	18.00%
ROE (5)	86.70%	66.14%	19.94%
Net Debt/EBITDA Ratio (6)	(0.002)	0.99	2.10
Debt to Equity Ratio (7)	0.13	0.60	0.76
Interest Coverage Ratio (8)	32.42	10.08	4.17

As certified by S S Kothari Mehta & Company, Chartered Accountants, pursuant to certificate dated September 26, 2023.

(1) EBITDA is calculated as the sum of (i) profit for the year (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses.
(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(3) PAT Margin is calculated as profit after tax divided by Revenue from Operations.
(4) ROCE is calculated as earnings before interest and tax divided by Average Capital Employed.
(5) ROE is calculated as dividing profit after tax by average equity.
(6) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt = total debt – cash and cash equivalents
(7) Debt Equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Total Equity.
(8) Interest Coverage Ratio is calculated by dividing EBIT by Interest Cost

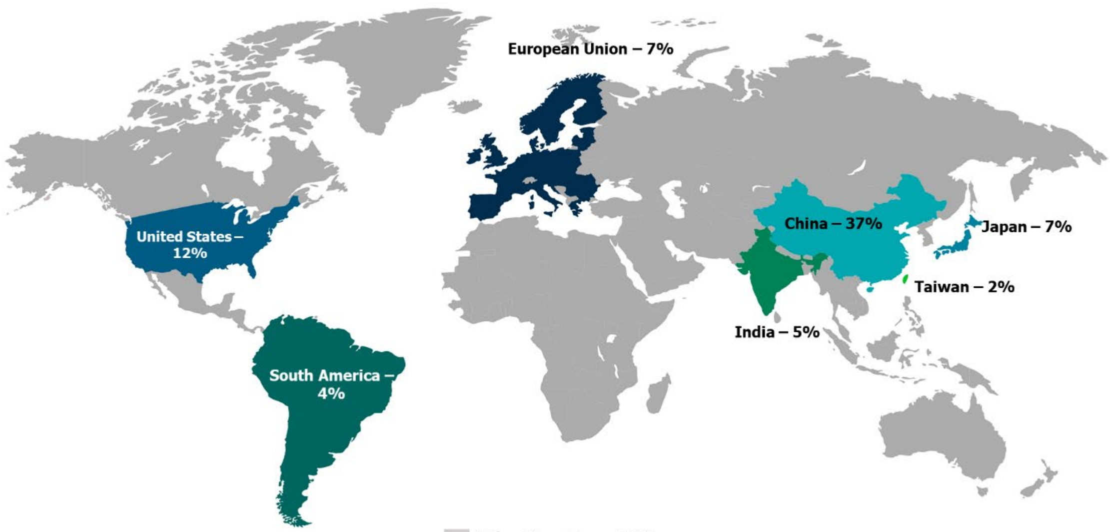
For information about non-GAAP financial measures as set forth in the table above, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations– Key Performance Indicators and Non-GAAP Financial Measures*" on page 300.

OUR MARKET OPPORTUNITY

<u>Global Opto-Semiconductor Market</u>

The global opto-semiconductor market was estimated at USD 37,088 Mn (₹ 2.73 Lakh Crores) in 2018 and has grown at a CAGR of 4% to USD 43,780 Mn (₹ 3.32 Lakh Crores) in 2022. The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028, growing at a CAGR of 5.4% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally. Globally, Japan, Taiwan and Southeast Asia are the main producers of opto-semiconductors with Japan being the largest producers of opto-semiconductors and China being the largest consumer of opto-semiconductors. (*Source: CARE Edge Report*)

Global Opto-semiconductor Industry (2022): USD 43,780 Mn



<u>Indian opto-semiconductor market</u>

The Indian opto-semiconductor market was estimated at USD 1,515 Mn (₹ 0.11 Lakh Crores) in 2018 and has grown at a CAGR of 12% to USD 2,344 Mn (₹ 0.18 Lakh Crores) in 2022. The market of opto-semiconductor in India is expected to reach USD 5,351 (₹ 0.44 Lakh Crores) Mn by 2028, growing at a CAGR of 15% from 2022 to 2028. The developments in this sector are expected to be driven by increased investment, supportive policies by the Government and increase in demand by the end-user industries. Currently, India is nearly entirely reliant on imports of opto-semiconductors. Presently, China, Singapore, Japan, Germany, South Korea, Thailand, the United States, Malaysia, Vietnam and France are the top countries for opto-semiconductor imports to India. (*Source: CARE Edge Report*)

The industrial sector contributes significantly to India's economy and many enterprises in this area rely heavily on opto-semiconductor chips. India needs to lower its reliance on foreign supply and expand its production of opto-semiconductor chips. Indian government has implemented production-related programmes and other incentives for semiconductor makers.

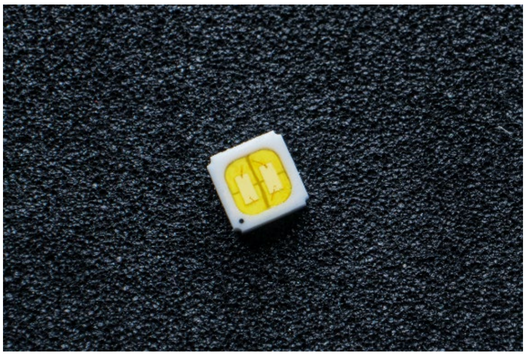
OUR STRENGTHS

We believe that we have the following strengths:

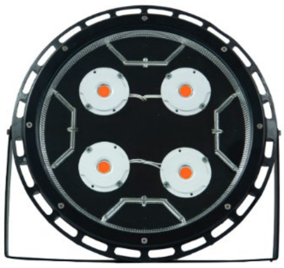
India's first Opto-Semiconductor Chips manufacturer

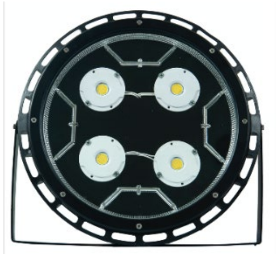
Our Company, Polymatech, is India's first opto-semiconductor chips manufacturer (*Source: CARE Edge*). As per the report of CARE Edge there are no peers of Polymatech with similar product profile in India. The journey of our company's chip manufacturing started in the year 2018 after the acquisition of entire share capital of our company by its current promoters. The manufacturing plant at Oragadam, Tamil Nadu is based on 6 acres of leased land, leased from State Industries Promotion Corporation of Tamil Nadu, and is having 1,47,000 Sft. of factory building area. Our Promoter, Mr. Eswara Rao Nandam, with a vision to work in semiconductors and specially opto-semiconductor chips, acquired our company and along with his son Mr. Vishaal Nandam, started developing a product that has no peer in India. We designed and developed our first opto-semiconductor chip in the year 2019. In the Fiscal 2019-20, we sold our products to Fortune 1000 Companies listed on the NYSE (New York Stock Exchange).

(Our manufacturing plant in Oragadam, Kancheepuram, Tamil Nadu.)



All our products and designs are completely developed and integrated in-house at our state of the art manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu. We are focused on providing high quality chips and luminaries that consume less energy, generate less heat and still more efficient to help the world meet its sustainability goals. After successfully developing the opto-semiconductor chips, we decided to inhouse assemble the luminaries too. For assembling our luminaries we use only the in house developed opto-semiconductor chips. We have also completed the trials of inhouse developed drivers which we plan to use in our luminaries. Our luminaries are presently installed at various factories including Shin-Etsu, Japan, Vishay Precision Group, Stanley, Lohman, Okaya, Japan, AMRL Hitech City (JV with Tamil Nadu Industrial Development Corporation Limited), ASPEN Infra (formerly Suzlon Infrastructure Ltd), Mori Mura, Japan; airports such as Coimbatore airport of Everrise Electric; Stadiums such as Sawai Mansingh Stadium; gurudwaras such as Banglasaheb, New Delhi and temples such as Parthasarathi Temple, Chennai.





As on the date of Draft Red Herring Prospectus, all the chip manufacturing and the luminaries assembly is conducted in Oragadam, Tamil Nadu plant with the help of mostly imported machineries which enable us in bringing efficiencies and economies of scale. Our modern and state-of-art manufacturing facility at Oragadam, Kancheepuram, Tamil Nadu, is equipped with a class 10,000 clean room – and high quality machinery installed on an anti-static floor to avoid the generation of any kind of static electricity and is cooled by centralized dual air conditioning units of two 200 TR each. Our manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. Also, as per the Memorandum of Understanding dated February 26, 2021, issued by government of Tamil Nadu and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis.

Our company also participated in Semicon India 2023, the annual conference by India Semiconductor Mission (ISM), which was held in July, 2023.Hon'ble Prime Minister, Shri Narendra Modi ji visited our stall and encouraged India's first homegrown semi-conductor chip company wherein we showcased our products and technologies and had the opportunity to present to the hon'ble Prime Minister the first '*Made in India*' semiconductor chip.

Poised to capture growth of opto-semiconductor market

The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028 from USD 43,780 Mn (₹ 3.32 Lakh Crores) in 2022, growing at a CAGR of 5.2% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally. The Indian market of opto-semiconductor is expected to reach USD 5,351 Mn (₹ 0.44 Lakh Crores) by 2028 from USD 2,344 Mn (₹ 0.18 Lakh Crores) in 2022, growing at a CAGR of 15% from 2022 to 2028. In Indian context, the development is expected to be driven by increased investment, supportive policies by the Government and increase in demand by the end-user industries. Currently, India is nearly entirely reliant on imports of opto-semiconductors. Presently, China, Singapore, Japan, Germany, South Korea, Thailand, the United States, Malaysia, Vietnam and France are the top countries for opto-semiconductor imports to India. (*Source: CARE Edge Report*)

Our revenue from operations has increased from ₹ 4,501.37 Lakhs in Fiscal 2021 to ₹ 64,902.00 Lakhs in Fiscal 2023 posing a CAGR of 143.40 % from Fiscal 2021 to Fiscal 2023. In the Fiscal 2023 we utilized only 65% of our enhanced annual installed capacity of 300 mpa chips compared to 40% of 150 mpa Chips in Fiscal 2021. We plan to upgrade our machineries, to enhance production efficiency of our existing machinery. Further, we are also in the process to incur capital expenditure in current fiscal on installation of new machineries financed through internal accruals for expanding our installed capacities. Apart from the said capital expenditure, we also plan to purchase new machineries from the proceeds of this Initial Public Issue. For further details on utilization of IPO proceeds, see *"Objects of the Issue"* on page 97.

Being the first Indian manufacturer and supported with the impetus of Indian government's *Make in India* campaign and the ongoing China+1 policy of the global buyers, our Company is poised to capture growth of opto-semiconductor market.

Competitive products Offering backed by strong research

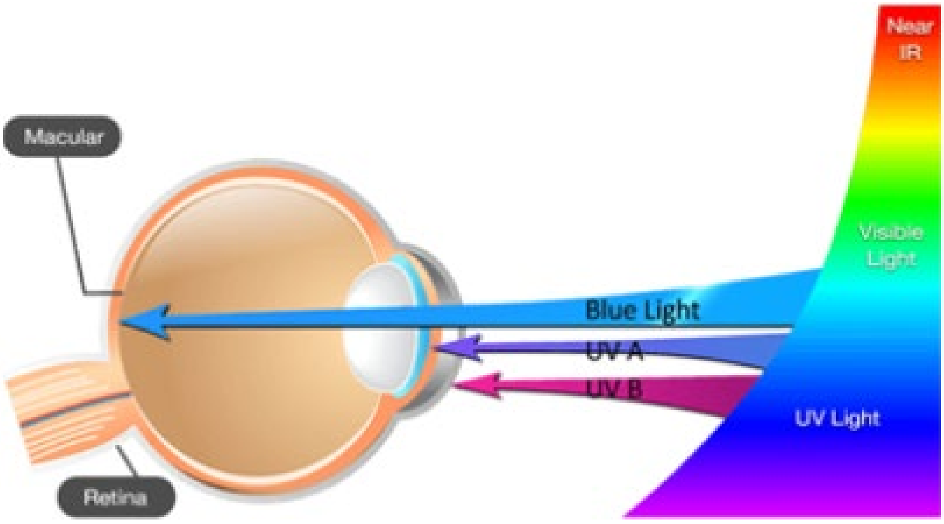
Our luminaries use only the inhouse opto-semiconductor chips we designed, developed and manufactured. Our luminaries have following competitive advantages –

- Pricing – We Issue competitive pricing in comparison to other market players in this industry.

- Quality –

    - Our luminaries produce higher lumens of light per watt (lm/w) which plays a major role in our industry. As a result, our luminaries produce more light per watt of electricity. This reduces the electricity expenditure viz a viz reducing carbon footprint on our planet.

    - Our luminaries also have eye-protect (Iprotect) technology. Most of our luminaries have over 90 CRI (color rendering index). A CRI is a quantitative measure of the ability of a light source to reveal the colors of various objects faithfully in comparison with a natural or standard light source. Light sources with a high CRI are desirable for eyes. Higher CRI ratings reduce stress, headaches, tension, depression, eye strain and improve overall mood, all of which boosts productivity.



Blue light may also damage the retinas which is called phototoxicity. The amount of damage to the eye depends on wavelength and exposure time. Our Company's 'I-Protect Technology' uses proprietary technology which reduces the blue light emission by LED and provides balanced spectrum which will comfort the eye and provide high CRI of more than 90 which will give ability for a light source to reveal the colors of various objects faithfully in comparison with a natural or standard light source.

Contrast between different level of CRIs

- Delivery – To enhance our customer experience we further follow JIT (Just in Time) approach of manufacturing that aligns our raw-material orders from suppliers directly with production schedules. This shall also reduce the inventory cost of our customers.

- Safety – Our luminaries are made with high-quality insulating material used to ensure highest safety standards. All materials selected and used by our Company are RoHS (Restriction of Hazardous Substances) compliant, hence environment friendly.

Strong focus on R&D with a State of the Art infrastructure

All of our products are developed in house by our R&D team. Our R&D team focuses on product designing, tools designing, electronic circuit designing, prototype designing, etc. Our R&D team independently develops opto-semiconductor chips designs and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. Our R&D team is divided into two segments (i) Development of chips used in medical applications such as endoscope, leproscope, UV-C lights, and similar products; headed by Mr. Hidenobu Hitotsumatsu and (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishal Nandam.

In April 2019, we successfully developed and produced first semi-conductor chip. We further enhanced our installed capacity from 150 mpa chips (Opto-semiconductor Chips) in Fiscal 2020 to 300 mpa chips in Fiscal 2023. As on the date of this Draft Red Herring Prospectus, we are in the process to enhance our capacity further. Since the initiation of production, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. Our luminaries currently focus on large area lighting, industrial appliances. We expect that our chips for medical applications, aquaculture, horticulture, sanitization and data transmission will be ready for commercial supply by the end of this financial year.

In Luminaries, we have completed our research and successful trials for our own drivers. We have also received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our driver which is valid till September 13, 2025. We also design the fixtures but the casting and related operations are outsourced as they are low value added activities.

As on the date of this Draft Red Herring Prospectus, we have one facility in Oragadam, Krishnagiri, Tamil Nadu and have plan to start another facility in Krishnagiri, Tamil Nadu. Our modern and state-of-art manufacturing facility at Oragadam, Tamil Nadu, is equipped with high quality machinery inside a class 10000 clean room and separate assembly area.

Strong Board and Management Team

We are led by a qualified and experienced management team that has the expertise and vision to manage and grow our business and promote our sustainability goals. Our Promoters, Mr. Eswara Rao Nandam and Mr. Vishaal Nandam and our senior personnel / key managerial personnel Mr. Hidenobu Hitotsumatsu are involved in our business since 2018 when our current promoters acquired our company. Both Mr. Eswara Rao Nandam and Mr. Hidenobu Hitotsumatsu have experience of over three decades and over four decades of experience respectively in electronics, electrical components, setting up manufacturing facilities, whereas Mr. Vishaal Nandam is well versed with the current developments in the opto-semiconductors industry with an experience of over five years in opto-semiconductors.

Mr. Eswara Rao Nandam's vision to be the global leader in opto-semiconductor chips has been instrumental in establishing our current facility, achieving the current growth and expanding our business to multiple geographies. Our promoters are supported by members of our management team, our R&D team and our board of directors, which includes Ms. Tarja Rapala-Virtanen, our independent director, who is now the Technical Director of EIPC (The European Institute for PCB Community) and also a member in WECC (The World Electronic Circuits Council). She provides her valuable guidance to our company. Our management team comprises of talent from multinational companies and firms, possess complementary skills and have extensive experience and knowledge of their respective areas of responsibility.

We run our business with the help of dedicated senior management teams. Our management team support has vast experience in project execution, industrial sales and marketing. We believe that the knowledge and experience of our promoters, along with our management, and our team of dedicated personnel, provide us with a significant competitive advantage as we seek to grow our existing markets and enter new geographic and product markets.

Strong and consistent financial performance along with no institutional debt

Our presence in product segments with growing demand, continuous focus or R&D, focus on cost management, a global customer base and a continuous focus on efficiency and productivity have enabled us to deliver consistent and strong financial performance.

We have researched and built our products in house and have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations have increased at a CAGR of 143.39% from ₹4,501.37 Lakh in Fiscal 2021 to ₹64,902.00 Lakh in Fiscal 2023.

Our EBIDTA has increased at a CAGR of 161.35% from ₹1,038.73 Lakh in Fiscal 2021 to ₹18,541.56 Lakh in Fiscal 2023. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our EBITDA was ₹18,541.56 Lakh, ₹3,987.20 Lakh and ₹1,038.73 Lakh, respectively, while our EBIDTA margins in the same periods were 28.57%, 31.68% and 23.08%, respectively. Our profit after tax has increased at a CAGR of 198.81% from ₹ 628.83 Lakh in Fiscal 2021 to ₹16,776.63 Lakh in Fiscal 2023. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our profit after tax (PAT) margins was 25.85%, 27.22% and13.97%, respectively.

Our balance sheet has also shown continued improvement and we have maintained fiscal prudence in our choice of capital for expansion. We have successfully repaid our debt including cash credit margin and long term borrowing from HDFC Bank Ltd and received the No Due Certificate from HDFC Bank Ltd on August 21, 2023. Currently our company does not have debt from banks or financial institutions.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our ROCE was 47.89%, 35.20% and 15.59%, respectively; our ROE was 52.75%, 49.71% and 20.91%, respectively; and our Net Debt / EBITDA was (0.002), 1.04 and 2.54 respectively.

OUR STRATEGIES

We believe that the following are our principle strategies:

Expand into new product lines

According to CARE Edge Report, the global market for opto-semiconductors is majorly driven by applications which includes large area lighting, medical uses, automation of automobiles and specialized light like photosynthesis, aqua lightings, sanitization etc. Large area lighting accounts for 34% of the total global market followed by automobiles. The other applications which consists of more than 50% of the total market are consumer segment products like mobile phone, sensors, cameras, solar cells, etc. The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028 from USD 43,780 Mn (₹ 3.32 Lakh Crores) in 2022, growing at a CAGR of 5.2% from 2022 to 2028. The global opto-semiconductor market for specialized lightings is expected to reach USD 1,876 Mn (₹ 0.15 Lakh Crores) by 2028 from USD 1,068 Mn (₹ 0.08 Lakh Crores) in 2022, growing at CAGR of 9.8%. The opto-semiconductor market for smartphone industry is expected to reach USD 1,103 Mn (₹ 0.09 Lakh Crores) by 2028 from USD 448 Mn (₹ 0.03 Lakh Crores) in 2022, growing at CAGR of 16.2%.

To capture this projected market growth, we have developed and completed trials of multiple other products - Photosynthesis lighting for horticulture, Aquaculture lighting, UV light for operation theaters for surgeries, Sanitization Lighting for food processing industry, Lights used in Endoscopy and Laparoscopy equipment, Li – Fi (Light fidelity) equipment for transmitting data through light. We have also successfully completed trials for these products. Our opto-semiconductors can be used in adoption of advanced horticultural lighting solutions that enable year-round crop production, improve crop quality and maximize yield in a controlled environment.

Also, our Promoter, Mr. Vishaal Nandam has applied for twenty-five trademarks (all products-related) on September 18, 2023 with the trademarks registry. Our Company plans to enter into Trademark License Agreement for these twenty-five Trademarks. For further details, see '- *Intellectual Property*' on page 195.

Expand our customer base and geographical presence

We plan to continue expand our business to international markets. We intend to focus our expansion primarily in North American, European, Middle East and South East Asian markets. In our opinion, these markets Issue us the ability to market our innovative products. We intend to achieve this expansion by forming new entities or by way of inorganic growth including acquisition and employing dedicated sales & marketing teams whose primary focus will be on business development in international markets, particularly, in our focus geographies. Our promoters have also incorporated Polymatech Electronics USA L.L.C. in the state of California, USA on May 07, 2023 to cater the North American market. We will also look for new partners in our focus markets to establish a local presence. Further, we will also leverage our relationships with some of our marquee customers to showcase the quality of our product Offerings globally.

We believe that our current operational set up and financial position will allow us to invest in creating a wider range of product Offerings that can cater to the requirements of our new customers.

Invest in marketing and brand building strategies

Our marketing and promotion efforts seek to increase sales by building brand awareness that stimulates interest in our product range and strengthening our position in the global opto-semiconductors and luminaries business. The key marketing channels that we use on an ongoing basis include advertisements with specific coverage in television advertisements, events, newspapers, online/ digital advertisements and sponsoring of events.

During the Fiscals 2023, 2022 and 2021, we incurred expenses of ₹ 45.13 lakhs, ₹ 2.59 lakhs and nil, respectively, on business promotion representing 0.09%, 0.03% and nil respectively of the total expenses for the respective years. We believe that our focus on quality, durability, original designs, together with our targeted marketing, has helped the growth in our revenues. We intend to contribute and develop strong brand recognition and customer loyalty. We also Issue five years of warranty for our luminaries.

Going forward, our strategy is to increasingly market our products through digital media, such as television advertisements, newspapers and social media websites. We believe our branding strategy helps us to retain existing customers and attract new customers. We also continue to provide effective training for our sales personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing our brand visibility, to establish relationships with target customers and to sell our products in a competitive cost-effective manner.

Expand our manufacturing capacities

As per CARE Edge Report, government of India has taken various initiative to build the overall semiconductor ecosystem in the country to ensure India's dependency on imports reduces in the medium-long term. The government has also taken various steps to address the challenges faced by this sector, facilitate scale-up of local manufacturing capacity and increase the availability of skilled manpower required for growth of this sector. Some of the schemes have been announced by the Government to facilitate growth in semiconductor manufacturing such as Indian Semi-conductor Mission, Semicon India Future Design: Design Linked Incentive (DLI) Scheme, National Policy on Electronics, etc.

The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028, growing at a CAGR of 5.2% from 2022 to 2028. The opto-semiconductor market for large area lighting is expected to reach USD 20,243 Mn (₹ 1.66 Lakh Crores) by 2028 from USD 15,381 Mn (₹ 1.17 Lakh Crores) in 2022, growing at CAGR of 5.7%. At the same time the market of opto-semiconductor in India is expected to reach USD 5,351 Mn (₹ 0.44 Lakh Crores) by 2028, growing at a CAGR of 15% from 2022 to 2028 and the Light Emitting Diode market in India is expected to reach USD 2,121 Mn (₹ 0.17 Lakh Crores) by 2028 from USD 951 Mn (₹ 0.07 Lakh Crores) in 2022, growing at a CAGR of 14.3% *(Source: CARE Edge Report)*. We wish to capitalize on this growth opportunity. Therefore, we intend to expand our manufacturing capacity. The estimated cost for these new machineries is ₹ 56,572.49 lakh, which is expected to be funded out of the Net Proceeds. See "*Objects of the Issue*" on page 97.

Our manufacturing facility in Oragadam, Tamil Nadu have enough space for the expansion we need for manufacturing of opto-semiconductors. However, we have entered into a lease agreement dated August 22, 2023 for our upcoming plant in Krishnagiri, Tamil Nadu primarily for luminaries assembly. We have planned capital expenditure for installation of necessary equipments, machinery, etc. at the Krishnagiri plant which will result in expansion of luminaries assembly capacity. We believe that this expansion will enable us to generate higher revenue.

Continue to invest in R&D and expand our business

We aim to continue to invest in our R&D initiatives to develop new products for our customers and to enhance production and cost efficiencies of our product. Our R&D team is divided into two segments headed (i) Development of chips used in the medical applications such as endoscope, leproscope, UV-C lights, etc.; headed by Mr. Hidenobu Hitotsumatsu, (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishaal Nandam. Our R&D facility is involved in rapid prototyping, tool making, product testing, reliability testing, etc.

Through our focus on R&D and developing products with our customers, we will be able to continually innovate our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and durability in our products. Further, by developing products and by Offering a broad range of products, we may increase customer dependence on us and position ourselves as a preferred manufacturer.

BUSINESS OPERATIONS

We are the India's first opto-semiconductor chips manufacturers. We have a state-of-the-art manufacturing facility in Tamil Nadu at SIPCOT (State Industries Promotion Corporation of Tamil Nadu Limited) Hi-Tech SEZ (Special Economic Zone), Oragadam, Kancheepuram, Tamil Nadu. We began our operations in the year 2018 with intense research and development in the semiconductor space. We successfully developed our first opto-semiconductor chip in April 2019. For our manufacturing processes we are using European and Japanese technologies to provide high quality products. Our products are present in areas where microelectronics play a significant role. Apart from India, we have presence in the following countries – United States of America, Middle East and North Africa, European Union, Japan, Taiwan and Finland.

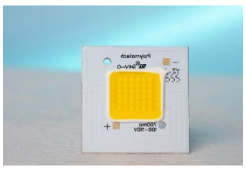
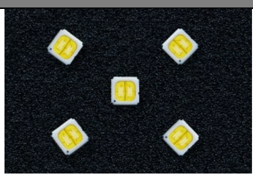
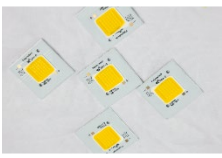
We typically manufacture products in two categories (i) opto-semiconductor chips; and (ii) luminaries. We typically enter into a general purchasing agreement for specific products with our customers which is valid for a year or more than a year and renewed thereafter. Within this period, products are manufactured and sold on purchase order basis. Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, project book, delivery schedule, warranties, supply of spare parts, supply chain security and pricing policy. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months.

OUR PRODUCTS

Our products are categorised as (i) opto-semiconductor chips; and (ii) luminaries. We cater to the industries such as (a) Large area lighting at commercial places (b) Medical applications (c) Automobiles (d) Specialized lighting for photo synthesis, aqua lighting, sanitization among others. The fixtures for luminaries are being sourced domestically and assembled at our manufacturing facility. All our opto-semiconductor chips are designed, developed, tested and manufactured in house at our manufacturing facility located at Oragadam, Tamil Nadu. We have also received the BIS mark for our inhouse developed drivers for installing in our luminaries. We manufacture and sell our products under the brand name "Polymatech". The trademark "Polymatech" is currently objected at the Trademarks Authority of India. Please refer "*Internal Risk Factor - We may not be able to protect our brand name and trademarks*" on page 36 for risk on loss of trademark.

Set forth below is our product wise revenue for the period indicated:

(₹ in lakhs)

Particulars	Product Pictures	Period / Fiscal Ended		
		March 31, 2023	March 31, 2022	March 31, 2020
Opto-semiconductor Chips	   	48,102.00	12,587.31	4,501.37

Luminaries :		16,800.00	-	-
Total		**64,902.00**	**12,587.31**	**4,501.37**

Opto-Semiconductor Chips:

Opto-semiconductor are the semiconductors that work by absorption and emission of light. Opto-semiconductor consists of light sensitive surface that absorbs and emits light. The opto-semiconductor devices work on the basis of interaction of light and interaction of the electron-holes. They are advantageous over other semiconductors on the basis of conversion efficiency.

We produce fully packaged Opto-Semiconductor Chips in the form of COB, HTCC, MLCC, LTCC, etc. "Opto-Semiconductor Chips" or "Chips". The various types of opto-semiconductor chips we produce are Light Emitting Diodes, Image Sensors, Infrared Receivers, Lasers, etc. Our products are useful for industries such as medical applications, horticulture, aquaculture, automobiles, smartphones, etc.

Luminaries

Luminaries are the LED lights we produce for large area commercial application. We began luminaries assembly in Fiscal 2023 with the help of our own LED chips and in the current financial year we have started manufacturing our own drivers for installing in the luminaries. All our luminaries as on the date of this Draft Red Herring Prospectus are assembled in house.

Our Customers

We provide our products to an array of industrial customers who experience varied needs. Our customers include multi-national corporations some of which are Fortune 1000 companies. Our luminaries are installed at various factories including Shin-Etsu, Japan, Vishay Precision Group, Stanley, Lohman, Okaya, Japan, AMRL Hitech City (JV with Tamil Nadu Industrial Development Corporation Limited), ASPEN Infra (formerly Suzlon Infrastructure Ltd), Mori Mura, Japan; airports such as Coimbatore airport of Everrise Electric; Stadiums such as Sawai Mansingh Stadium; gurudwaras such as Banglasaheb, New Delhi and temples such as Parthasarathi Temple, Chennai. We typically receive open purchase orders for specific products from our customers. Within the period mentioned in schedules that our customers share, our products are manufactured and sold on purchase order basis. Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, project book, delivery schedule, warranties, supply of spare parts, supply chain security and pricing policy. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months.

The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028, growing at a CAGR of 5.2% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally. *(Source : CARE Edge Report)*

The following table sets forth the break-up of contribution of revenue earned from key customers for the period indicated:

Sr. No.	Name of key customer, as applicable	Fiscal Year Ended March 31,		
		2023	2022	2021
		(% of Revenue from Operations)	(% of Revenue from Operations)	(% of Revenue from Operations)
1	Company A *(name masked)*	25.89%	-	-
2	Company B *(name masked)*	13.42%	15.89%	24.44%
3	Company C *(name masked)*	11.29%	17.88%	24.44%
4	Company D *(name masked)*	11.28%	9.54%	11.11%
5	Company E *(name masked)*	10.20%	12.71%	10.00%
6	Company F *(name masked)*	9.74%	12.71%	3.78%
Total		**81.82%**	**68.73%**	**73.78%**

Research & Development

All of our products are developed in house by our R&D team at Oragadam, Kancheepuram, Tamil Nadu. Our R&D team focuses on product designing, tools designing, electronic circuit designing and also has the facility for RPT (Rapid Prototyping). Our R&D team develops opto-semiconductor designs and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. Our R&D team is divided into two segments (i) Development of chips used in medical applications such as endoscope, leproscope, UV-C lights, and similar products; headed by Mr. Hidenobu Hitotsumatsu and (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishal Nandam. Our R&D team is supported by electrical engineers holding either Bachelors of Technology (Electronics & Communication and Mechanical) or a diploma in electronics / electricals and graduate degree.

In April 2019, we successfully developed and produced our first semi-conductor chip. Since the initiation of our commercial production, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. As on the date of this Draft Red Herring Prospectus, we have also developed and completed trials of multiple other products as mentioned below –

- Photosynthesis lighting for horticulture
- Aquaculture lighting
- UV light for operation theaters for surgeries
- Sanitization Lighting for food processing industry
- Lights used in Endoscopy and Laparoscopy equipment
- Li – Fi (Light fidelity) equipment for transmitting data through light

We expect that our chips for medical applications, aquaculture, horticulture, sanitization and data transmission will be ready for commercial supply by the end of current financial year.

Our luminaries primarily focus on large area lighting. In Luminaries, our R&D team has completed our research and successful trials for our own drivers. We have also received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our driver which is valid till September 13, 2025. We also design the fixtures but the casting and related operations are outsourced as they are low value added activities.

Manufacturing

We have one manufacturing facility which is located in Oragadam, Kancheepuram, Tamil Nadu were all our manufacturing activities are being conducted as on the date of this draft Red Herring Prospectus. We have also purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant. At our state-of-the-art manufacturing plant in Oragadam (Tamil Nadu) we have designated a manufacturing area called '*clean room*' (class 10,000 clean room for maintaining humidity and temperature at certain levels) which is based on an anti-static floor to avoid the generation of any kind of static electricity and is cooled by centralized dual air conditioning units of two 200 tonnes each. The manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. As on the date of this Draft Red Herring Prospectus, we have installed three DG sets of capacity 125 KVA, 200 KVA and 500 KVA to give over 100% power backup. We source energy from local utility companies and DG sets and use torrential treated water (second use) supplied by SIPCOT for all our general purpose at our Oragadam, Kancheepuram, Tamil Nadu manufacturing facility. Also, as per the Memorandum of Understanding dated February 26, 2021, issued by Tamil Nadu government and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis. See the chapter "*Our History and Certain Other Corporate Matters*" on page 204 for details of Memorandum of Understanding.

Our manufacturing plant at Oragadam, Kancheepuram, Tamil Nadu.

Details of our manufacturing facilities are set out below:

Sr. No.	Name of Facility	Total Area	Year of commencing	Products manufactured	Key machinery / equipment
1	Oragadam, Kancheepuram, Tamil Nadu	6.00 Acres	2007 by previous promoters 2018 by current promoters	Opto-Semiconductor Chips and Luminaries Assembly	Tool manufacturing machinery, Vacuum Hot Chambers, Microscopes, Deep Freezers, Testing Chambers & Equipment, etc.

Our plant in Krishnagiri, Tamil Nadu is under construction.

Capacity, Production and Capacity Utilization

The following table sets forth information relating to the annual installed capacity, actual production and capacity utilization of our major products at our manufacturing facilities as Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Capacity Utilisation of Opto-semiconductor Chips :-

Product	As of, and for year ended March 31,								
	2023			2022			2021		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
	Mpa*	Lakh Pcs	%	Mpa	Lakh Pcs	%	Mpa	Lakh Pcs	%
Opto-semiconductor chips	300	195	65%	300	105	35%	150	60	40%

**Mpa stands for million pieces per annum*

Capacity Utilisation of Luminaries Assembly :-

Product	As of, and for year ended March 31,								
	2023			2022			2021		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
	Lakh Pcs	Lakh Pcs	%	Lakh Pcs	Lakh Pcs	%	Lakh Pcs	Lakh Pcs	%
Luminaries	2.00	1.50	75%	NA	NA	NA	NA	NA	NA

Installed Capacity is calculated based on three working shifts of 8 hours each in a day and the sum total of various products from which the units are capable of manufacturing and are already manufacturing.

Note: The information relating to the installed capacity of the manufacturing facility as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity and is based on the certificate dated August 30, 2023 issued by Dr. L. Balaji, Balaji & Associates, Chartered Engineers (membership no. 82502/9).

See "*Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*" on page 50.

Manufacturing Process

The following charts show the processes for manufacturing of opto-semiconductors and luminaries.

Set out below are the key activities involved in manufacturing of opto-semiconductors

Process for Opto Semiconductors.

Stage 1 - Designing the LEDs on the workstation.

Mix various Materials in specified proportion at specidied RPM at specified pressure in vacuum condition.

Placing in Machine for dispensing.

Place the pickup tool to eject the die without damaging MQWs (Multiple Quantum Well) but penetrate U-GAN.

Pickup die with vaccum nozzle without touching the die but in float mode.

Stage 2 - Preparing substates

Place the mixture of Silver conductive of substate with optical reflective material.

Place the die in substate after processing with the ejector tool.

Bake the substate with die in oven at specified temperature profile.

After baking, place the dispensing machine for dispensing the dam material.

Bake the dam material in the oven at specified temperature.

Clean the grooves with ionised air to make better reflective structure

Third stage - preparation of color rendering mixture

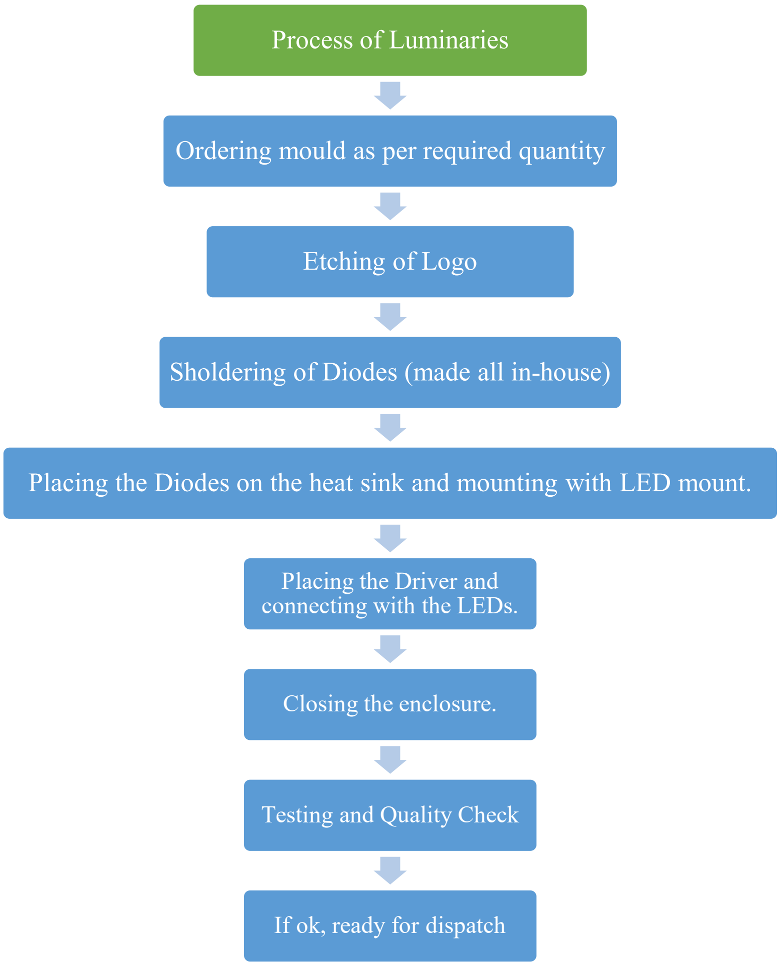
Mix various Materials in specified proportion at specidied RPM at specified pressure in vacuum condition for desired wave length

Programme the Package to become the LED and give required performance.

Plot the Material and bake at specified temperature profile.

Finish

Set out below are the key activities involved in the assembly of Luminaries



Procurement of Raw Materials

Our principal raw materials include wafers, chemicals, precious metals, fixtures, etc. and consumables (such as solders, solder paste and cleaning material) apart from packaging materials. We source our raw materials for opto-semiconductor chips from international markets and for luminaries assembly primarily from domestic markets. We rely on our supply chain management and the complete logistical process including transport, customs, etc. are handled by us through third party logistic vendors. We have strong supply chain relationships with our suppliers. Our Suppliers are based primarily in Japan, Taiwan, South Korea, India and European Union. We also source materials from vendors in China but only for research purposes.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of goods sold as a percentage of operating revenue on a restated basis represented 68.52%, 65.35%, and 72.44%, respectively. See, "*Internal Risk Factor - Any delay, interruption or reduction in the supply of our raw materials from our third-party suppliers and manufacturers, or an increase in the costs of such raw materials may adversely impact the pricing and supply of our products and have an adverse effect on our business, financial condition, cash flows and results of operations*" on page 34.

Inventory management and logistics

Our manufacturing facility is equipped with a warehouse, enabling smooth functioning of our operations. We typically keep 5-6 days of inventory of raw materials and upto 15 days of work in progress; whereas the finished goods are in stock for a period of approximately 30 days as finished goods. These inventory levels are planned based on existing and expected purchase orders, which are confirmed by our customers. At present we are in the process of implementing web-based ERP covering the entire gamut of activities covering logistics, production, finance, inventory, supply chain, etc required to run our company with global standards.

We have to pay for transportation costs in relation to the delivery of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we have annual contractual arrangements with few third-party transportation and logistics providers. Disruptions of logistics have the potential to impair our ability to procure raw materials and/or deliver our products *on time. For further information, see "Internal Risk Factors - Any delay, interruption or reduction in the supply of our raw materials from our third-party suppliers and manufacturers, or an increase in the costs of such raw materials may adversely impact the pricing and supply of our products and have an adverse effect on our business, financial condition, cash flows and results of operations*" on page 34.

Where we are responsible for shipping the products to our customers, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders coordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills.

Quality Control

We place strong emphasis on product and process quality control. We have established strict quality control systems, which are designed to ensure product design, production efficiency and high output at our manufacturing facility. Quality checks are undertaken for raw material and components and at packaging. Outgoing quality control is conducted prior to dispatch of products. We have implemented quality systems that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products. Further, our company is working towards achieving Six Sigma.

Environment, Health and Safety

Our activities are subject to the environmental laws and regulations of India. For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies in India*" on page 196.

We strive to manage the potential risks associated with such laws and regulations through our operational controls, environmental monitoring and routine risk assessment and mitigation processes. We aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

In our manufacturing operations, we aim to adopt the best available environment, health and safety practices. Our manufacturing facility in Oragadm, Kancheepuram, Tamil Nadu, is a *white labeled* manufacturing plant as per the directive and board proceedings of Central Pollution Control Board and directive of Tamil Nadu Pollution Control Board. Company products promote energy efficiency and reduces the global warming that helps ozone layer.

Utilities

We consume fuel and power for our operations at our manufacturing facilities, which is sourced through the local state power grid. Additionally, we have installed three DG sets of capacity 125 KVA, 200 KVA and 500 KVA to give over 100% power backup. We use torrential treated water (second use) supplied by SIPCOT for all our general purpose at our Oragadam, Kancheepuram, Tamil Nadu manufacturing facility. Also, as per the Memorandum of Understanding dated February 26, 2021, issued by Tamil Nadu government and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our electricity charges were ₹52.92 lakhs, ₹9.87 lakhs and nil*, which represented 0.11%, 0.11% and nil* %, respectively, of our total expenses on a restated basis. Also, in Fiscal 2023, Fiscal 2022 and Fiscal 2021, our water charges were ₹16.85 lakhs, ₹4.41 lakhs and ₹2.58 lakhs, which represented 0.03%, 0.05% and 0.06%, respectively, of our total expenses on a restated basis.

**In Fiscal 2021, the electricity charges were not disclosed under a separate head in the financial statements.*

Information Technology

We have Information Technology infrastructure with an in-house data server room to support our general business operations and business critical information. We have necessary applications used in R&D team. Going forward, we may install further applications and software to manage our sales that we plan to strategize.

Competition

The company enjoys first mover advantage and benefit from high barriers for entry into our product market due to the low availability of technology and machinery required to manufacture opto-semiconductors in India. We have not identified any India based company manufacturing opto-semiconductor chips as on the date of this Draft Red Herring Prospectus. At global level we have competition from various companies such as OSRAM GmbH, Broadcom Inc, Samsung Group, LITE-ON Technology, Lumileds Holdings, Toshiba Electronic Devices & Storage Corporation, Mitsubishi Electric Corporation, ON Semiconductor (Onsemi) as per *CARE Edge Report*. We believe that OSRAM GmbH of Germany and SAMSUNG of South Korea are our top competitors. We compete primarily on the basis of product Offering, quality of our products, life of our product, timely delivery and security of supply (quality, regulatory compliance and financial stability), and cost- effective manufacturing. For further information, see "*Industry Overview*" on page 116.

Insurance

Our operations are subject to risks inherent as opto-semiconductor chip manufacturer and luminaries assembler, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain insurance policy that insures us against material damage to building, plant, machinery and inventory. We also insure consignments of goods by air, road and sea until delivery to our factory and inland movement of bulk cargo in road tankers.

As on March 31, 2023, carrying value of property plant and equipment and inventories is ₹ 17,602.29 Lakhs constituting 45.43% of the total assets, of which we have an insurance coverage of 37.15% of the carrying value of such assets. As on March 31, 2023, 54.57% of the total assets is uninsured. For further details, see "*Risk Factors –Internal risk factors – We may be subject to significant risks and hazards when operating and maintaining our manufacturing facility, for which our insurance coverage might not be adequate.*"

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has applied for registration of trade mark under Class-11 for the word "Polymatech" which is objected and pending for registration and our Company has also opposed similar trademark under class 9. Further, our promoter, Mr. Vishaal Nandam, has filed applications as proprietor of twenty-five trademarks to the Registrar of Trademarks in India under the Trademarks Act, 1999, on September 18, 2023. These include "Ravaye", "Light Up", "Suchi", "Birghtwhite", "Plantlight", "Sanilight", "Sleepregulator", "Nlight", "Cinelight", "Alwaysday", "Iprotect", "Monosource", "Flipchip", etc. under class .

We plan to enter into a trademark licensing agreement with our Promoter Mr. Vishaal Nandam for the twenty-five trademarks applied by him and listed below. We do not own and have not filed any applications for patents. We have acquired and developed and continue to acquire and develop knowledge, trade secrets and expertise, or know-how in the manufacturing process of our products. Our know-how, manufacturing process and trade secrets in our business may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality products to our customers. See "*Risk Factors – We may not be able to protect our brand name and trademarks*" on page 36.

We do not own and have not filed any applications for patents.

Employees

As of August 31, 2023, we had a workforce of 20 permanent employees. This includes our Key Management Personnel, Senior Management Personnel, admin staff, security and staff employed at our manufacturing facility.

Additionally, we have other contractual personnel and housekeeping staff whom we do not appoint directly but are provided to us by third party human resource provider on contractual basis. We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses on recruiting, training and retaining our employees, as well as Offering them competitive compensation. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees, such as medical insurance, breakfast and lunch and other regular employee engagement activities.

Security

To avoid theft of raw material or proprietary information, we have instituted stringent controls and mechanisms to monitor the movement of people inside our manufacturing facility as well as during external transportation. Our security personnel does not allow any unauthorized movement at our manufacturing facility. We have also installed closed circuit television cameras to monitor the complete facility. We have also installed smoke detectors at our facility.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. We are in the process to create a worldwide sales network for our products.

Properties

Our Registered Office and Manufacturing facility is located at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu 602105, India, and is situated on leasehold premises. Our second manufacturing facility where we expect to assemble luminaries is under construction. The following table sets forth details of our principal properties as on the date of this Draft Red Herring Prospectus.

Manufacturing facility	Address	Area	Primary Purpose	Freehold or Lease Expiration
Oragadam, Kancheepuram, Tamil Nadu	Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu 602105, India,	6.00 acres	Registered Office, Manufacturing of Opto-semiconductors and luminaries assembly	99 years lease since the year 2007 from State Industries Promotion Corporation of Tamil Nadu (SIPCOT)
Krishnagiri, Tamil Nadu	The Piece and Parcel of Land are as follows: Old S.no. 449/1 New S.No.449/1A Old S.no. 449/1 New S.No.449/1A Old S.no.450/2 New S.no.450/2B Old S. no.444/2A New S. No. 444/2A1 Old S.no.449/2	 extent to 10 Cents extent to 50 ¼ Cents and Building thereon extent to 1 Acre 29 ¾ cents extent to 28 cents extent to 2 ½ cents	*The plant is under construction.*	Freehold

	all situated in the Peddanapalli Village, Krishnagiri – 635109, Tamil Nadu, India			

Note: One cent is defined as an area of 1/100 of an acre.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("CSR") policy in compliance with the requirements of the Companies Act, 2013 and the rules framed thereunder. In accordance with our CSR policy, we aim to primarily focus on initiatives related to, inter alia, promoting health care including preventive health care and sanitation initiatives, education, gender equality and disaster rehabilitation. Our CSR activities are monitored by the CSR committee of our Board. For details of the terms of reference of CSR committee, see "*Our Management*" on page 208.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, rules, regulations, notifications, schemes and policies which are applicable to our Company and the business undertaken by our Company.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and service tax legislation apply to us as they do to any Indian company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 329.

The information detailed in this section, is based on the current provisions of key statutes, rules, regulations, notification, schemes and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended subsequent legislative, regulatory, administrative or judicial decisions.

Laws in relation to our Business

Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000 ("Semiconductor Integrated Circuits Act")

The aim of the Semiconductor Integrated Circuits Act is to provide protection for intellectual property rights in the area of semiconductor integrated circuit layout designs and for connected matters. Any person claiming to be the creator of a layout design may apply to the Registrar of Layout Designs appointed under the Semiconductor Integrated Circuits 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 into 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 a period of ten years from the date of application, or from the date of commercial exploitation anywhere in India, whichever is earlier. The Semiconductor Integrated Circuits Layout Design Rules, 2001 have been put into force to assist the implementation of the Semiconductor Integrated Circuits Act.

National Policy on Electronics, 2019 ("NPE, 2019")

The NPE, 2019 envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The NPE 2019 replaces the National Policy of Electronics, 2012. The NPE 2019 when implemented will lead to the formulation of several schemes, initiatives, projects, etc., in consultation with the concerned Ministries/Departments, for the development of the ESDM sector in the country. It will enable the flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products, and increased electronics hardware manufacturing in the country and their export while generating substantial employment opportunities.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian Standard.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 ("Safety and Electric Supply Regulations")

The Safety and Electric Supply Regulations 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 all electric supply lines and accessories to a) have adequate power ratings and proper insulation; b) be of adequate mechanical strength for the duty cycle; c) have a switchgear installation in each conductor of every service line within a consumer's premises; and d) 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.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 ("Hazardous Chemical Rules")

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate the electronic filing of documents and create a mechanism for the authentication of electronic records through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. It provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access to any information generated, transmitted, received, stored, or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

Under the Information Technology Act, 2000, we are subject to civil liability to compensate for causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by us due to negligence in implementing and/or maintaining reasonable security practices and procedures.

The IT Act and the Information Technology (Amendment) Act, 2008, which amended the IT Act, facilitate electronic commerce by recognizing contracts concluded through electronic means, protecting intermediaries in respect of third-party information liability under specified circumstances, and creating liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer-related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in the exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**SPDI Rules**") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information such as bank account or credit card or debit card or other payment instrument details, physical, physiological, and mental health condition, sexual orientation, medical records, biometric information and so on. The SPDI Rules require every such body corporate, or person acting on behalf of a body corporate, to provide a privacy policy for collecting, receiving, possessing, storing, handling, and dealing with personal information, including sensitive personal data, ensuring the security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or thir*d-party disclosure of such data is made with the prior consent of the information provider unless contractually agreed upon between them or where such disclosure is mandated by law.

Special Economic Zones Act, 2005 ("SEZ Act")

SEZs are regulated and governed by the SEZ Act. The SEZ Act has been enacted for the establishment, development and management of SEZs for the promotion of exports. An SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A board of approval ("**SEZ Board**") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

The Special Economic Zones Rules, 2006 (the "SEZ Rules")

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up SEZs and a "unit" in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on self-certification and the terms and conditions subject to which entrepreneur and developer shall be entitled to exemptions, drawbacks and concessions. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

Modified Special Incentive Package Scheme ("M-SIPS")

M-SIPS was notified on July 27, 2012. Under this scheme, an incentive of 20% on the capital expenditure on plant and machinery is given to units situated in SEZ and engaged in designing and manufacturing electronic and nano-electronic products and their accessories. Further, an incentive of 25% is given for units which are not situated in an 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 ₹100 Lakhs for the manufacturing of accessories to ₹ 0.05 Lakhs Crores for the manufacturing of semiconductor chips. Applications under this scheme were accepted till August 3, 2015. However, the Ministry of Electronics and Information Technology, by way of a notification dated January 20, 2017 further extended the deadline till March 31, 2018 and thereafter till December 31, 2018. Further, incentives will be available for investments made within five years from the date of approval of the application.

Foreign Investment Legislations

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules, 2019 along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulates the mode of payment and reporting requirements for investments in India by a person resident outside India. The DPIIT on October 29, 2020, has issued the consolidated Foreign Direct Investment Policy of 2020, which lays down certain guidelines and conditions for foreign direct investment in various sectors.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was enacted for better protection of the interests of consumers and to establish authorities for timely and effective administration and settlement of consumer disputes. It seeks, inter alia, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practised by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It further enumerates the situations where a claim for compensation would be available for harm including, (i) damage to any property other than the product itself; (ii) personal injury, illness or death; (iii) mental agony or emotional distress, etc. caused by a defective product manufactured by a product manufacturer or serviced by a product service provider or sold by a product seller. It provides for the establishment of consumer dispute redressal commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of deficiency of services, are empowered to impose imprisonment for a term which may extend to two years and a fine which may extend to ten lakh rupees.

The Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India ("**MCA**") has also notified the Consumer Protection (E-Commerce) Rules, 2020 under the Consumer Protection Act ("**E-Commerce Rules**") which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, and sellers of products and services on such platforms.

Intellectual Property Laws

The Trade Marks Act, 1999

The Trade Marks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits the registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

The Patents Act, 1970 ("**Patents Act**")

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfies the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 of the Patents Act is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. In terms of the Patents Act, the patentee holds the exclusive right to prevent third parties from using, Offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

Labour law legislations

- Factories Act, 1948
- The Tamil Nadu Shops and Establishment Act, 1947
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Employees State Insurance Act, 1948
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- The Equal Remuneration Act, 1976
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Employee's Compensation Act, 1923
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Maternity Benefit Act, 1961

- The Industrial Disputes Act, 1947
- The Trade Unions Act, 1926
- Industrial Employment (Standing Orders) Act, 1946
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalise and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Environment protection laws

The Environment Protection Act, 1986 ("**EPA**") is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of the environment, standards for emission of discharge of environmental pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, an inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years or both. The imprisonment can extend up to seven years if the violation of the EPA continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, the establishment of environmental laboratories and appointment of government analysts.

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") was enacted to control land prevent pollution and for maintaining or restoring of the purity of water in the country. The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") was enacted to provide for the prevention, control, and abatement of air pollution in India. In order to achieve these objectives, Pollution Control Boards (PCBs) at Central and State levels were set up to establish and enforce standards for factories discharging and emitting pollutants in water bodies and air respectively. Under the Water Act, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent from the relevant state pollution control board. Similarly, under the Air Act, no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

Fire safety legislations

Fire safety legislations enacted by several states in India provide for, amongst other things, the establishment of state fire services departments in respective States. Under these laws, owners of certain premises or certain classes of premises, which are used for purposes which may cause a risk of fire, are required to obtain approval from the relevant authority of such fire services department. Owners are further required to implement adequate fire prevention and safety measures and appoint a fire safety officer for inspection of premises from time to time, as may be prescribed under applicable law. Further, restrictions have been imposed on the working of high-risk premises in case these approvals are not acquired or for other violations of the provisions of the fire safety laws.

The state legislatures have also enacted fire control and safety rules and regulations such as the Tamil Nadu Fire Service Act, 1985 read with Tamil Nadu Fire Services Rules, 1990, which are applicable to our manufacturing plant established in Tamil Nadu. The legislations include provisions in relation to fire safety and life-saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

Legal Metrology Act, 2009 ("Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011

The Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, and 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 issued by each state.

The Legal Metrology (Packaged Commodities) Rules, 2011, framed under the Metrology Act lays down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provides for registration of manufacturers and packers. The said rule also lays down specific provisions for e-commerce transactions and the online sale of packaged commodities.

Other applicable law

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Tax laws

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its "Residential Status" and "Type of Income" involved. Under section 139(1) of the Income Tax Act, 1961, every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax ("GST")

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax-CGST) and the States (including Union Territories with legislatures) (State tax-SGST) / Union territories without legislatures (Union territory tax-UTGST). The Parliament has exclusive power to levy GST (integrated tax-IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following the passage of the Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

Central Goods and Services Tax Act, 2017 ("**CGST Act**")

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of the application by the registered person or his legal heirs.

The Customs Act, 1962

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The provisions relating to the appointment of customs ports, airports, and warehousing stations are laid down under the Act. There shall be an absolute or partial prohibition on the import or export of goods by the Central Government for the maintenance of security in India. The interest on levy of or exemption of customs duty is laid down under Chapter V of the Act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as *Polymatech Electronics Private Limited* on May 29, 2007, at Chennai, Tamil Nadu, India, as a foreign company subsidiary operating as private limited company in India under the Companies Act, 1956. Subsequently, our company was taken over by our current promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, vide share purchase agreement dated December 07, 2016, amended on November 28, 2017. Further, upon the conversion of our Company into a public limited company, the name of our Company was changed from *Polymatech Electronics Private Limited* to *Polymatech Electronics Limited* and a fresh certificate of incorporation dated June 06, 2023 was issued by the Registrar of Companies, Chennai.

Change in the registered office of our Company

Date of change of registered office	Details of change of registered office	Reasons for change in registered office
December 23, 2009	The address of the registered office of our Company was changed from C/O. Velumuthu Associates, 1B Prabha, No. 17, Bishop Wallers Avenue (East), Mylapore, Chennai - 600004, Tamil Nadu, India to Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram - 602105, Tamil Nadu, India.	For business & administrative convenience.

Main objects of our Company

The main object contained in our Memorandum of Association is:

"to carry on the business of manufacturing components and parts for electronic and electrical equipment of every description including mobile phones, car and home appliances, multimedia equipment, sales and service thereof including any other business incidental thereto."

The main object as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendment to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of shareholders' resolution/ effective date of change	Particulars
November 17, 2022	Clause V of the MoA was amended to reflect the increase in our authorized share capital from ₹650,000,000 divided into 65,000,000 Equity Shares of ₹ 10 each to ₹ 750,000,000 divided into 75,000,000 Equity Shares of ₹ 10 each.
January 27, 2023	Clause I of the MoA was amended to change the name of our Company from "Polymatech Electronics Private Limited" to "Polymatech Electronics Limited".
June 06, 2023	Clause V of the MoA was amended to reflect the increase in our authorized share capital from ₹750,000,000 divided into 75,000,000 Equity Shares of ₹ 10 each to ₹ 135,00,00,000 divided into 13,50,00,000 Equity Shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
2007	Our Company was incorporated as '*Polymatech Electronics Private Limited*' under the Companies Act, 1956 and executed a lease deed dated November 26, 2007 in relation to allotment of land by SIPCOT for setting up a unit in Special Economic Zone.
2009	Plant was inaugurated and the major product which was sold by our company was rubber sheet for mobile applications or the 'rubber keypads'.
2010	Our company suspended its production operations effective December 2010 due to falling demand for its products.
2017	Acquisition of 6,34,57,000 Equity Shares (100% of the Equity Share capital) of our Company by our Promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, from Polyma Asset Management Co. Ltd. and Polymatech (Malaysia) SDN, BHD, Malaysia pursuant to share purchase agreement dated December 7, 2016 and amended on November 28, 2017.
2018	Receipt of approval from SIPCOT for change in shareholders, control and management of the Company and for the manufacturing of our products.
2019	Commencement of commercial production of semi-conductor chips.
2021	Receipt of Memorandum of Understanding dated February 26, 2021, issued by government of Tamil Nadu and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis.
2022	Commencement of assembly of luminaires. Also, our revenue clocked over ₹10,000 lakhs for the first time in Fiscal 2022.
2023	Acquisition of a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant. Also, our revenue clocked over ₹50,000 lakhs and Profit After Tax crossed the figure of ₹10,000 lakhs for the first time in Fiscal 2023.

Key awards, accreditations or recognitions received by our Company

As on the date of this Draft Red Herring Prospectus, our Company has not received any key awards, accreditations or recognitions.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint venture.

Time/cost overrun in setting up projects by our Company

As on the date of this Draft Red Herring Prospectus, there have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling/ re-structuring of borrowings with financial institutions/ banks

There have been no defaults or re-scheduling/ re-structuring of borrowings with any financial institutions or banks. As on the date of this Draft Red Herring Prospectus, there are no outstanding borrowings availed by our Company. For more details, see "*Financial Indebtedness*" on page 294.

Details of material acquisition or divestments of business/ undertakings, mergers, amalgamations, any revaluation of assets in the last 10 years

Our Company has not acquired any material business or undertaken any divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Guarantees provided to third parties by our Promoters

As on the date of this Draft Red Herring Prospectus, no guarantee has been given by our Promoters to any third parties.

Shareholders' agreements & other material Agreements

As on the date of this Draft Red Herring Prospectus, there have been no agreement entered between the Company and its shareholders. However, a Share Purchase Agreement dated December 07, 2016 was executed among Mr. Eswara Rao Nandam through a recently incorporated company, Sensa Integrated Township SDN. BHD., our company and with the then foreign shareholders, to acquire our company. The Share Purchase Agreement was subsequently amended on November 28, 2017 to replace Sensa Integrated Township SDN. BHD. with our promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam in their individual capacities ("SPA"). Pursuant to the SPA, 6,34,57,000 Equity Shares (constituting to 100% of total paid up equity share capital of the Company), held by Polyma Asset Management Co. Limited and Polymatech Malaysia SDN. BHD. were transferred to the Promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, for a consideration as stated in the SPA.

Agreements with Key Managerial Personnel, senior management, Directors, Promoters 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 Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Other agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company.

Significant financial and/or strategic partners

Our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus.

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.

Launch of key products or services, entry into new geographies or exit from existing markets

For details in relation to our corporate profile including details of our business, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity/facility creation build-up, technology, and managerial competence, see *"Risk Factors", "Our Business",* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 32, 174 and 295, respectively

Capacity, facility creation and location of manufacturing plants

For further details of in relation to the capacity, creation of facilities and location of the manufacturing plants, please refer to the section titled "*Our Business*" on page 174.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. For further details, see "*Main Provisions of the Articles of Association*" on page 375.

Our Board

As on the date of this Draft Red Herring Prospectus, our Board comprises Six Directors, including three Executive Directors (one Woman Director) and three Independent Directors (two Independent Woman Directors).

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

S. No.	Name, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth, Nationality and Age	Directorships in other companies
1.	**Mr. Eswara Rao Nandam** **Father's Name:** Mr. China Venkateswara Rao Nandam **Designation:** Managing Director **Address:** Flat 2b, Pushkar Aikya Apartments, AK 6 7 Shanthi Colony, Sundaram Medical Foundation, Anna Nagar, Chennai-600040 Tamil Nadu India **Occupation:** Business **Term:** For a period of Five years from April 10, 2023 **Period of Directorship:** Director of the company since January 03, 2018 **DIN:** 02220039 **Date of Birth:** August 08, 1969 **Nationality**: Indian **Age**: 54 Years	1. Polymatech Semi-Conductors Private Limited.
2.	**Ms. Uma Nandam** **Father's Name:** Mr. Subrahmanyam Ponnaganti **Designation:** Director **Address:** Flat No.201, Wilton 2, Hiranandani Parks, Thiruveni Nagar, Oragadam, Vadakkupattu, Kancheepuram- 603204 Tamil Nadu India **Occupation:** Business **Term:** Retire by Rotation **Period of Directorship:** Director since August 14, 2018 **DIN:** 02220048 **Date of Birth:** April 26, 1972	1. Datasoft Application Software (India) Limited 2. Polymatech Semi-Conductors Private Limited.

S. No.	**Name, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth, Nationality and Age**	**Directorships in other companies**
	Nationality: Indian **Age:** 51 Years	
3.	**Mr. Vishaal Nandam** **Father's Name:** Mr. Eswara Rao Nandam **Designation:** Executive Director **Address:** N23, Heritage Shankara APTS, 64 Spurtank Road, Chetpet Chennai-600031 India **Occupation:** Business **Term:** Retire By Rotation **Period of Directorship:** Director since September 16, 2023 **DIN:** 07318680 **Date of Birth:** January 08, 1996 **Nationality**: Indian **Age:** 28 Years	1. Serrano Hospitality Services LLP* **The status of LLP is currently under the "defaulting" category as per RoC filings. However, Designated Partners are in the process to make necessary compliance in the LLP.*
4.	**Mr. Rapala Virtanen Tarja Hannele** **Father's Name:** Mr. Olli Rapala **Designation:** Independent Director **Address:** Laukantie 374, Pernio, Finland-25500 **Occupation:** Professional **Term:** For a period of 5 years with effect from June 21, 2023 **Period of Directorship:** Director since February 16, 2023 **DIN:** 09528399 **Date of Birth:** August 19, 1960 **Nationality**: Finland **Age:** 63 Years	**NA**
5.	**Mr. Ryan Alexander Young** **Father's Name:** Mr. John Otis Young **Designation:** Independent Director **Address:** 1919 Empire Ave Los Angeles- 91503, United States of America	**NA**

	Occupation: Professional **Term:** Till ensuing AGM **Period of Directorship:** Director since September 09, 2023 **DIN:** 10295603 **Date of Birth:** December 11, 1976 **Nationality**: USA **Age:** 47 Years	
6.	**Ms. Selvamani Shri Janani** **Father's Name:** Mr. Selvamani **Designation:** Independent Director **Address:** E-110, Garden Crest Appartment Trichy Road, VTC Ramanathapuram, Coimbatore South-641045, Tamil Nadu, India **Occupation:** Professional **Term:** Till ensuing AGM **Period of Directorship:** Director Since September 16, 2023 **DIN:** 10325105 **Date of Birth:** February 20, 1996 **Nationality**: Indian **Age:** 27 Years	Nil

Brief biographies of our Directors

Mr. Eswara Rao Nandam

Mr. Eswara Rao Nandam, aged 54 years, is the promoter and Managing Director of our company. He has more than three decades of experience in electronic components manufacturing, auto mobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, integration of self-developed software and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organisations such as Rane Group, Hero group, Pricol, Nokia, Suzlon, GMR, etc.

A life member of India Institute of Plant Engineers, Mr. Eswara Rao Nandam has studied M. Tech in Manufacturing Engineering from BITS Pilani, is a Six Sigma practitioner. He has acquired multiple other certifications such as 'Lean Manufacturing' from Leancost Solutions, 'Certified System Integrator' from Allen Bradley which he applied on refurbishing an old production machinery for one of his employers in past, LNC Training from Siemens, 'Condition Monitoring for Implementation of Total Product Maintenance' from Vibration Engineers & Consultants which was applied by him during his time in Hero Group (previously Hero Honda).

Ms. Uma Nandam

Ms. Uma Nandam, aged 51 years, is the promoter and Executive Director of our company. She holds master's degree in commerce from Nagarjuna University. She has more than 25 years of experience in the field of accounts, finance and administration. Having worked in the array of construction, manufacturing and electronics industry, she holds knowledge in Indian as well as international taxation including Special Economic Zone regulations.

Mr. Vishaal Nandam

Mr. Vishaal Nandam, aged 27 years, is the Promoter, Executive Director and Head of Research on design and development of opto-semiconductor chips of our company. He has more than 5 years of experience in the field of electronics and semiconductors. After graduating in B.Tech degree from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre He completed 'Embedded Systems Internship Program' by Simple Labs, secured top ranks in competitions such as 'Modelling & Animation of Mechanical Parts' held by SAEINDIA, and won multiple state level science competitions. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world's largest CAD training network. He is also certified VFX Professional and holds certificates in 3D Max, Advanced Animation (Maya) from Arena Animation. During his college he attended workshops on robotics and later got certification on Robot Operation & Programming Arc Tool from FANUC.

Ms. Rapala Virtanen Tarja Hannele

Ms. Rapala Virtanen Tarja Hannele, aged 63 years, is an Independent Director of our company. She holds more than three decades of experience in the field of electronics manufacturing specializing in Printed Circuit Boards She holds degree of M.Sc in chemical engineering from Åbo Akademi University, Finland. She has rich experience in semi-conductors and printed circuit board manufacturing including latest anylayer, multilayer technology and additive technologies. She has set up manufacturing facilities in Finland, France, Thailand and China. She is the current Technical Director of EIPC (The European Institute for PCB Community) and also a member in WECC (The World Electronic Circuits Council). She provides her valuable guidance to our company.

Mr. Ryan Alexander Young

Mr. Ryan Alexander Young, aged 46 years, is an Independent Director of our company. He holds a master's degree in Marketing and expertise in business development, sales, marketing and media. He has advised high level clients in many industries on business development, branding, marketing, and media for the last 25 years. Working directly with heads of marketing, heads of worldwide events and CEOs in Fortune 500 companies in cyber security, food and health, film and television, real estate, philanthropy and other technology and creative industries. His creative businesses have put him in the forefront of music, film and television being a part of American tv shows, films and music and tie-ins with notable celebrities. He owns a consulting company named Hi Energy Entertainment. Mr. Ryan A Young is also an advisor and partner in many businesses and charities such as Palo Alto Networks, Safeway, Herbalife, Ford, AT&T, American Idol, Fox, Paramount, Nestle, MDA, Childrens Hospital, Freemantle and Associated Television International. He provides his valuable guidance to our company.

Ms. Selvamani Shri Janani

Ms. Selvamani Shri Janani, aged 27 years, is an independent director of our company. She is a Commerce graduate from Bharathiyar University having experience in business orientation in textiles, foundry, SS Pipes businesses. Ms. Janani is advising Small and Medium Enterprises to shape up their business by adopting standards in compliance and meeting challenges of competition and surviving on zero base costing methods to sustain growth and success. She continues to learn the intricacies of business environment to understand the successful strategies of a potential economic environment.

Relationship between our Directors, Key Managerial Personnel and Senior Management

There is no other relationship between our Directors and Key Managerial Personnel except as described below:

Name of Director	Designation	Relationship
Mr. Eswara Rao Nandam	Managing Director	Spouse of our Promoter & Executive Director – Ms. Uma Nandam Father of our Senior Personnel Mr. Vishaal Nandam
Ms. Uma Nandam	Executive Director	Spouse of our Promoter & Managing Director – Mr. Eswara Rao Nandam. Mother of our Senior Personnel Mr. Vishaal Nandam

Mr. Vishaal Nandam	Executive Director	Son of our Promoter & Managing Director – Mr. Eswara Rao Nandam and our Promoter & Executive Director Ms. Uma Nandam.

Confirmations

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 by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any of the stock exchange during their directorship in such companies except as mentioned below:

Name of company : Datasoft Application Software (India) Limited

Scrip code : DATASOFT

ISIN: INE072B01027

Listed: BSE Limited

Sr. No	Name of Directors	Designation	Date of Initial Appointment	Date of Resignation
1.	Mr. Eswara Rao Nandam	Promoter and Managing Director	January 17, 2022	May 31, 2023
2.	Ms. Uma Nandam	Promoter, Executive Director and Chief Financial Officer	January 17, 2022	-
3.	Mr. Hidenobu Hitotsumatsu*	Independent Director	January 17, 2022	May 25, 2023
4.	Ms. Rapala Virtanen Tarja Hannele	Independent Director	March 12, 2022	May 31, 2023

**Mr. Hidenobu Hitotsumatsu has also resigned from the Board of Polymatech Electronics Limited w.e.f. June 30, 2023.*

Pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 (erstwhile SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018) issued by Securities and Exchange Board of India (SEBI) with respect to Standard Operating Procedure (SOP) for suspension and revocation of equity shares of listed entities for non-compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, BSE Limited issued notice *vide* notice no. 20230208-26 dated February 08, 2023 for suspension of trading in securities of "Datasoft Application Software (India) Limited" or "Datasoft". The action was on account of non-compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for two consecutive quarters i.e. June 2022 and September 2022.

The company, Datasoft Application Software (India) Limited ('Datasoft'), later submitted the quarterly results of June 2022, September 2022 and December 2022 on March 20, 2023. The quarterly results of March 2023 were submitted on May 30, 2023.

Our promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, took over the company via an Open Issue, under SEBI SAST Regulations, that was open from December 09, 2021 to December 22, 2021 (both days inclusive). As per the Letter of Issue dated November 29, 2021 submitted SEBI pursuant to Open Issue, the promoters did not have any holding in the Datasoft prior to the takeover.

Also, as on the date of this Draft Red Herring Prospectus, trading in the scrip 'DATASOFT' is suspended and the scrip is currently categorised in GSM Stage: 4. GSM or Graded Surveillance Measures were introduced by SEBI and Exchanges in order to enhance market integrity and safeguard interest of investors, wherein certain identified securities are subjected to enhanced monitoring and surveillance actions. The main objective of these measures is to (i) alert and advice investors to be extra cautious while dealing in these securities and (ii) advice market participants to carry out necessary due diligence while dealing in these securities. For further details, see "*Risk*

Factors – There has been instances of delayed compliances or non-compliances with our group company Datasoft Application Software (India) Limited."

None of our Directors have been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors is prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors are appointed on the Board. For further details, please see the chapter titled "*Our History and Certain Corporate Matters*" beginning on page 204.

Service Contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Terms of appointment of Directors:

Remuneration to Executive Directors

1. Mr. Eswara Rao Nandam

Mr. Eswara Rao Nandam has been a Director on the Board of our Company since January 03, 2018 and was appointed as Managing Director of the Company for a period of 5 years with effect from April 10, 2023 pursuant to a Board resolution dated April 19, 2023 and shareholders resolution dated June 06, 2023 respectively. Our company has signed an employment agreement dated May 04, 2023 with Mr. Eswara Rao Nandam.

The details of remuneration of our Managing Director, Mr. Eswara Rao Nandam, are stated below:

Particulars	Amount
Basic Salary	₹ 43,20,000/- Per annum Up to maximum of ₹ 54,00,000/- per annum
Incentive Remuneration in the form of Performance Pay	Incentive remuneration not exceeding 100% of salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.
Other benefits, perquisites, allowances such as club fees, transport, special allowances, medical benefits, leave travel concession, etc.	Shall be as per the employment agreement dated May 04, 2023.

In Financial Year 2022-23, Eswara Rao Nandam did not receive any compensation except reimbursement of expenses in general course of business.

2. Ms. Uma Nandam

Uma Nandam has been an Executive Director on the Board of our Company since August 14, 2018 and was appointed as an Executive Director retiring by rotation, of the Company pursuant to a Board resolution dated May 30, 2023.

The details of remuneration of Uma Nandam, as approved by our Board and the Shareholders in their meetings, are stated below:

Particulars	Annual amount (in ₹)
Basic Salary	Nil
Incentive Remuneration in the form of Performance Pay	Nil
Benefits, Perquisites, Allowances	Nil

In Financial Year 2022-23, Uma Nandam did not receive any Compensation.

3. Mr. Vishaal Nandam

Mr. Vishaal Nandam has been associated with our company since the year 2018. However, he was appointed as an Executive Director on the Board of our Company pursuant to a Board resolution dated September 16, 2023.

The details of remuneration of our Executive Director, Mr. Vishaal Nandam, are stated below:

Particulars	Amount
Basic Salary	₹ 24,00,000/- Per annum
Other benefits	Other benefits include statutory benefits only.

In Financial Year 2022-23, Vishaal Nandam did not receive any compensation.

Remuneration paid to Independent Directors

Pursuant to the resolution passed by our Board on September 16, 2023 our Independent Directors are entitled to sitting fees of USD 1,000 USD or its equivalent amount in INR and reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved or decided by the Board, to the non-executive and independent directors for every meeting of board of director and committee attended by them.

Our Company has paid the following remuneration to our Independent Directors in Financial Year 2022-23:

(In lakhs)

Sr. No.	Name of Director	Sitting Fees	Commission	Total Remuneration
1.	Mr. Rapala Virtanen Tarja Hannele	Nil	Nil	Nil
2.	Mr. Ryan Young	Nil	Nil	Nil
3.	Ms. Selvamani Shri Janani	Nil	Nil	Nil

Contingent or deferred compensation paid to Directors by our Company

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to any of our Directors.

Remuneration paid or payable to our Directors from our Subsidiaries or Associates

Not Applicable.

Loans to Directors of our Company

No loans have been availed by our Directors from our Company.

Bonus or profit-sharing plan of our Directors

Except as stated in "*Our Management* " on page 208, our Company does not have any bonus or profit-sharing plan for our Directors.

Borrowing Powers of the Board

Pursuant to our Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 06, 2023, our Company is authorised to borrow a sum or sums of money, which together with the monies already borrowed by our Company, apart from temporary loans obtained or to be obtained by our Company in the ordinary course of business, in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of Rs. 50,000 Lakhs.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Sr. No.	Name of Director	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (in %)
1.	Eswara Rao Nandam	3,31,22,570	41.57%
2.	Uma Nandam	3,03,34,430	38.07%
3.	Vishaal Nandam	Nil	Nil
4.	Rapala Virtanen Tarja Hannele	Nil	Nil
5.	Ryan Young	Nil	Nil
6.	Ms. Selvamani Shri Janani	Nil	Nil

Interests of Directors

All Directors may be deemed to be interested to the extent of sitting fees and commission payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. In addition, Directors may also be interested to the extent of Equity Shares held by them, and to the extent of any dividend paid to them.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company, or in any transaction for acquisition of land, construction of buildings and supply of machinery.

(ii) Business interest

Except as stated in "*Restated Financial Information - Note-29 - Related Party Transactions*" on page 272, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

(iii) Payment of benefits (non-salary related)

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(v) Bonus or profit sharing plan for the Directors

Except as stated in "*Our Management*" on page 208, none of our Directors are party to any bonus or profit sharing plan of our Company. Further, there is no contingent or deferred compensation payable to our Directors at a later date.

(vi) Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Managing Director, Whole Time Director, Key Management Personnel and Senior Managerial Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

(vii) Interest in promotion of our Company

Except Mr. Eswara Rao Nandam and Ms. Uma Nandam, who are the Promoters of our Company, our Directors have no interests in the promotion of our Company as on the date of this Red Herring Prospectus.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Sr. No.	Name of Director	Date of Change	Nature of Event	Reason
1.	Ms. Rapala Virtanen Tarja Hannele	February 16, 2023	Appointment	Appointment as Independent Director.
2.	Mr. Hidenobu Hitotsumatsu	June 30, 2023	Cessation	Due to personal reasons
3.	Mr. Ryan Alexander Young	September 09, 2023	Appointment	Appointment as Independent Director.
4.	Ms. Selvamani Shri Janani	September 16, 2023	Appointment	Appointment as Independent Director.
5.	Mr. Vishaal Nandam	September 16, 2023	Appointment	Appointment as Executive Director.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, in respect of corporate governance including constitution of our Board and committees thereof.

As on the date of this Draft Red Herring Prospectus, there are 6 (six) Directors on our Board comprising Three Executive Directors (including one woman director) and three Independent Directors (including two woman directors). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof, as required under law.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of the Board

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

i. Audit Committee;
ii. Nomination and Remuneration Committee;
iii. Stakeholders' Relationship Committee;
iv. CSR Committee;
v. IPO Committee; and
vi. Risk Management Committee

I. Audit Committee

The Audit Committee (the "Committee") has constituted by the Board of Directors at their meeting held on September 16, 2023 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies

(Meeting of board and its powers) Rule, 2014 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Composition of Audit Committee:

Name of the Director	Status	Nature of Directorship
Ms. Selvamani Shri Janani	Chairman	Independent Director
Ms. Rapala Virtanen Tarja Hannele	Member	Independent Director
Mr. Eswara Rao Nandam	Member	Managing Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

Meeting of the Audit Committee and relevant quorum

1) The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
2) The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
3) The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3) Examination of the financial statement and the auditors' report thereon;
4) Approval or any subsequent modification of transactions of the company with related parties;
5) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7) Formulation of a policy on related party transactions, which shall include materiality of related party transactions and making of omnibus approval of related party transactions;
8) Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
9) Reviewing, with the management, the quarterly, half yearly and Annual financial statements before submission to the Board for approval;
10) 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 Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11) Scrutiny of inter-corporate loans and investments;
12) Valuation of undertakings or assets of the Company, wherever it is necessary;
13) Evaluation of internal financial controls and risk management systems;
14) Reviewing, with the management, performance of statutory and internal auditors, 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 of 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) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20) To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases
21) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
22) To investigate any other matters referred to by the Board of Directors;
23) Carrying out any other function as is mentioned in the terms of reference of the audit Committee.
24) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall have powers, including the following:

1) To investigate any activity within its terms of reference.
2) To seek information from any employee.
3) To obtain outside legal or other professional advice.
4) To secure attendance of outsiders with relevant expertise if it considers necessary.
5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;
2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
4) Internal audit reports relating to internal control weaknesses; and
5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6) statement of deviations in terms of SEBI Listing Regulations, 2015 as amended:
   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
   (ii) annual statement of funds utilised for purposes other than those stated in the Issue document/prospectus/notice.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted pursuant to a resolution passed by our Board at its meeting held on September 16, 2023. 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 Obligations and Disclosure Requirements) Regulations 2015.

Composition of Nomination and Remuneration Committee

Name of the Director	Status	Nature of Directorship
Ms. Rapala Virtanen Tarja Hannele	Chairman	Independent Director
Ms. Selvamani Shri Janani	Member	Independent Director
Mr. Ryan Alexander Young	Member	Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee.

Meeting of Nomination and Remuneration Committee and Relevant Quorum

1) The Committee is required to meet at least once a year.
2) The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater, including at least one independent director in attendance

Role of Nomination and Remuneration Committee are:

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
a. Use the services of an external agencies, if required;
b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. Consider the time commitments of the candidates.
3) Formulation of criteria for evaluation of Independent Directors and the Board;
4) Devising a policy on Board diversity;
5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

III. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has constituted by the Board of Directors at their meeting held on September 16, 2023. The composition and terms of reference of the Stakeholders Relationship Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Composition of Stakeholders Relationship Committee

Name of the Director	Status	Nature of Directorship
Ms. Rapala Virtanen Tarja Hannele	Chairman	Independent Director
Mr. Ryan Alexander Young	Member	Independent Director
Mr. Eswara Rao Nandam	Member	Managing Director

The Company Secretary of the Company will act as the Secretary of the Committee.

Meetings of the Stakeholders Relationship Committee

1) The Committee is required to meet at least once a year.
2) The quorum necessary for a meeting shall be two members present.

Scope of the Stakeholders Relationship Committee

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1) Resolving 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.
2) Review of measures taken for effective exercise of voting rights by shareholders;
3) Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;
4) Review of the various measures and initiatives taken by the Company 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
5) Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6) Approve, register, refuse to register transfer or transmission of shares and other securities;
7) Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8) Allotment and listing of shares;
9) Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
10) Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
11) Dematerialize or rematerialize the issued shares;
12) Ensure proper and timely attendance and redressal of investor queries and grievances;
13) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
14) Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
15) Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time;
16) Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
17) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

IV. CSR Committee

The Corporate Social Responsibility Committee was constituted by a meeting of our Board held on September 16, 2023 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013.

Composition of the Corporate Social Responsibility Committee are:

Name of Director	Position in the Committee	Designation
Mrs. Uma Nandam	Chairman	Executive Director
Ms. Selvamani Shri Janani	Member	Independent Director
Ms. Rapala Virtanen Tarja Hannele	Member	Independent Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act;
2) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of our Company in the three immediately preceding financial years or where our Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
3) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
    a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
    c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    d) monitoring and reporting mechanism for the projects or programmes; and e. details of need and impact assessment, if any, for the projects undertaken by the company;
4) recommend the amount of expenditure to be incurred on the CSR activities; and
5) monitor the Corporate Social Responsibility Policy of the company from time to time.
6) Performing 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 our Company or as may be required under applicable laws.
7) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act

V. IPO Committee

The IPO Committee was constituted by a meeting of our Board held on September 16, 2023. The members of the IPO Committee are:

Name of Director	Position in the Committee	Designation
Mr. Eswara Rao Nandam	Chairman	Managing Director
Mrs. Uma Nandam	Member	Executive Director
Ms. Selvamani Shri Janani	Member	Independent Director

The scope and functions of the IPO Committee are as follows:

1) to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead manager appointed in relation to the Issue ("**BRLM**");
2) to decide in consultation with the BRLM the actual size of the Issue and taking on record the number of equity shares (the "Equity Shares"), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be Issueed to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, price band, allocation/allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
3) to appoint, instruct and enter into agreements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, industry expert, legal counsels, depositories, printers, monitoring agency advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and Issue agreement with the BRLM, and the underwriting agreement with the underwriter, and to terminate agreements or arrangements with such intermediaries;
4) to make any alteration, addition or variation in relation to the Issue, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure and the exact component of issue of Equity Shares;
5) to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("Stock Exchanges"), the Registrar of Companies Chennai ("Registrar of Companies"), institutions or bodies;
6) to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;
7) to open separate escrow accounts as the escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Issue and in respect of which a refund, if any will be made;
8) to open account with the bankers to the Issue to receive application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013, as amended;
9) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the Issue agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, Stock Exchanges, BRLM and other agencies/ intermediaries in connection with Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
10) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies, and such other statutory and governmental authorities in connection with the Issue, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
11) to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent

documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

12) to determine and finalize, in consultation with the BRLM, the price band for the Issue and minimum bid lot for the purpose of bidding, any revision to the price band and the final Issue price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Issue, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
13) to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
14) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
15) to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable laws;
16) to determine the price at which the Equity Shares are Issueed, allocated, transferred and/or allotted to investors in the Issue in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be Issueed to eligible categories of investors;
17) to settle all questions, difficulties or doubts that may arise in relation to the Issue, as it may in its absolute discretion deem fit;
18) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;
19) to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Issue;
20) to withdraw the DRHP or RHP or to decide not to proceed with the Issue at any stage, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and applicable laws;
21) to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and
22) to authorize and empower officers of the Company (each, an "Authorized Officer(s)"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memorandum of understanding, the listing agreement(s) with the stock exchange(s), the registrar agreement and memorandum of understanding, the depositories' agreements, the Issue agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the stabilization agreement, the share escrow agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, manager, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the BRLM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.
23) authorization of the maintenance of a register of holders of the Equity Shares;

24) finalization of the basis of allotment of the Equity Shares.

VI. Risk Management Committee

The Risk Management Committee was constituted by a meeting of our Board held on September 16, 2023. The members of the Risk Management Committee are:

Name of Director	Position in the Committee	Designation
Mr. Eswara Rao Nandam	Chairman	Managing Director
Mrs. Uma Nandam	Member	Executive Director
Ms. Rapala Virtanen Tarja Hannele	Member	Independent Director

The scope and functions of the Risk Management Committee of our Company are in accordance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015and the applicable rules thereunder, and have been set out below:

1) To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental 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.
   c) Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3) To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
8) To consider the effectiveness of decision-making process in crisis and emergency situations;
9) To balance risks and opportunities;
10) To generally, assist the Board in the execution of its responsibility for the governance of risk;
11) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
12) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
13) Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
14) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

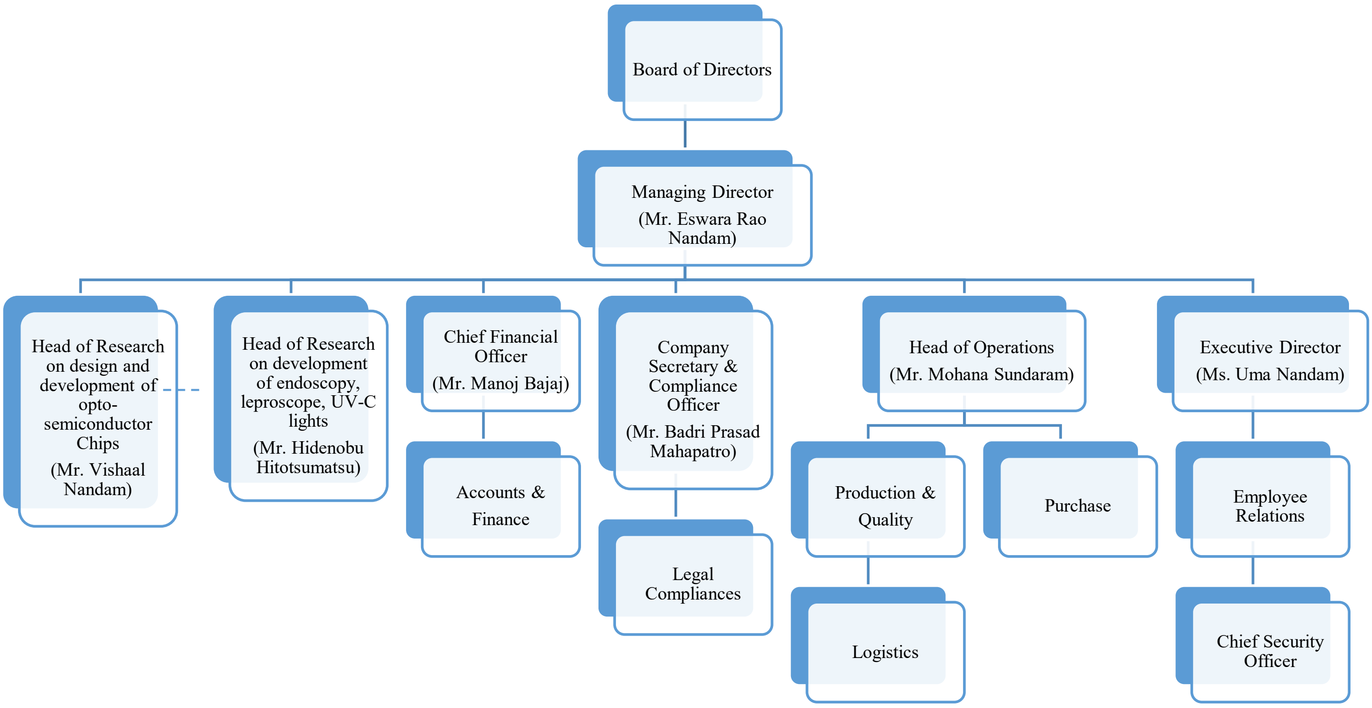
The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Provided that u/s 134(3)(n) of the Companies Act, 2013, the Board Report must contain a statement indicating the development and implementation of a Risk Management Policy for the company, including the identification of risks that may pose a threat to the existence of company. Further u/s 177(4)(vii) of the Companies Act, 2013 the Audit Committee has an obligation to evaluate the company's internal financial controls and risk management systems. In addition to this, Part II of Schedule IV of the Companies Act, 2013 requires an Independent director of a company to bring an independent judgment to the board deliberations regarding the risk management systems of the company.

Management Organisational Structure:



Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals. In addition to Mr. Eswara Rao Nandam, Managing Director of our Company, Ms. Uma Nandam, Executive Director of our Company, and Mr. Vishaal Nandam, Executive Director whose details are disclosed under "*– Brief profiles of our Directors*" on page 210, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Mr. Hidenobu Hitotsumatsu (Mr. Head of Research on development of endoscopy, leproscope, UV-C lights)

Mr. Hidenobu Hitotsumatsu, aged 68 years, is the head of research on development of endoscopy, leproscope, UV-C lights. He post graduated in engineering from Osaka University, Japan. He holds more than 40 years of rich experience in semi-conductor chips manufacturing including being at Panasonic and have set up several manufacturing facilities in Japan, China and Philippines. He has worked with Panasonic, Kyoto Nippon Denyo Corporation, etc.

Mr. Manoj Kumar Bajaj (Chief Financial Officer)

Mr. Manoj Kumar Bajaj, aged 50 years, is the Chief Financial Officer of our company with effect from April 10, 2023. An alumnus of St. Xavier's College, Kolkata, he is a qualified Chartered Accountant (CA), a silver medallist in Cost & Management Accountant (CMA), and a Company Secretary (CS). He has more than 25 years of experience in the various fields of financial roles in sectors like information technology, insurance, consulting, and SEZ development with corporates including Usha Martin Group of Kolkata, Tata AIG Life Insurance, Birla Sun Life Insurance and in Special Purpose Vehicle for SEZ development A pledged donor and life member of MOHAN Foundation (Organ Donation Organisation), he is actively involved in religious and social welfare activities including being the managing trustee in a charitable trust named Shri Dhaidhan Shakti Seva Trust.

Mr. Badri Prasad Mahapatro (Company Secretary & Compliance Officer)

Mr. Badri Prasad Mahapatro, aged 39 years, is the Company Secretary & Compliance Officer of our Company with effect from February 01, 2023. He holds a Masters Degree in Commerce from Berhampur University, Odisha and is a qualified Company Secretary (CS). He has more than a decade of experience in the field of company law, corporate governance, secretarial practice, due diligence, FEMA regulations, SEBI Listing Regulations, contract drafting, etc Prior to joining our Company, he was working in various roles with Grobest Group, a Taiwan based multi-national corporation

Mr. Mohanasundaram (Head of Operations)

Mr. Mohanasundaram K, aged 54 years, is the head of operations of our Company, managing the entire assembly line of luminaries at our manufacturing facility in Oragadam, Kancheepuram, Tamil Nadu. He graduated in Bachelor of Engineering (electrical and electronics engineering) from Government College of Technology, Coimbatore and holds Master's degree in business administration from Bharathiar University. He holds more than 28 years of experience in various roles in maintenance domain primarily in automobile engineering with corporates such as Sri Mathavalakshmi Mills Limited, Pricol Limited and Tractors and Farm Equipment Ltd.

Status of employment of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel are permanent employees of our Company except Mr. Hidenobu Hitotsumatsu who works on a retainership basis at our company.

Relationship Between Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other or any of the Directors, except as stated in "*– Relationship between Directors, Key Managerial Personnel and Senior Management*" on page 211.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company. Our Company makes annual variable payments to the Key Managerial Personnel and Senior Management, as part of the variable pay component of their remuneration, in accordance with their terms of appointment.

Interests of Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see "*- Shareholding of the Key Managerial Personnel and Senior Management*" on page 227.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for Financial Year 2022.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management have been appointed as a Key Managerial Personnel and Senior Management.

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts with Key Managerial Personnel and Senior Management

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed below and in "– *Shareholding of our Directors in our Company*" on page 211, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company:

Sr. No.	Name of Director / KMP / Senior Management	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (in %)
1.	Mr. Eswara Rao Nandam	3,31,22,570	41.57%
2.	Ms. Uma Nandam	3,03,34,430	38.07%
3.	Mr. Vishaal Nandam	Nil	Nil
4.	Mr. Hidenobu Hitotsumatsu	Nil	Nil
5.	Mr. Manoj Kumar Bajaj	Nil	Nil
6.	Mr. Badri Prasad Mahaptro	Nil	Nil
7.	Mr. Mohanasundaram K	Nil	Nil

Employee stock option and stock purchase schemes

As on the date of this Draft Red Herring Prospectus, our company does not have any Employee stock option or stock purchase schemes.

Changes in Key Managerial Personnel and Senior Management during the last three years

Except as stated below, there has been no change in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Key Managerial Personnel and Senior Management	Date of Change	Nature of Event	Reason
1.	Mr. Manoj Kumar Bajaj	April 10, 2023	Appointment	Initial appointment as Chief Financial Officer
2.	Mr. Badri Prasad Mahaptro	February 01, 2023	Appointment	Initial appointment as Company Secretary and Compliance Officer
3.	Mr. Mohanasundaram K	August 30, 2023	Appointment	Initial appointment as head of operations

Note: Mr. Hidenobu Hitotsumatsu resigned from the Board of Polymatech Electronics Limited w.e.f. June 30, 2023 and started working on a retainership with our company.

Other than the above changes, there have been no changes to the key managerial personnel and senior management of our Company that are not in the normal course of employment.

Payment or Benefit to Key Managerial Personnel and Senior Management 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

Our Promoters

The Promoters of our Company are Mr. Eswara Rao Nandam, Ms. Uma Nandam and Mr. Vishaal Nandam.

As on date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 6,34,57,000 Equity Shares in our Company, representing 79.63% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*" on page 82.

Details of Our Promoters:

	**1. Mr. Eswara Rao Nandam** Eswara Rao Nandam, aged 54 years, is one of our Promoters and is the Managing Director of our Company. The permanent account number of Eswara Rao Nandam is AERPR3003B. For the complete profile of Eswara Rao Nandam, along with his date of birth, address, educational qualification, experience in the business, directorships, etc. see "*Our Management*" on page 208. Other than the entities forming part of the Group Entities and Promoter Group, Mr. Eswara Rao Nandam is not involved in other ventures.
	**2. Ms. Uma Nandam** Uma Nandam, aged 51 years, is one of our Promoters and Director of our Company. The permanent account number of Uma Nandam is AFZPN3897G. For the complete profile of Uma Nandam, along with her date of birth, address, educational qualification, experience in the business, directorships, etc. "*Our Management*" on page 208. Other than the entities forming part of the Group Entities and Promoter Group, Ms. Uma Nandam is not involved in other ventures.
	**3. Mr. Vishaal Nandam** Vishaal Nandam, aged 27 years, is one of our Promoters and the Director of our Company. The permanent account number of Vishaal Nandam is AHEPV1863F. For the complete profile of Uma Nandam, along with her date of birth, address, educational qualification, experience in the business, directorships, etc. "*Our Management*" on page 208. Other than the entities forming part of the Group Entities and Promoter Group, Mr. Vishaal Nandam is not involved in other ventures.

Our Company confirms that the permanent account number, driving license number, bank account number, aadhar card number and passport number of each of our Promoters shall be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters are not the original Promoters of our Company. Pursuant to a share purchase agreement dated December 7, 2016 among our Company, Polyma Asset Management Co. Limited and Polymatech Malaysia Sdn. Bhd. and Sensa Integrated Township SDN. BHD and share purchase amendment agreement dated November 28, 2017, among our Company, Polyma Asset Management Co. Limited, Polymatech Malaysia Sdn. Bhd, Mr. Eswara Rao Nandam and Ms. Uma Nandam ("*SPA*"), our Promoters purchased 6,34,57,000 Equity Shares constituting 100% Equity Share Capital of the Company as on the date of SPA from the previous (foreign) shareholders of our Company, Polyma Asset Management Co. Limited and Polymatech Malaysia Sdn. Bhd.

Other than as disclosed herein above, there has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in **"–** *Entities forming part of our Promoter Group***"** below and in section **"***Our Management*" on page 208, our Promoters are not involved in any other ventures.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their Directorship in our Company and the dividends payable on such shareholding and any other distributions in respect of their respective shareholding in our Company. For details of the shareholding of our Promoters in our Company, please see the section entitled "*Capital Structure*" and ***"****Our Management"* on page 82 and 208 respectively.

Our Promoters, who are also Directors except Mr. Vishaal Nandam who is a Senior Management Personnel, may be deemed to be interested in our Company to the extent of their terms of appointment as such, including in relation to remuneration/fees and reimbursement of expenses, payable to them, as applicable. For further details, please see the section entitled **"***Our Management – Remuneration to Executive Directors*" on page 213.

Our Promoters have no direct or indirect interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed below our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease:

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in the sections entitled "*Financial Statements –Notes to Restated Financial Information – Note 29 – Related party transactions*" on page 272, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the three years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Draft Red Herring Prospectus:

Name of the Promoter(s)	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of disassociation
Mr. Eswara Rao Nandam	Mitsuya Farms Private Limited	Due to pre-occupation	December 12, 2022
	Sensa Agro Private Limited	Due to pre-occupation	April 12, 2023
	Sensa Harmya Constructions Private Limited	Due to pre-occupation	April 12, 2023
Ms. Uma Nandam	Mitsuya Farms Private Limited	Due to pre-occupation	December 12, 2022
	Sensa Agro Private Limited	Due to pre-occupation	April 12, 2023
	Sensa Harmya Constructions Private Limited	Due to pre-occupation	April 12, 2023
Mr. Vishaal Nandam	Sensa Agro Private Limited	Due to pre-occupation	September 14, 2023
	Viswam Food Products Private Limited	Due to pre-occupation	September 14, 2023

Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group as on the date of this Draft Red Herring Prospectus, in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

Natural Persons who are Part of our individual Promoters Group

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters) are as follows:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Eswara Rao Nandam	Late Mr. China Venkateswara Rao Nandam	Father
	Ms. China Akkamma Nandam	Mother
	Ms. Uma Nandam	Spouse
	Mr. Vishaal Nandam	Children
	Late Mr. Subrahmanyam Ponnaganti	Spouse Father
	Ms. Sardjipi Ponnaganti	Spouse Mother
Ms. Uma Nandam	Late Mr. Subrahmanyam Ponnaganti	Father
	Ms. Sardjipi Ponnaganti	Mother
	Mr. Eswara Rao Nandam	Spouse
	Mr. Vishaal Nandam	Children
	Late Mr. China Venkateswara Rao Nandam	Spouse Father
	Ms. China Akkamma Nandam	Spouse Mother
Mr. Vishaal Nandam	Mr. Eswara Rao Nandam	Father
	Ms. Uma Nandam	Mother

Entities forming part of our Promoter Group:

As on the date of this Draft Red Herring Prospectus, the companies, bodies corporate, firm, trust and HUF forming part of our Promoter Group are as follows:

Sr. No.	Name of Promoters Group Entity/ Company
1.	Datasoft Application Software (India) Limited
2.	Polymatech Semi-Conductors Private Limited
3.	Polymatech Electronics USA LLC

Shareholding of the Promoters Group in our Company

For details of shareholding of members of our Promoters Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled **"***Capital Structure*" beginning on page no. 82**.**

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the "*Risk Factors*" and "*Outstanding Litigation and Material Developments*" beginning on page no. 32 and 325 respectively.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on September 16, 2023, the term "group companies", includes (i) such companies with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as group companies in terms of the SEBI ICDR Regulations.

Accordingly, in terms of the policy adopted by our Board of Directors for determining group companies, we have set out below the details of our Group Companies. Our Board of Directors has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed below.

1. Polymatech Semi-Conductors Private Limited
2. Datasoft Applications Software (India) Limited
3. Polymatech Electronics USA LLC

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 websites indicated below.

Our Company is providing links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations.

1. Polymatech Semi-Conductors Private Limited (PSCPL)

PSCPL was incorporated on August 13, 2020 as a Private Limited company under the provisions of Companies Act, 2013. The registered office of PSCPL is situated at Plot OZ-13, SIPCOT Hi-Tech SEZ Oragadam, Kancheepuram, Chennai – 602105, Tamil Nadu, India. The Corporate Identification Number of PSCPL is U51505TN2020PTC137099.

Audited Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of PSCPL for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at www.polymatech.in

2. Datasoft Applications Software (India) Limited (DASIL)

DASIL was incorporated on June 02, 1992 as a Private Limited company under the provisions of Companies Act, 1956. Later on May 13, 1994 it got listed in BSE Limited. The registered office of DASIL is situated at Plot No.OZ-13, Sipcot Hi-Tech SEZ, Oragadam, Sriperumbudur, Kancheepuram - 602105 Tamil Nadu, India. The Corporate Identification Number of DASIL is L31100TN1992PLC156105.

The details of the reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of DASIL for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations are available on its website at www.polymatech.in

The National Company Law Board approved the DASIL's scheme of reduction of share capital on February 06, 2020 which was received by the company on February 27, 2020. Pursuant to the scheme of reduction, the Board of Directors of the company has allotted the 36 equity shares of Rs.10/- each in exchange to every 100 equity shares held, on April 15, 2020. Accordingly Issued capital had been reduced from ₹ 15,00,00,000 (divided into 1,50,00,000 Equity Shares of ₹ 10 each) to ₹ 1,13,18,400 (divided into 11,31,840 Equity Shares of ₹ 10 each).

Further, there have been instances of delay in compliance or non-compliance of various statutes such as Companies Act and SEBI Regulations by DASIL. See "*Risk Factors - We may face risks associated with one of our Promoter Group Company i.e. Datasoft Application Software (India) Limited which has not completed certain statutory compliances, which in turn may subject us to regulatory action, penalties and negative publicity.*" on page 43.

3. Polymatech Electronics USA LLC (PEUSA)

PEUSA was incorporated on May 07, 2023 as a Limited Liability Company in California, United State of America under the provisions of California Revised Uniform Limited Liability Company Act. The registered office of PEUSA is situated at1919 W Empire Ave Burbank, California-91504, United State of America. The Employer Identification Number (EIN) of PEUSA is EIN 93-2275484.

Since the body corporate has been recently formed the audited financial information of PEUSA is not available as on date.

Interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion or formation of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery.

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits Among Group Companies With Our Company

Our Group Companies have been authorised by its respective Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in businesses similar to ours. Following are the Group Companies, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future –

- **Polymatech Semi-Conductors Private Limited (PSCPL)**
- **Polymatech Electronics USA LLC (PEUSA)**

Our Company and our Group Companies will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

For further details on the related party transactions, to the extent of which our Company is involved, please refer *"Restated Financial Statements - Related Party Transactions"* beginning on page no. [●] of this Draft Red Herring Prospectus.

Related Business Transaction Within The Group Companies And Significance On Financial Performance

For details pertaining to business transactions, of our Company with our Group Companies, please refer *"Restated Financial Statements - Related Party Transactions"* beginning on page no. [●] of this Draft Red Herring Prospectus.

Business Interest Of Group Companies

Except as disclosed in *"Financial Information-Related Party Transactions"* on page no [●] of this Draft Red Herring Prospectus, our Group Company does not have any business interest in our Company.

Litigation

There has been no material litigation in the group companies, which may directly or indirectly affect our Company. However, our group entity DASIL has had multiple instances of delay in compliance or non-compliance of various statutes such as Companies Act and SEBI Regulations by DASIL. See "*Risk Factors - We may face risks associated with one of our Promoter Group Company i.e. Datasoft Application Software (India) Limited which has not completed certain statutory compliances, which in turn may subject us to regulatory action, penalties and negative publicity.*" on page 43.

Confirmation

Our Group Companies except DASIL do not have any securities listed on a stock exchange. Further, our Group Companies have not undertaken any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules notified thereunder. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, accumulated reserves, earnings outlook, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions, cost of raising funds from alternate sources, cash flows and other factors considered relevant by our Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, and prevalent market practices. For details in relation to risks involved in this regard, see "*External 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 64.

As on the date of this Draft Red Herring Prospectus, our Company has a formal dividend policy approved by our Board on June 16, 2023.

We have neither declared nor paid any dividends on the Equity Shares in any of the three Financial Years preceding the date of this Draft Red Herring Prospectus and until the date of this Prospectus.

SECTION V - FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors
Polymatech Electronics Limited
(Formerly Polymatech Electronics Private Limited)
Plot OZ-13, SIPCOT Hi-Tech SEZ,
NA Oragadam, Kancheepuram- 602105
Tamil Nadu, India

Dear Sirs/Madam,

1. We, S S Kothari Mehta & Company, Chartered Accountants, have examined, the Restated Financial Statements of Polymatech Electronics Limited (formerly Polymatech Electronics Private Limited) (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on September 9, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("RHP") / Prospectus, prepared by the Company in connection with its proposed Initial Public Issue 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 ("SEBI ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the DRHP / RHP / Prospectus to be filed with Securities and Exchange Board of India ("SEBI") and the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and Registrar of Companies ("ROC"), in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.01 of Annexure V to the Restated Financial Statements.

   The Board of Directors of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 18, 2023, in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; 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 proposed IPO of equity shares of the Company.

4. These Restated Financial Statements have been compiled by the management from:

i. Audited Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on September 9, 2023;

ii. Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Ind AS financial statements were prepared for the purpose of IPO.

   The Special purpose Ind AS financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2023.

   The financial information for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this special purpose Ind AS financial statements as mentioned above, are based on the previously issued statutory financial statements prepared for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 audited and reported by erstwhile statutory auditor who have issued unmodified audit opinions vide audit reports dated May 31, 2023, September 30, 2022 and November 13, 2021 respectively.

5. For the purpose of our examination, we have relied on:

a) Auditors' report issued by us dated September 9, 2023 on the Special Purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, as referred in Paragraph 4 (i) above.

b) As informed to us by the management, Previous Auditor for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 do not hold a valid peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India and have therefore, expressed their inability to perform any work on the Restated financial Statements of the respective years. Accordingly, in accordance with SEBI ICDR Regulations and the Guidance Note, we have audited the special purpose Ind AS financial statements of the company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, as referred in Para 4(i) and 4 (ii) above and issued our special purpose audit reports thereon.

6. Based on above and according to the information and explanations given to us, we report that:

i. the Restated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping / reclassifications retrospectively in the financial years as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2023.

ii. there are no qualifications in the auditor's reports on the special purpose Ind AS Financial Statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, as referred above which requires any adjustments in the Restated financial Statements.

iii. The Restated financial Statements has been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

7. The Restated Financial Statements does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Ind AS Financial Statements mentioned above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP / RHP / Prospectus to be filed with the Securities and Exchange Board of India (SEBI), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and Registrar of Companies (RoC) 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 **S S Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

Sd-
Rana Sen
Partner
Membership No. 066759

Place: Chennai
Date: September 9, 2023
UDIN: 23066759BGVULM6994

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure I-Restated Statement of Assets and Liabilities
(All amounts in Indian Rupees in lacs, unless otherwise stated)

	Particulars	Notes	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	ASSETS				
1	**Non-current assets**				
(a)	Property, plant and equipment	**3**	15,429.46	8,999.92	8,326.76
(b)	Other Non-Current Assets	**4**	-	50.50	70.95
	Total non-current assets (1)		**15,429.46**	**9,050.42**	**8,397.71**
2	**Current assets**				
(a)	Inventories	**5**	3,620.49	1,973.09	129.12
(b)	Financial assets				
	(i) Trade receivables	**6**	13,325.68	2,582.44	738.70
	(ii) Cash and cash equivalents	**7(a)**	4,134.10	3.00	0.60
	(iii) Bank balances other than cash and cash equivalents	**7(b)**	-	-	3.66
	(iv)Other financial assets	**8**	10.14	-	10.11
(c)	Other current assets	**9**	2,229.48	122.84	16.33
	Total current assets (2)		**23,319.89**	**4,681.37**	**898.52**
	Total assets (1+2)		**38,749.35**	**13,731.79**	**9,296.23**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(i) Equity share capital	**10**	7,187.62	6,345.70	6,345.70
	(ii) Other equity	**11**	24,618.68	548.51	(2,878.30)
	Total equity (1)		**31,806.30**	**6,894.21**	**3,467.40**
	Liabilities				
2	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**12**	1,589.16	3,782.52	2,496.94
(b)	Other Non-Current Liabilities	**13**	-	165.36	330.73
(c)	Deferred Tax Liabilities (net)	**14**	661.81	773.93	696.81
	Total non-current liabilities (2)		**2,250.97**	**4,721.81**	**3,524.48**
3	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	**15**	2,508.33	374.01	150.65
	(ii) Trade payables	**16**			
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-
	-Total outstanding dues of Creditors other than micro enterprises and small enterprises		1,972.96	1,546.15	1,002.39
	(iii) Other financial liabilities	**17**	15.00	30.25	985.95
(b)	Other current liabilities	**18**	195.79	165.36	165.36
	Total current liabilities (3)		**4,692.08**	**2,115.77**	**2,304.35**
	Total equity and liabilities (1+2+3)		**38,749.35**	**13,731.79**	**9,296.23**

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached

For S S Kothari Mehta & Company **For and on behalf of the Board of Directors of**

Chartered Accountants
Firm's registration number : 000756N

Sd/-
Rana Sen
Partner
Membership No. : 066759
Place : Chennai
Date : September 9, 2023

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)

Sd/-	Sd/-
Eswara Rao Nandam	**Uma Nandam**
Managing Director	Director
DIN: 02220039	**DIN:** 02220048
Sd/-	Sd/-
Manoj Kumar Bajaj	**Badri Prasad Mahapatro**
Chief Financial Officer	Company Secretary

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure II-Restated Statement of Profit and Loss
(All amounts in Indian Rupees in lacs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
I	**Income**				
	Revenue from operations	**19**	64,902.00	12,587.31	4,501.37
	Other income	**20**	260.29	220.37	217.21
	Total income (I)		**65,162.29**	**12,807.68**	**4,718.58**
II	**Expenses**				
	Cost of materials consumed	**21**	45,063.73	9,824.02	3,389.91
	Change in inventories of finished goods and work-in-progress	**22**	(594.59)	(1,598.14)	(129.12)
	Employee benefits expense	**23**	126.63	78.23	59.78
	Finance costs	**24**	530.35	385.75	228.40
	Depreciation and amortisation expenses	**25**	1,606.98	317.90	302.68
	Other expenses	**26**	1,764.68	296.00	142.07
	Total expenses (II)		**48,497.78**	**9,303.76**	**3,993.72**
III	**Profit before exceptional items and tax (I - II)**		**16,664.51**	**3,503.92**	**724.86**
IV	Exceptional items (net)				
V	**Profit before tax (III + IV)**		**16,664.51**	**3,503.92**	**724.86**
VI	**Tax expense**	**27**			
	(a) Current tax		-	-	-
	(b) Deferred tax		(112.11)	77.11	96.03
	Total tax expense		**(112.11)**	**77.11**	**96.03**
VII	**Profit for the year (V - VI)**		**16,776.62**	**3,426.81**	**628.83**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to Profit or Loss :				
	-Income Tax relating to Items that will not be reclassified to Profit or Loss				
	Total other comprehensive income for the year (net of tax)		**-**	**-**	-
IX	**Total comprehensive income for the year (VII + VIII)**		**16,776.62**	**3,426.81**	**628.83**
X	**Earnings per equity share (EPS)**	**28**			
	Basic (in Rs)		26.02	5.40	0.99
	Diluted (in Rs)		26.02	5.40	0.99
	Face value per share (in Rs)		10.00	10.00	10.00

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached

For S S Kothari Mehta & Company **For and on behalf of the Board of Directors of**

Chartered Accountants	**Polymatech Electronics Limited (formerly known as Polymatech Electronics Private Limited)**	
Firm's registration number : 000756N		
Sd/ -	Sd/-	Sd/-
Rana Sen	**Eswara Rao Nandam**	**Uma Nandam**
Partner	Managing Director	Director
Membership No. : 066759	**DIN:** 02220039	**DIN:** 02220048
Place : Chennai	Sd/-	Sd/-
Date : September 9, 2023	**Manoj Kumar Bajaj**	**Badri Prasad Mahapatro**
	Chief Financial Officer	Company Secretary

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure III-Restated Statement of Cash Flows
(All amounts in Indian Rupees in lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	**16,664.51**	**3,503.92**	**724.86**
Adjustments for :			
Depreciation of Property, Plant and Equipment	1,606.98	317.90	302.68
Finance costs	530.35	385.75	228.40
Operating profit before working capital changes	**18,801.84**	**4,207.57**	**1,255.94**
Adjustments for :			
(Increase)/Decrease in trade receivables	(10,743.24)	(1,843.74)	(682.70)
(Increase)/Decrease in Other financial assets	(10.14)	10.11	(9.00)
(Increase) / Decrease in Other assets	(2,056.14)	(86.07)	332.45
(Increase) / Decrease in Inventories	(1,647.40)	(1,843.97)	(129.12)
(Decrease)/Increase in trade payables	426.80	543.76	984.79
(Decrease)/Increase in Other financial liabilities	(15.25)	(955.70)	904.08
(Decrease)/increase in other liabilities	(134.93)	(165.36)	436.09
Cash (used in) / generated from operating activities	**4,621.54**	**(133.40)**	**3,092.53**
Income Tax Paid	-	-	-
Net cash (used in) / generated from operating activities	**4,621.54**	**(133.40)**	**3,092.53**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(8,036.52)	(991.06)	(3,181.44)
Bank Deposits	-	3.66	(3.66)
Net cash (used in) / generated from investing activities	**(8,036.52)**	**(987.40)**	**(3,185.10)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	841.92	-	-
Proceeds of securities premium	7,158.55	-	-
Share application money received	135.00	-	-
Interest paid	(530.35)	(385.75)	(228.40)
Proceeds from / (repayment of) borrowings (net)	(59.04)	1,508.95	320.94
Net cash (used in) / generated from Financing Activities	**7,546.08**	**1,123.20**	**92.54**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,131.10**	**2.40**	**(0.03)**
Cash and cash equivalents at the beginning of the year	**3.00**	**0.60**	**0.63**
Cash and cash equivalents at the closing of the year	**4,134.10**	**3.00**	**0.60**

a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 7(a)):

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash on Hand	-	-	0.08
Balance with bank			
In current accounts	4,134.10	3.00	0.52
Total	**4,134.10**	**3.00**	**0.60**

b) Reconciliation of changes in liabilities arising from financing activities:

Particulars	As at 01-April-2020	Interhead Transfer	Cashflows	Impact of effective	As at 31-March-2021

				interest rate	
Non-Current Borrowings (including current maturity)	547.96	1,778.68	842.50	(521.56)	2,647.59
Current Borrowings	1,778.68	1,778.68)	-	-	-
Total	**2,326.64**	**-**	**842.50**	**(521.56)**	**2,647.59**

Particulars	**As at 31-March-2021**	**Interhead Transfer**	**Cashflows**	**Non Cash Change**	**As at 31-March-2022**
Non-Current Borrowings (including current maturity)	2,647.59	-	995.54	139.39	3,782.52
Current Borrowings	-	-	374.01	-	374.01
Total	**2,647.59**	**-**	**1,369.55**	**139.39**	**4,156.53**

Particulars	**As at 31-March-2022**	**Interhead Transfer**	**Cashflows**	**Non Cash Change**	**As at 31-March-2023**
Non-Current Borrowings (including current maturity)	3,782.52	-	(451.08)	145.93	3,477.37
Current Borrowings	374.01	-	246.11	-	620.12
Total	**4,156.53**	**-**	**(204.97)**	**145.93**	**4,097.49**

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Sd/
-
Rana Sen
Partner
Membership No. : 066759

Place : Chennai
Date : September 9, 2023

For and on behalf of the Board of Directors of Polymatech Electronics Limited (formerly known as Polymatech Electronics Private Limited)

Sd/-
Eswara Rao Nandam
Managing Director
DIN: 02220039

Sd/-
Uma Nandam
Director
DIN: 02220048

Sd/-
Manoj Kumar Bajaj
Chief Financial Officer

Sd/-
Badri Prasad Mahapatro
Company Secretary

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure IV-Restated Statement of changes in Equity
(All amounts in Indian Rupees in lacs, unless otherwise stated)

(a) Equity share capital*

At March 31, 2021

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
6,345.70	-	6,345.70	-	6,345.70

At March 31, 2022

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
6,345.70	-	6,345.70	-	6,345.70

At March 31, 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
6,345.70	-	6,345.70	841.92	7,187.62

*For changes in equity during the year, refer Note 10

b) Other equity

Particulars	Attributable to equity shareholders			Total
	Reserves and surplus			
	Securities premium	Share Application Money	Retained earnings	
As at April 01, 2020	**-**	**-**	**(3,507.13)**	**(3,507.13)**
Profit for the year	-	-	628.83	628.83
Other comprehensive income, net of income tax	-	-	-	-
As at March 31, 2021	**-**	**-**	**(2,878.30)**	**(2,878.30)**
Profit for the year	-	-	3,426.81	3,426.81
Other comprehensive income, net of income tax	-	-	-	-
As at March 31, 2022	**-**	**-**	**548.51**	**548.51**
Profit for the year	-	-	16,776.63	16,776.63
Additions for the year	7,158.55	135.00	-	7,293.55
Other comprehensive income, net of income tax	-	-	-	-
As at March 31, 2023	**7,158.55**	**135.00**	**17,325.14**	**24,618.69**

Nature and purpose of reserves

Securities Premium :

Securities premium is used to record the premium received on issue of shares and is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings:-

Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the provisions of the Companies Act, 2013.

Share Application Money : It is the amount received by the company against which equity shares will be issued.
The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached

For S S Kothari Mehta & Company **Chartered Accountants** Firm's registration number : 000756N	**For and on behalf of the Board of Directors of Polymatech Electronics Limited (formerly known as Polymatech Electronics Private Limited)**	
Sd/ - **Rana Sen** Partner **Membership No. :** 066759	Sd/- **Eswara Rao Nandam** Managing Director **DIN:** 02220039	Sd/- **Uma Nandam** Director **DIN:** 02220048
Place : Chennai **Date :** September 9, 2023	Sd/- **Manoj Kumar Bajaj** Chief Financial Officer	Sd/- **Badri Prasad Mahapatro** Company Secretary

1 CORPORATE INFORMATION

Polymatech Electronics Limited (formerly known as Polymatech Electronics Private Limited) is a limited company domiciled in India and incorporated on May 29, 2007 under the provisions of the Companies Act, 1956 having its registered office at Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam Kancheepuram, Tamil Nadu. The Company is in the business of designing, manufacturing, packaging and assembling SMT Components including Semiconductor Chips and Display fabrication units including Liquid Crystal Displays (LCD), Light Emitting Diode (LED).

The Company has been converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Polymatech Electronics Limited pursuant to fresh certificate of incorporation issued by ROC dated June 6, 2023.

The Company's Restated Financial Statements for the years ended 31 March 2023, 31 March 2022, and 31 March 2021 were approved for issue by the Board of Directors, in accordance with resolution passed in the meeting of the board of directors held on September 9, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of preparation and presentation of restated financial statement

(i) Compliance with IndAS

The Restated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

These Statements have been prepared by the Management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') ,in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public Offering of equity shares of face value of Rs. 10 each of the Company comprising fresh issue of equity shares (the "Issue"), prepared by the Company 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 from time to time; and
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance" Note).

(ii) The Restated Financial Statements of the Company comprise of the Restated Statement of Assets and Liabilities 31 March 2023, 31 March 2022 and 31 March 2021, Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Cash Flow and Restated Statement of Changes in Equity for the year ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary statement of Significant Accounting Policies and Notes to Restated Financial Information (collectively, the 'Restated Financial Statements' or 'Statements').

(iii) The Restated Financial Statements have been compiled from:

(a) Audited Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 which have been approved by the Board of Directors at their meeting held on September 9, 2023.

Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Account) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which to which the Special purpose Ind AS financial statements were prepared for the purpose of Initial Public Issue (IPO).

The Special purpose Ind AS Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2023.

(iv) In pursuance to ICDR Regulations, the Company is required to provide Financial Statements (FS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). To comply with such requirements, the company has prepared special purpose Ind AS financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. The special purpose Ind AS financial statements with required restatement have been included in the restated financial statements prepared for the purpose of filing the DRHP.

(v) The Restated Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:-

(i) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;

(ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2023, March 31, 2022 and March 31, 2021, in order to bring them in line with the groupings as per the Restated Financial Information of the Company for the year ended March 31, 2023 and the requirements of the SEBI Regulations, if any; and

(iii) The resultant impact of tax due to the aforesaid adjustments, if any.

(vi) **Historical cost convention**

The Restated Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

(vii) The Restated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR '00,000) upto two decimal places, except when otherwise indicated.

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non -current classification.

An asset is treated as current when it is:
(i) Expected to be realized or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realized within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
(i) It is expected to be settled in normal operating cycle.
(ii) It is held primarily for the purpose of trading.
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on pro-rata basis on straight line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30
Plant and machinery	10*
Furniture and Fixtures and interiors	5#

Motor Vehicles	6
Office Equipment	10
Computer Systems	3
Electrical Fittings	10^

* Upto financial year ended 31st March 2022 useful life of plant and machinery was considered as 40 years.

Upto financial year ended 31st March 2022 useful life of furniture fixtures and interiors was considered as 10 years.

^ Upto financial year ended 31st March 2022 useful life of electrical fittings was considered as 40 years.

Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

Leasehold Land is amortised over the period of the lease.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020 (after adjustment of reversal of impairment recognised earlier) , measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2.04 Intangible assets

Recognition and initial measurement

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

2.05 Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or group of assets (cash generating units). Non–financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.06 Financial assets and financial liabilities

Financial assets and financial liabilities (together known as financial instruments) are recognized when Company 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 or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non -current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial Assets and Financial Liabilities measured at amortized cost

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

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.
The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

Financial Assets or Liabilities at Fair value through Profit or Loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts other than those which are in the nature of Insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

Impairment of financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

For the purpose of classification of financial asset including trade receivable as credit impaired, a period of three years is considered by the Management.

De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets 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.
On de-recognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from OCI to statement of profit or loss as a reclassification adjustment unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously recognised in OCI are reclassified with equity.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

2.07 Inventories

Inventories are valued at lower of cost or net realisable value

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

2.08 Income tax

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961. Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

2.09 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Company.

2.10 Interest, dividend and claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

2.11 Leases- company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected to use the recognition exemptions for short term leases as well as low value assets.

2.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.13 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the period in which they occur.

2.14 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.15 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements to the extent it is probable that economic benefits will flow to the Company from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.16 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

2.18 Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.19 Critical accounting judgements, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

(a) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end.

(b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

(c) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may affect the amount of actual write-offs as estimated.

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure V- Notes to Restated financial statements
(All amounts in Indian Rupees in lacs, unless otherwise stated)

3. Property, plant and equipment										
Particulars	**Long term Leasehold Land #**	**Buildings***	**Furniture and fixtures**	**Plant and equipment**	**0ffice equipments**	**Vehicles**	**Electrical fittings**	**Interiors**	**Computer**	**Total**
Gross Carrying Amount										
As at April 01, 2020	**188.84**	**3,542.66**	**-**	**1,138.53**	**-**	**6.72**	**571.05**	**-**	**0.20**	**5,448.00**
Additions	-	0.99	-	2,317.31	-	0.51	862.63	-	-	3,181.44
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	**188.84**	**3,543.65**	**-**	**3,455.84**	**-**	**7.23**	**1,433.68**	**-**	**0.20**	**8,629.44**
Additions	-	-	0.78	972.11	1.49	-	14.88	0.75	1.05	991.06
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**188.84**	**3,543.65**	**0.78**	**4,427.95**	**1.49**	**7.23**	**1,448.56**	**0.75**	**1.25**	**9,620.50**
Additions	-	-	2.74	7,985.66	-	-	0.31	44.00	3.81	8,036.53
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	0.25	-0.25	-	-
As at 31-March-2023	**188.84**	**3,543.65**	**3.52**	**12,413.61**	**1.49**	**7.23**	**1,449.12**	**44.50**	**5.06**	**17,657.02**
Accumulated depreciation										
As at April 01, 2020	-	-	-	-	-	-	-	-	-	**-**
Charge for the year	2.17	168.15	-	93.85	-	1.29	37.22	-	-	302.68
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	**2.17**	**168.15**	**-**	**93.85**	**-**	**1.29**	**37.22**	**-**	**-**	**302.68**
Charge for the year	2.17	168.15	0.08	106.00	1.49	1.29	38.31	0.15	0.26	317.90

Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**4.34**	**336.30**	**0.08**	**199.85**	**1.49**	**2.58**	**75.53**	**0.15**	**0.26**	**620.58**
Charge for the year	2.17	168.15	1.25	1,271.16	-	1.29	150.42	8.97	3.57	1,606.98
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
As at 31-March-2023	**6.51**	**504.45**	**1.33**	**1,471.01**	**1.49**	**3.87**	**225.95**	**9.12**	**3.83**	**2,227.56**
Net Carrying Amount										
As at April 01, 2020	**188.84**	**3,542.66**	**-**	**1,138.53**	**-**	**6.72**	**571.05**	**-**	**0.20**	**5,448.00**
As at 31 March 2021	**186.67**	**3,375.50**	**-**	**3,361.99**	**-**	**5.94**	**1,396.46**	**-**	**0.20**	**8,326.76**
As at 31 March 2022	**184.50**	**3,207.35**	**0.70**	**4,228.10**	**-**	**4.65**	**1,373.03**	**0.60**	**0.99**	**8,999.92**
As at 31 March 2023	**182.33**	**3,039.20**	**2.18**	**10,942.60**	**-**	**3.36**	**1,223.18**	**35.38**	**1.23**	**15,429.46**
*Includes preoperative expenses										
# Reclassified in accordance with Ind AS 116 as Right of use assets.										
3(i) There is no revaluation of Property, Plant and Equipment during the years.										

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure V- Notes to Restated financial statements
(All amounts in Indian Rupees in lacs, unless otherwise stated)

4	Other non-current assets		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Capital advances	-	50.50	70.95
Total other non-current assets	**-**	**50.50**	**70.95**

5	Inventories		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
(The Inventory is valued at lower of cost and net realizable value)			
Raw materials	1,298.64	245.83	-
Work in progress	748.96	548.76	129.12
Finished goods	1,572.89	1,178.50	-
Total Inventories	**3,620.49**	**1,973.09**	**129.12**

6	Trade receivables		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Trade receivables: (Carried at Amortised Cost)			
Trade Receivables - Considered Good Secured	-	-	-
Trade Receivables - Considered Good Unsecured	13,325.68	2,582.44	738.70
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables - credit impaired	-	-	-
Total trade receivables	**13,325.68**	**2,582.44**	**738.70**
Less: Allowance for credit losses	-	-	-
Total trade receivables (net)	**13,325.68**	**2,582.44**	**738.70**
No trade receivable are due from directors or officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.			

Trade receivables ageing schedule						
As at 31-March-2023	**Outstanding for following periods from date of transaction**					**Total**
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed Trade receivables - considered good	13,325.68	-	-	-	-	13,325.68
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-

Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**13,325.68**	**-**	**-**	**-**	**-**	**13,325.68**
Less: Allowance for credit losses	-	-	-	-	-	-
Net Trade receivables	**13,325.68**	**-**	**-**	**-**	**-**	**13,325.68**

As at March 31, 2022	**Outstanding for following periods from date of transaction**					**Total**
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed Trade receivables - considered good	2,582.44	-	-	-	-	2,582.44
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**2,582.44**	**-**	**-**	**-**	**-**	**2,582.44**
Less: Allowance for credit losses	-	-	-	-	-	-
Net Trade receivables	**2,582.44**	**-**	**-**	**-**	**-**	**2,582.44**

As at March 31, 2021	**Outstanding for following periods from date of transaction**					**Total**
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed Trade receivables - considered good	738.70	-	-	-	-	738.70
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**738.70**	**-**	**-**	**-**	**-**	**738.70**
Less: Allowance for credit losses	-	-	-	-	-	-
Net Trade receivables	**738.70**	**-**	**-**	**-**	**-**	**738.70**

7(a)	**Particulars**	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**

	Cash and cash equivalents			
	Balances with banks:			
	- in current accounts	4,134.10	3.00	0.52
	Cash on hand	-	-	0.08
	Total cash and cash equivalents	**4,134.10**	**3.00**	**0.60**
7(b)	**Bank balances other than cash and cash equivalents**			
	Bank Deposits	-	-	3.66
	Total bank balances other than cash and cash equivalents	**-**	**-**	**3.66**

8	**Other financial assets**			
Particulars		**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Current				
Unsecured, considered good unless otherwise stated				
Carried at amortised cost				
Other receivables		10.14	-	-
Security deposits		-	-	10.11
Total Other financial assets		**10.14**	**-**	**10.11**

9	**Other current assets**			
Particulars		**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Unsecured considered good				
Balance with statutory / government authorities		6.45	-	6.33
Advance to suppliers*		2,223.03	122.84	10.00
Total Other current assets		**2,229.48**	**122.84**	**16.33**
* Advance given to related party, refer note 29				

10	**Equity share capital**		
(a) Authorised equity share capital:			
	Number of shares	**Face Value**	**Amount**
As at 01-April-2020	**6,50,00,000**	**10**	**6,500.00**
Changes during the year	-	**-**	-
As at 31-March-2021	**6,50,00,000**	**10**	**6,500.00**
Changes during the year	-	**-**	-
As at 31-March-2022	**6,50,00,000**	**10**	**6,500.00**
Changes during the year	**1,00,00,000**	**10**	**1,000.00**
As at 31-March-2023	**7,50,00,000**	**10**	**7,500.00**
(b) Issued equity share capital:			
	Number of shares	**Face Value**	**Amount**
As at 01-April-2020	**6,34,57,000**	**10**	**6,345.70**
Changes during the year	**-**	**-**	**-**
As at 31-March-2021	**6,34,57,000**	**10**	**6,345.70**
Changes during the year	-	**-**	-
As at 31-March-2022	**6,34,57,000**	**10**	**6,345.70**
Changes during the year (refer note 10(f)	84,19,200	**10**	841.92
As at 31-March-2023	**7,18,76,200**	**10**	**7,187.62**
(c) Terms/rights attached to equity shares			
The Company has only one class of equity shares having par value of Rs 10 per share (PY Rs 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any			

in Indian rupees. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31-March-2023		As at 31-March-22		As at 31-March-21	
	Number of shares	% holding in class	Number of shares	% holding in class	Number of shares	% holding in class
Equity shares of Rs 10 each fully paid						
Eswara Rao Nandam	3,31,22,570	46.08%	3,31,22,570	52.20%	3,31,22,570	52.20%
Uma Nandam	3,03,34,430	42.20%	3,03,34,430	47.80%	3,03,34,430	47.80%
Total	**6,34,57,000**		**6,34,57,000**		**6,34,57,000**	

(e) Details of shareholding of Promoters

Name of Shareholder	As at 31-March-2023			As at 31-March-22			As at 31-March-21		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year	Number of Shares	% of total shares	% change during the year
Equity shares of Rs 10 each fully paid									
Eswara Rao Nandam	3,31,22,570	46.08%	(6.11%)	3,31,22,570	52.20%	-	3,31,22,570	52.20%	-
Uma Nandam	3,03,34,430	42.20%	(5.60%)	3,03,34,430	47.80%	-	3,03,34,430	47.80%	-
Total	**6,34,57,000**			**6,34,57,000**			**6,34,57,000**		

(f) During the year ended March 31, 2023, company has issued 6119000 equity shares of Rs. 10/- each at Rs. 80/- per share (including share premium of Rs. 70 per share) and 2300200 equity shares of Rs. 10/- each at Rs. 135/- per share (including share premium of Rs. 125 per share) under preferential allotment.

11 Other equity

Securities premium	**(A)**	**Amount**
Balance as at April 01, 2020		-
Additions		**-**
Balance as at March 31, 2021		**-**
Additions		-
Balance as at March 31, 2022		**-**
Additions (refer note 10(f))		**7,158.55**
Balance as at 31 March 2023		**7,158.55**

Share Application Money	**(B)**	**Amount**
Balance as at April 01, 2020		-
Additions		-
Balance as at March 31, 2021		**-**
Additions		-
Balance as at March 31, 2022		**-**
Additions		135.00
Balance as at 31 March 2023		**135.00**

Retained earnings	(C)	Amount
Balance as at April 01, 2020		**(3,507.13)**
Profit for the year		628.83
Add: Other comprehensive income, net of income tax		-
Balance as at March 31, 2021		**(2,878.30)**
Profit for the year		3,426.81
Add: Other comprehensive income, net of income tax		-
Balance as at March 31, 2022		**548.51**
Profit for the year		16,776.62
Add: Other comprehensive income, net of income tax		-
Balance as at 31 March 2023		**17,325.13**
Total other equity (A+B+C)		**Amount**
Balance as at April 01, 2020		**(3,507.13)**
Balance as at March 31, 2021		**(2,878.30)**
Balance as at March 31, 2022		**548.51**
Balance as at 31 March 2023		**24,618.68**

Nature and purpose of reserves

Securities Premium :

Securities premium is used to record the premium received on issue of shares and is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings:-

Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the provisions of the Companies Act, 2013.

Share Application Money :

It is the amount received by the company against which equity shares will be issued.

12 Borrowings

Particulars	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
Non-Current			
Secured			
Term loans			
-From Banks	1,589.16	2,335.78	1,355.85
Unsecured			
Loan from related parties	1,888.21	1,446.74	1,291.74
Total Borrowings	**3,477.37**	**3,782.52**	**2,647.59**
Less: Current maturities of loans- Secured (refer note no 15)	-	-	150.65
Less: Current maturities of loans- Unsecured (refer note no 15)	1,888.21	-	-
Total Borrowings - Non Current	**1,589.16**	**3,782.52**	**2,496.94**

Nature of security and terms of repayment for borrowings:

(A) Secured Term loans

(1)	**Term Loans from Banks**
(a)	**Security Terms**
(i)	Term loans of Rs. 1589.16 Lakh (as at 31st March 2022 Rs. 2335.78 lakh, as at 31st March 2021 Rs. Nil) From HDFC Bank is secured by hypothecation of Industrial Property including lease hold land at Hi-tech SEZ at Sipcot, plant and machinery, building, other movable fixed assets ,stock and debtors and Debt service reserve account (DSRA). These Loans are guaranteed by Mr. Eswara Rao Nandam and Mrs. Uma Nandam, Directors of the Company. The same is repayable after a period of 4 to 7 years from the date of disbursement. It carries an interest of LIBOR+4.5%.
(ii)	Term loans of Rs. Nil (as at 31st March 2022 Rs. Nil, as at 31st March 2021 Rs. 1355.85 lakh) From Bank of Baroda is secured by hypothecation of Industrial Property including lease hold land at Hi-tech SEZ at Sipcot, plant and machinery, building, other movable fixed assets .These Loans are guaranteed by Mr. Eswara Rao Nandam and Mrs. Uma Nandam, Directors of the Company. The same is repayable in 108 monthly installments starting from May 2020. It carries an interest of MCLR+SP+6.25%. During the year ended March 31, 2022 it was repaid in full.

(B) Unsecured Term loans			
(1) Unsecured Loan from related parties amounting to			
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Unsecured Loan from related parties (refer note no 29)	1,888.21	1,446.74	1,291.74
Loans from Related Parties are repayable on 31st March 2024 at nil rate of interest.			
(C) As on balance sheet date there is no default in repayment of loans and interest.			
(D) The Company has utilised the borrowings received from banks and financial institutions for the purpose for which it was taken during the years.			

13	**Other Non-Current Liabilities**		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Deferred Credit for Long Term Payable	-	165.36	330.73
Total Other Non-Current Liabilities	-	165.36	330.73

14	**Deferred Tax**		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Deferred Tax Liabilities	661.81	773.93	696.81
Deferred Tax Assets	-	-	-
Net Deferred Tax Liabilities /(Assets)	661.81	773.93	696.81

Movement in net deferred tax liabilities/ assets for the year ended 31st March 2023:

Particulars	**Opening Balance**	**Recognised in Profit or loss**	**Recognised in/ reclassified from other comprehensive income**	**Closing Balance**
Deferred tax assets in relation to:				
Others	-	-	-	-
Total deferred tax assets	-	-	-	-
Deferred tax Liabilities in relation to:				
Property, plant and equipment and long term lease hold land	773.92	(112.11)	-	661.81
Total Deferred tax Liabilities	773.92	(112.11)	-	661.81
Deferred tax Liabilities (net)	**773.92**	**(112.11)**	**-**	**661.81**

Movement in net deferred tax liabilities/ assets for the year ended 31st March 2022:

Particulars	**Opening Balance**	**Recognised in Profit or loss**	**Recognised in/ reclassified from other comprehensive income**	**Closing Balance**
Deferred tax assets in relation to:				
Others	-	-	-	-
Total deferred tax assets	-	-	-	-
Deferred tax Liabilities in relation to:				

Property, plant and equipment and long term lease hold land	696.81	77.11	-	773.92
Total Deferred tax Liabilities	696.81	77.11	-	773.92
Deferred tax Liabilities (net)	**696.81**	**77.11**	**-**	**773.92**

Movement in net deferred tax liabilities/ assets for the year ended 31st March 2021:				
Particulars	**Opening Balance**	**Recognised in Profit or loss**	**Recognised in/ reclassified from other comprehensive income**	**Closing Balance**
Deferred tax assets in relation to:				
Others	-	-	-	-
Total deferred tax assets	-	-	-	-
Deferred tax Liabilities in relation to:				
Property, plant and equipment and long term lease hold land	600.78	96.03	-	696.81
Total Deferred tax Liabilities	600.78	96.03	-	696.81
Deferred tax Liabilities (net)	**600.78**	**96.03**	**-**	**696.81**

15	**Borrowings**		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Current			
Secured			
Loans repayable on demand			
-Cash credits from banks	620.12	374.01	-
Current maturities of long term borrowings (refer note no 12)	-	-	150.65
Unsecured			
Current maturities of long term borrowings (refer note no 12)	1,888.21	-	-
Total current borrowings	**2,508.33**	**374.01**	**150.65**
Note:			
Working Capital Facilities from HDFC Bank Limited comprises of cash credit aggregating to Rs 620.12 Lakh, (as at 31st March, 2022: Rs 374.01, as at to 31st March 2021: Rs. Nil) are secured by hypothecation of Industrial Property including lease hold land at Hi-tech SEZ at Sipcot, plant and machinery, building, other movable fixed assets, stock and debtors and Debt service reserve account (DSRA). These Loans are guaranteed by Mr. Eswara Rao Nandam and Mrs. Uma Nandam, Directors of the Company.			

16	**Trade payables**		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Carried at amortised cost			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,972.96	1,546.15	1,002.39
Total Trade payables	**1,972.96**	**1,546.15**	**1,002.39**
Notes			
Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended is given below. This information has been			

determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
-Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
-Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
-The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-	-
-The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
-The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

Trade payable ageing schedule						
As at 31-March-2023	**Unbilled dues**	**Outstanding for following periods from date of transactions**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	-	-
Others	-	1,972.97	-	-	-	1,972.97
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**1,972.97**	**-**	**-**	**-**	**1,972.97**

As at March 31, 2022	**Unbilled dues**	**Outstanding for following periods from date of transactions**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	-	-
Others	-	1,546.14	-	-	-	1,546.14
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**1,546.14**	**-**	**-**	**-**	**1,546.14**

As at March 31, 2021	**Unbilled dues**	**Outstanding for following periods from date of transactions**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	-	-
Others	-	1,002.39	-	-	-	1,002.39
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**1,002.39**	**-**	**-**	**-**	**1,002.39**

17	Other Financial Liabilities - Current		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Accrued salaries and benefits	-	4.74	2.50
Capital Creditors	-	-	973.73
Other expense payable	15.00	25.51	9.72
Total Other financial liabilities - current	15.00	30.25	985.95

18	Other current liabilities		
Particulars	**As at 31-March-2023**	**As at 31-March-2022**	**As at 31-March-2021**
Deferred Credit	195.79	165.36	165.36
Total Other current liabilities	**195.79**	**165.36**	**165.36**

19	Revenue from operations		
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Sale of products	64,902.00	12,587.31	4,501.37
Total Revenue from operations	**64,902.00**	**12,587.31**	**4,501.37**

20	Other income		
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Lease Rental Income	61.31	55.01	51.85
Interest income on unwinding of financial instruments	195.79	165.36	165.36
Interest income on bank deposits	2.72	-	-
Interest income - others	0.47	-	-
Total Other income	**260.29**	**220.37**	**217.21**

21	Cost of materials consumed		
`Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Inventory at the beginning of the year	245.83	-	-
Add: Purchases	46,116.54	10,069.85	3,389.91
	46,362.37	**10,069.85**	**3,389.91**
Less: Inventory at the end of the year	1,298.64	245.83	-
Cost of materials consumed	**45,063.73**	**9,824.02**	**3,389.91**

22	Change in inventories of finished goods and work-in-progress		
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Opening inventories			
- Finished goods	1,178.50	-	-
- Work in progress	548.76	129.12	-
Sub total	**1,727.26**	**129.12**	**-**
Closing inventories			
- Finished goods	1,572.89	1,178.50	-
- Work in progress	748.96	548.76	129.12
Sub total	**2,321.85**	**1,727.26**	**129.12**
Change in inventories of finished goods and work-in-progress	**(594.59)**	**(1,598.14)**	**(129.12)**

23	Employee benefits expense		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	119.91	74.66	59.10
Staff welfare expenses	6.72	3.57	0.68
Total Employee benefits expense	**126.63**	**78.23**	**59.78**

24	Finance costs		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	530.35	385.75	228.40
Total Finance costs	**530.35**	**385.75**	**228.40**

25	Depreciation and amortisation expenses		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property plant and equipment (refer note 3)	1,606.98	317.90	302.68
Total Depreciation and amortisation expenses	**1,606.98**	**317.90**	**302.68**

26	Other expenses		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent Expenses	3.56	-	-
Electricity Charges	52.92	9.87	-
Travelling and Conveyance expenses	23.66	6.87	0.05
Postage & Courier expenses	1.74	0.39	0.25
Water Charges	16.85	4.41	2.58
Manufacturing Expenses	721.12	143.67	75.65
Legal and professional expenses	563.97	18.13	5.05
Payment to auditor (refer note no 26(b))	15.00	8.25	8.25
Bank Charges	4.95	29.75	15.98
Repair & Maintenance Expenses			
- others	230.79	34.87	11.05
Business promotion expenses	45.13	2.59	-
Insurance Charges	9.61	9.46	16.36
Corporate Social Responsibility Expenditure (refer note no 26(a))	36.00	-	-
Miscellaneous Expense	39.38	27.74	6.85
Total Other expenses	**1,764.68**	**296.00**	**142.07**

26(a)	Corporate Social Responsibility Expense:		
A. Gross Amount required to be spent by the Company during the year is Rs. 27.69 lakhs (Rs. 4.40 lakhs For the year 2022-22, Rs. Nil for the year 2021-22)			
B. Amount Spent during the year on:			
Particulars	Year ended 31st March, 2023		
	In cash	Yet to be paid in cash	Total
CSR Expenses Incurred	36.00	-	36.00
Particulars	Year ended 31st March, 2022		

	In cash	Yet to be paid in cash	Total
CSR Expenses Incurred	-	4.40	(4.40)

Particulars	Year ended 31st March, 2021		
	In cash	Yet to be paid in cash	Total
CSR Expenses Incurred	-	-	-

C. Related party transaction in relation to Corporate Social Responsibility - Nil

D. Details of excess amount spent

Particulars	Year ended 31st March, 2023			
	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Excess Amount Spend	(4.40)	27.69	36.00	3.91

Particulars	Year ended 31st March, 2022			
	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Excess / (short) Amount Spend	-	4.40	-	(4.40)

E. Nature of CSR Activity undertaken by the Company

Education and Social welfare work

26(b) Payment to auditor

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:			
Audit fee	15.00	8.25	8.25
Total	**15.00**	**8.25**	**8.25**

27 Income tax

Tax expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax recognized in Profit & Loss Account			
Current tax	-	-	-
Deferred tax expense / (credit)	(112.11)	77.11	96.03
Income tax recognized in other comprehensive income			
Deferred tax expense/(credit) on items of OCI	-	-	-
Total taxes	**(112.11)**	**77.11**	**96.03**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before taxes	16,664.51	3,503.92	724.86
Applicable tax rates in India (Tax Rate 0% - 100% Deduction u/s 10AA)*	0.00%	0.00%	0.00%
Computed tax charge	-	-	-
Deferred tax expense / (credit)	(112.11)	77.11	96.03
Total Tax expenses	(112.11)	77.11	96.03
Total income tax expense recognized in Profit and Loss	(112.11)	77.11	96.03

*** Section 10AA - Special Provisions for Units in Special Economic Zones (SEZs)** - Deduction under this section is available to all categories of assessees who satisfied the condition specified in the said section.

Period of Deducation Under Section 10AA

1. For the first 5 consecutive assessment years beginning with the assessment year 2021-22 - 100% of the profits and gains derived from the export of such articles or things or from services.
2. Next 5 consecutive assessment years- 50% of such profits or gains.
3. Next 5 consecutive assessment years- amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to Special Economic Zone Reinvestment Reserve Account to be created and utilised for the purpose of the business of the assessee.

28 Earnings per share ('EPS')

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Face value of equity shares (Rs. per share)	10.00	10.00	10.00
Profit attributable to equity shareholders **(A)**	16,776.62	3,426.81	628.83
Weighted Average number of Equity Shares (**B**)	6,44,75,467	6,34,57,000	6,34,57,000
EPS - basic (A/B) (Rs.)	**26.02**	**5.40**	**0.99**
Weighted Average number of Equity Shares used as denominator in calculating Diluted Earnings Per Share (C)	6,44,75,467	6,34,57,000	6,34,57,000
Effect of dilutive common equivalent shares - share application pending	548	-	-
Weighted average number of equity shares and common equivalent shares outstanding (D)	6,44,76,015	6,34,57,000	6,34,57,000
EPS - diluted (A/D) (Rs)	**26.02**	**5.40**	**0.99**

29 Related party transactions

a) Names of related parties and description of relationship

Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)

Polymatech Semi Conductors Private Limited

Key managerial personnel	Description of relationship
Eswara Rao Nandam	Director
Uma Nandam	Director

b) Summary of transactions and outstanding balances with above related parties are as follows

(i) Summary of transactions with above related parties are as follows

Particulars	For the year ended 31 March 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Loan Taken			
Eswara Rao Nandam and Uma Nandam	300.00	-	36.11

Purchase of Material during the year			
Polymatech Semi Conductors Private Limited	4,913.91	-	-
Advance given for Procurement			
Polymatech Semi Conductors Private Limited	-	122.84	-

(ii) Summary of outstanding balances with above related parties are as follows

Particulars	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
a) Non - current financial liabilities - Loan From related party			
Key managerial personnel and their relatives			
Eswara Rao Nandam and Uma Nandam	1,888.21	1,446.74	1,291.74
b) Other Current Assets - Advance to related party			
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)			
Polymatech Semi Conductors Private Limited	-	122.84	-

30	Segment reporting

Segments are identified in line with Ind AS-108, "Operating Segment" and other relevant provision of the Act, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. The company is engaged in single business segment of manufacturing and sale of Semi-Conductors and LED Devices and has plant only in SIPCOT Hi-tech SEZ in India. Hence segment reporting is not applicable. a

31	Leases
I.	Company as a lessee

The Company has lease contracts for factory land. The lease term of the factory land is 99 years .The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. The Annual rental is Rs. 1/- from 1st year till 98th year and Rs. 2/- on 99th year. The carrying amount of lease hold is Rs. 182.33 lakh (as at 31st March 2022 Rs. 184.50 lakh, as at 31st March 2021 Rs. 186.67 lakh)

32	Commitments and contingencies
(i)	Contingent liabilities

There are no contingent liabilities and capital commitments as on 31st March 2023 (Rs. Nil as on 31st March 2022, Rs. Nil as on 31st March 2021).

33	Capital Management

The Company’s capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company.

Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:-

Particulars	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
Debt	4,097.48	4,156.53	2,647.59
Cash and cash equivalents	4,134.10	3.00	0.60
Net debt	**(36.62)**	**4,153.53**	**2,646.99**

Equity	31,806.30	6,894.21	3,467.40
Total capital (Net Debt and Equity)	**31,769.68**	**11,047.74**	**6,114.39**
Net debt to equity ratio	**(0.00)**	**0.60**	**0.76**

34	**Fair Values**					
(a)	**Financial instruments by category:-**	**As at March 31, 2023**		**As at March 31, 2022**		**As at March 31, 2021**
Particulars	**FVTPL/ FVTOCI**	**Amortised cost**	**FVTPL/ FVTOCI**	**Amortised cost**	**FVTPL/ FVTOCI**	**Amortised cost**
Financial assets						
(i) Trade receivables	-	13,325.68	-	2,582.44	-	738.70
(ii) Cash and cash equivalents	-	4,134.10	-	3.00	-	0.60
(iii) Bank balances other than cash and cash equivalents	-	-	-	-	-	3.66
(iv) Other financial assets	-	10.14	-	-	-	10.11
Total	**-**	**17,469.92**	**-**	**2,585.44**	**-**	**753.07**
Financial liabilities						
(i) Borrowings	-	4,097.48	-	4,156.53	-	2,647.59
(ii) Lease Liabilities	-	-	-	-	-	-
(iii) Trade payables	-	1,972.96	-	1,546.16	-	1,002.39
(iv) Other financial liabilities	-	15.00	-	30.25	-	985.95
Total	**-**	**6,085.44**	**-**	**5,732.94**	**-**	**4,635.93**

b) Fair value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data

There are no Assets or Liabilities which are required to be measured at FVTPL/FVTOCI. Accordingly no disclosure required for Fair value hierarchy.

There are no transfers between level 1, level 2 and level 3 during the years.

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

35 Financial Risk Management

The Company's business activities are exposed to a variety of financial risks – credit risk, liquidity risk, market risk and interest rate risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

35.1 Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables). The Company's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

The Company extends credit to consumers in normal course of business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable. Details of trade receivables are disclosed in note - 6.

35.2 Liquidity Risk

The company objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs

The table provides cash flow towards non -derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

Particulars	Less than 12 months	Above 12 months	Total
As at 31st March 2023			
Interest bearing Borrowings (Including Current Maturity)	-	2,209.27	2,209.27
Non-Interest bearing Borrowings (Including Current Maturity)	1,888.21	-	1,888.21
Trade and Other payables	1,972.97	-	1,972.97
Other Financial Liabilities	15.00	-	15.00
Total	**3,876.18**	**2,209.27**	**6,085.45**
As at 31st March 2022			
Interest bearing Borrowings (Including Current Maturity)	-	2,709.79	2,709.79
Non-Interest bearing Borrowings (Including Current Maturity)	-	1,446.74	1,446.74
Trade and Other payables	1,546.16	-	1,546.16
Other financial liabilities	30.25	-	30.25
Total	**1,576.41**	**4,156.53**	**5,732.94**
As at 31st March 2021			
Interest bearing Borrowings (Including Current Maturity)	150.65	1,205.20	1,355.85
Non-Interest bearing Borrowings (Including Current Maturity)	-	1,291.74	1,291.74
Trade and Other payables	1,002.39	-	1,002.39
Other financial liabilities	985.95	-	985.95
Total	**2,138.99**	**2,496.94**	**4,635.93**

The Company has current financial assets which will be realised in ordinary course of business. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

35.3 Interest rate risk

(i) *Interest rate risk exposure*

Interest rate exposure of the Company is mainly on Borrowing from Banks, which is linked to marginal cost of fund based lending rate (MCLR) of bank's lending and the Company does not foresee any risk on the same.

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Variable rate borrowings	2,209.27	2,709.79	1,355.85
Fixed rate borrowings	1,888.21	1,446.74	1,291.74
Total borrowings	**4,097.48**	**4,156.53**	**2,647.59**

Interest Rate of Borrowing

Particulars	Total Borrowing	Floating Rate Borrowings	Fixed Rate Borrowing
As at 31st March 2023			
Secured	2,209.27	2,209.27	-
Unsecured	1,888.21	-	1,888.21
Total	4,097.48	2,209.27	1,888.21
As at 31st March 2022			
Secured	2,709.79	2,709.79	-
Unsecured	1,446.74	-	1,446.74
Total	4,156.53	2,709.79	1,446.74

As at 31st March 2021			
Secured	1,355.85	1,355.85	-
Unsecured	1,291.74	-	1,291.74
Total	2,647.59	1,355.85	1,291.74

(ii)	*Sensitivity*
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.	

Particulars	Impact on profit before tax		
	31st March, 2023	31st March, 2022	31st March, 2021
Interest rates – increase by 50 basis points	11.05	13.55	6.78
Interest rates – decrease by 50 basis points	(11.05)	(13.55)	(6.78)

36	Ratios					
Sr. No.	Particulars	Numerator	Denominator	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
1	Current ratio	Current assets	Current liabilities	4.97	2.21	0.39
	% change from previous year			124.62%	467.44%	1189.16%
	Reason for change more than 25%			On account of increase in trade receivables and inventory due to increase in turnover	On account of increase in trade receivables and inventory due to increase in turnover	On account of increase in trade receivables due to increase in turnover and decrease in short term borrowing.
2	Debt-equity ratio	Borrowings and lease liabilities	Equity	0.13	0.60	0.76
	% change from previous year			(78.63%)	(21.04%)	(6.84%)
	Reason for change more than 25%			On account of increase in equity due to profit and issue of fresh equity shares	-	-
3	Debt service coverage ratio	Profit after tax plus finance costs, depreciation and amortisation expense	Repayment of long term borrowings and lease liabilities (excluding prepayments) and finance costs	6.94	(4.59)	(0.65)
	% change from previous year			(251.28%)	602.99%	NA
	Reason for change more than 25%			Increase in debt service coverage ratio is because of	On account of increase in borrowing	-

				Increase in Earning available for debt service & Repayment of debt.		
4	Return on equity (ROE)	Profit after tax	Average equity	86.70%	66.14%	19.94%
	% change from previous year			31.08%	231.65%	NA
	Reason for change more than 25%			On account of increase in profit due to increase in turnover	On account of increase in profit due to increase in turnover	-
5	Inventory turnover ratio	Revenue from operations	Average inventories	23.21	11.98	69.72
	% change from previous year			93.78%	(82.82%)	NA
	Reason for change more than 25%			Increase in Inventory turnover ratio is because of substantial increase in revenue during the year.	On account of increase in inventory	-
6	Trade receivable turnover ratio	Revenue from operations	Average trade receivables	8.16	7.58	11.33
	% change from previous year			7.64%	(33.09%)	NA
	Reason for change more than 25%			-	On account of increase in trade receivable	-
7	Trade Payable turnover ratio	Purchases of goods and services	Average trade payables	26.21	7.90	6.65
	% change from previous year			231.66%	18.89%	NA
	Reason for change more than 25%			On account of increase in purchase due to increase in turnover	-	-
8	Net capital turnover ratio	Revenue from operations	Average working capital (i.e. current assets less current liabilities)	6.12	21.71	-2.70
	% change from previous year			(71.78%)	(905.18%)	NA

	Reason for change more than 25%			On account of increase in current assets	On account of increase in current assets due to increase in turnover	-
9	Net profit ratio	Profit after tax	Revenue from operations	25.85%	27.22%	13.97%
	% change from previous year			(5.05%)	94.88%	NA
	Reason for change more than 25%			-	On account of increase in net profit after tax as a percentage of revenue	-
10	Return on capital employed (ROCE)	Earnings before interest and taxes	Average Capital employed (i.e. equity, borrowings, lease liabilities and deferred tax liabilities)	75.57%	42.95%	18.00%
	% change from previous year			75.94%	138.64%	NA
	Reason for change more than 25%			Increase in Return on capital employed (ROCE) ratio is because increase in Earnings before interest and taxes is more than increase in Average Capital employed	Increase in Return on capital employed (ROCE) ratio is because increase in Earnings before interest and taxes is more than increase in Average Capital employed	-
11	Return on investment (other than Investment in subsidiaries) (%)	Income generated from invested funds	Average investment	NA	NA	NA
	% change from previous year			NA	NA	NA
	Reason for change more than 25%					

37	Other Statutory Information
(i)	The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii)	The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the respective reported financial year.
(iii)	The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv)	The Company has not traded or invested in Crypto currency or Virtual Currency.
(v)	The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi)	The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(vii)	The Company does not have any unrecorded transactions which have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.
(viii)	The Company is not declared willful defaulter by any bank, financial institution or lender.
(ix)	The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies, Act, 2013 read with Companies (Restriction of Number of Layes) Rules, 2017.

38	**Code on Social Security**
a)	The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Company. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will give appropriate impact in the financial statements once the code becomes effective and related rules to determine the financial impact are notified.
b)	The number of employees in the Company are less than the threshold limit applicable for Provident fund (PF) and Gratuity. Hence no provision for the same has been created.

39	Previous years Figures have been regrouped, wherever necessary to confirm to the respective years Presentation.

Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)
Corporate Identity Number (CIN): U32107TN2007PLC063706
Annexure VI- Statement of Restatement Adjustment to Audited financial statements
(All amounts in Indian Rupees in lacs, unless otherwise stated)

40	**First time adoption of Ind AS**
Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP"). The Special purpose Audited Financial Statements as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the Financial year ended 31 March 2023.	
In addition to the adjustments carried herein, the Company has also made material restatement adjustments in accordance with SEBI Circular and Guidance Note. Together these constitute the restated financial information. The impact of above to the equity as at 31 March 2023, 31 March 2022, 31 March 2021 and 1 April 2020	

(Opening balance sheet date for Special purpose financial statements) and on total comprehensive income for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 has been explained as under.	
(A)	**Exemptions availed on first time adoption of Ind AS**
Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.	
i)	**Deemed Cost**
	Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.
ii)	**Leases**
	Ind AS - 116 is applied with Full retrospective approach, the Company has identified leases since the inception of all lease contracts that are presented in the financial statements, and has restated the comparative years presented. The Company also applied the available practical expedients wherein it has elected to use the recognisition exemptions for short term leases as well as low value assets.
(B)	**Mandatory Exemption on first-time adoption of Ind AS**
i)	**Estimates**
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP: (i) Impairment of financial assets based on expected credit loss model. (ii) Fair valuation of Non-current Investments. (iii) Effective interest rate used in calculation of security deposit and retention money.	
ii)	**De-recognition of financial assets and financial liabilities**
A first-time adopter should apply the de-recognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.	
iii)	**Classification and measurement of financial assets**
Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.	
(C)	**Reconciliations**
The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:	

(i)	Reconciliation of Equity as at March 31, 2023					
	Particulars	**Notes**	**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
ASSETS						
1	**Non-current assets**					
(a)	Property, plant and equipment	**B2**	15,462.02	(32.56)	-	15,429.46
	Total non-current assets (1)		15,462.02	(32.56)	-	15,429.46
2	**Current assets**					
(a)	Inventories		3,620.49	-	-	3,620.49
(b)	Financial assets					-
	(i) Trade receivables		13,325.68	-	-	13,325.68
	(ii) Cash and cash equivalents		4,134.10	-	-	4,134.10
	(iii) Bank balances other than cash and cash equivalents		-	-	-	-
	(iv)Other financial assets		10.14	-	-	10.14
(c)	Other current assets		2,229.48	-	-	2,229.48
	Total current assets (2)		**23,319.89**	**-**	**-**	**23,319.89**
	Total assets (1+2)		**38,781.91**	**(32.56)**	**-**	**38,749.35**
EQUITY AND LIABILITIES						
1	**Equity**					
	(i) Equity share capital		7,187.62	-	-	7,187.62
	(ii) Other equity		25,259.10	(4.52)	(635.90)	24,618.68
	Total equity (1)		**32,446.72**	**(4.52)**	**(635.90)**	**31,806.30**
	Liabilities					
2	**Non-current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	**B1**	1,612.32	(23.16)	-	1,589.16
(b)	Deferred tax liabilities (net)	**B3, A1**	-	25.91	635.90	661.81
	Total non-current liabilities (2)		**1,612.32**	**2.75**	**635.90**	**2,250.97**
3	**Current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	**B1**	2,734.91	(226.58)		2,508.33
	(ii) Trade payables					
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,972.96	-	-	1,972.96
	(iii) Other financial liabilities		15.00	-	-	15.00
(b)	Other current liabilities	**B1**	-	195.79	-	195.79
	Total current liabilities (3)		**4,722.87**	**(30.79)**	**-**	**4,692.08**
	Total equity and liabilities (1+2+3)		**38,781.91**	**(32.56)**	**(0.00)**	**38,749.35**

Reconciliation of Profit or loss for the year ended 31 March 2023						
	Particulars	**Notes**	**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
I	**Income**					
	Revenue from operations		64,902.00	-	-	64,902.00
	Other income	**B1**	64.50	195.79	-	260.29
	Total income (I)		**64,966.50**	**195.79**	**-**	**65,162.29**

II	**Expenses**					
	Cost of materials consumed		45,063.73	-	-	45,063.73
	Change in inventories of finished goods and work-in-progress		(594.59)	-	-	(594.59)
	Employee benefits expense		126.63	-	-	126.63
	Finance costs	**B1**	323.58	206.77	-	530.35
	Depreciation and amortisation expenses	**B2**	1,604.81	2.17	-	1,606.98
	Other expenses		1,764.68	-	-	1,764.68
	Total expenses (II)		**48,288.84**	**208.94**	**-**	**48,497.78**
III	**Profit before exceptional items and tax (I - II)**		**16,677.66**	**(13.15)**	**-**	**16,664.51**
IV	Exceptional items (net)		-	-	-	-
V	**Profit before tax (III + IV)**		**16,677.66**	**(13.15)**	**-**	**16,664.51**
VI	**Tax expense**					
	(a) Current tax		-	-	-	-
	(b) Deferred tax	**A1**	-	-	(112.11)	(112.11)
	Total tax expense		-	-	(112.11)	(112.11)
VII	**Profit for the year (V - VI)**		**16,677.66**	**(13.15)**	**112.11**	**16,776.62**
VIII	**Other comprehensive income**					
	Items that will not be reclassified to Profit or Loss :					
	-Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-	-	-
	Total other comprehensive income for the year (net of tax)		-	-	-	-
IX	**Total comprehensive income for the year (VII + VIII)**		**16,677.66**	**(13.15)**	**112.11**	**16,776.62**

Reconciliation of Cash flow as at March 31, 2023			
	Indian GAAP *	**Difference due to change in IND AS and Prior Period Adjustments**	**IND AS**
Net cash (used in) / from operating activities	4,432.74	188.80	4,621.54
Net cash (used in) / from investing activities	(8,036.52)	0.00	(8,036.52)
Net cash (used in) / from financing activities	7,734.88	(188.80)	7,546.08
Net (decrease)/increase in cash and cash equivalents	4,131.10	0.00	4,131.10
Cash and cash equivalents at the beginning of the year	3.00	-	3.00
Cash and cash equivalents at the end of the year	**4,134.10**	**-**	**4,134.10**

Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2023		
Particulars	**Notes**	**March 31, 2023**
Shareholder's equity as per Indian GAAP		**32,446.72**
IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(32.56)
Change in Financial liability	**B1**	53.95
Deferred tax on above adjustments	**B3**	(25.91)
Total IND AS Adjustment		**(4.52)**

Prior Period Adjustments		
Deferred tax on property plant and equipment not recognised earlier	**A1**	(635.90)
Total Prior Period Adjustments		**(635.90)**
Shareholder's equity as per Ind AS		**31,806.30**
Reconciliation of total comprehensive income for the year ended 31 March 2023		
Particulars	**Notes**	**March 31,2023**
Profit/ (loss) after tax as per Indian GAAP		**16,677.66**
IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(2.17)
Finance Cost	**B1**	(206.77)
Interest income on unwinding of financial instruments	**B1**	195.79
Total IND AS Adjustment		**(13.15)**
Prior Period Adjustments		
Other adjustment		
Deferred tax on property plant and equipment not recognised earlier	**A1**	112.11
Total Prior Period Adjustments		**112.11**
Profit as per Ind AS		**16,776.62**

(ii)	**Reconciliation of Equity as at March 31, 2022**					
	Particulars	**Notes**	**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
ASSETS						
1	**Non-current assets**					
(a)	Property, plant and equipment	**B2**	9,030.30	(30.38)	-	8,999.92
(b)	Other non-current assets		50.50	-	-	50.50
	Total non-current assets (1)		**9,080.80**	**(30.38)**	**-**	**9,050.42**
2	**Current assets**					
(a)	Inventories		1,973.09	-	-	1,973.09
(b)	Financial assets					-
	(i) Trade receivables		2,582.44	-	-	2,582.44
	(ii) Cash and cash equivalents		3.00	-	-	3.00
(c)	Other current assets		122.84	-	-	122.84
	Total current assets (2)		**4,681.37**	**-**	**-**	**4,681.37**
	Total assets (1+2)		**13,762.17**	**(30.38)**	**-**	**13,731.79**
EQUITY AND LIABILITIES						
1	**Equity**					
	(i) Equity share capital		6,345.70	-	-	6,345.70
	(ii) Other equity		1,287.87	8.64	(748.00)	548.51
	Total equity (1)		**7,633.57**	**8.64**	**(748.00)**	**6,894.21**
	Liabilities					
2	**Non-current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	**B1**	4,178.19	(395.67)	-	3,782.52
(b)	Other Non-Current Liabilities	**B1**	-	165.37	-	165.37
(c)	Deferred tax liabilities (net)	**B3, A1**	-	25.92	748.00	773.92
	Total non-current liabilities (2)		**4,178.19**	**(204.38)**	**748.00**	**4,721.81**
3	**Current liabilities**					
(a)	Financial liabilities					

	(i) Borrowings		374.01	-	-	374.01
	(ii) Trade payables					
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	-Total outstanding dues of creditors other micro enterprises and small enterprises		1,546.15	-	-	1,546.15
	(iii) Other financial liabilities		30.25	-	-	30.25
(b)	Other current liabilities	**B1**	-	165.35	-	165.35
	Total current liabilities (3)		**1,950.41**	**165.35**	**-**	**2,115.76**
	Total equity and liabilities (1+2+3)		**13,762.18**	**(30.39)**	**(0.00)**	**13,731.79**

Reconciliation of Profit or loss for the year ended 31 March 2022						
	Particulars	**Notes**	**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
I	**Income**					
	Revenue from operations		12,587.31	-	-	12,587.31
	Other income	**B1**	55.01	165.36	-	220.37
	Total income (I)		**12,642.32**	**165.36**	**-**	**12,807.68**
II	**Expenses**					
	Cost of materials consumed		9,824.02	-	-	9,824.02
	Change in inventories of finished goods and work-in-progress		(1,598.14)	-	-	(1,598.14)
	Employee benefits expense		78.23	-	-	78.23
	Finance costs	**B1**	246.37	139.38	-	385.75
	Depreciation and amortisation expenses	**B2**	315.73	2.17	-	317.90
	Other expenses		296.00	-	-	296.00
	Total expenses (II)		**9,162.21**	**141.55**	**-**	**9,303.76**
III	**Profit before exceptional items and tax (I - II)**		**3,480.11**	**23.82**	**-**	**3,503.92**
IV	**Exceptional items (net)**		**-**	**-**	**-**	**-**
V	**Profit before tax (III + IV)**		**3,480.11**	**23.82**	**-**	**3,503.92**
VI	**Tax expense**					
	(a) Current tax					
	(b) Deferred tax	**A1**	-	-	77.11	77.11
	Total tax expense		**-**	**-**	**77.11**	**77.11**
VII	**Profit for the year (V - VI)**		**3,480.11**	**23.82**	**(77.11)**	**3,426.81**
VIII	**Other comprehensive income**					
	Items that will not be reclassified to Profit or Loss :					
	-Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-	-	-
	Total other comprehensive income for the year (net of tax)		**-**	**-**	**-**	**-**
IX	**Total comprehensive income for the year (VII + VIII)**		**3,480.11**	**23.82**	**(77.11)**	**3,426.81**

Reconciliation of Cash flow as at March 31, 2022			
	Indian GAAP *	Difference due to change in IND AS and Prior Period Adjustments	IND AS
Net cash (used in) / from operating activities	48.39	(181.79)	(133.40)
Net cash (used in) / from investing activities	(991.05)	3.65	(987.40)
Net cash (used in) / from financing activities	945.06	178.14	1,123.20
Net (decrease)/increase in cash and cash equivalents	2.40	0.00	2.40
Cash and cash equivalents at the beginning of the year	0.60	-	0.60
Cash and cash equivalents at the end of the year	**3.00**	**-**	**3.00**

Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2022		
Particulars	**Notes**	**March 31, 2022**
Shareholder's equity as per Indian GAAP		7,633.57
IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(30.38)
Change in financial liability	**B1**	64.94
Deferred tax on above adjustments	**B3**	(25.91)
Total IND AS Adjustment		**8.65**
Prior Period Adjustments		
Deferred tax on property plant and equipment not recognised earlier	**A1**	(748.01)
Total Prior Period Adjustments		**(748.01)**
Shareholder's equity as per Ind AS		**6,894.21**

Reconciliation of total comprehensive income for the year ended 31 March 2022		
Particulars	**Notes**	**March 31,2022**
Profit/ (loss) after tax as per Indian GAAP		**3,480.11**
IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(2.17)
Finance Cost	**B1**	(139.38)
Impairment of Financial Instruments	**B1**	165.36
Total IND AS Adjustment		**23.81**
Prior Period Adjustments		
Deferred tax on property plant and equipment not recognised earlier	**A1**	(77.11)
Total Prior Period Adjustments		**(77.11)**
Profit as per Ind AS		**3,426.81**

(iii)	Reconciliation of Equity as at March 31, 2021					
	Particulars	**Notes**	**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
ASSETS						
1	**Non-current assets**					
(a)	Property, plant and equipment	**B2**	8,354.98	(28.22)	-	8,326.76
(b)	Other non-current assets		70.95			70.95
	Total non-current assets (1)		**8,425.93**	**(28.22)**	**-**	**8,397.71**
2	**Current assets**					
(a)	Inventories		129.12	-	-	129.12
(b)	Financial assets					
	(i) Trade receivables		738.70	-	-	738.70

	(ii) Cash and cash equivalents		0.60	-	-	0.60
	(iii) Bank balances other than cash and cash equivalents		3.66	-	-	3.66
	(iv)Other financial assets		10.11	-	-	10.11
(c)	Other current assets		16.33	-	-	16.33
	Total current assets (2)		**898.52**	**-**	**-**	**898.52**
	Total assets (1+2)		**9,324.45**	**(28.22)**	**-**	**9,296.23**
	EQUITY AND LIABILITIES					
1	**Equity**					
	(i) Equity share capital		6,345.70	-	-	6,345.70
	(ii) Other equity		(2,192.23)	(15.17)	(670.90)	(2,878.30)
	Total equity (1)		**4,153.47**	**(15.17)**	**(670.90)**	**3,467.40**
	Liabilities					
2	**Non-current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	**B1**	3,031.99	(535.05)	-	2,496.94
(b)	Other Non-Current liabilities	**B1**	-	330.73		330.73
(c)	Deferred tax liabilities (net)	**B3, A1**	-	25.91	670.90	696.81
	Total non-current liabilities (2)		**3,031.99**	**(178.41)**	**670.90**	**3,524.48**
3	**Current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings		150.65	-	-	150.65
	(ii) Trade payables					
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,002.39	-	-	1,002.39
	(iii) Other financial liabilities		985.95	-	-	985.95
(b)	Other current liabilities	**B1**	-	165.36	-	165.36
	Total current liabilities (3)		**2,138.99**	**165.36**	**-**	**2,304.35**
	Total equity and liabilities (1+2+3)		**9,324.45**	**(28.22)**	**(0.00)**	**9,296.23**

Reconciliation of Profit or loss for the year ended 31 March 2021

	Particulars	Notes	Indian GAAP *	IND AS Adjustment	Prior Period Adjustments	IND AS
I	**Income**					
	Revenue from operations		4,501.37	-	-	4,501.37
	Other income	**B1**	51.85	165.36	-	217.21
	Total income (I)		**4,553.22**	**165.36**	**-**	**4,718.58**
II	**Expenses**					
	Cost of materials consumed		3,389.91	-	-	3,389.91
	Change in inventories of finished goods and work-in-progress		(129.12)	-	-	(129.12)
	Employee benefits expense		59.78	-	-	59.78
	Finance costs	**B1**	88.50	139.90	-	228.40
	Depreciation and amortisation expenses	**B2**	300.51	2.17	-	302.68
	Other expenses		142.07	-	-	142.07
	Total expenses (II)		**3,851.65**	**142.07**	**-**	**3,993.72**

III	**Profit before exceptional items and tax (I - II)**		**701.57**	**23.29**	**-**	**724.86**
IV	**Exceptional items (net)**		**-**	**-**	**-**	**-**
V	**Profit before tax (III + IV)**		**701.57**	**23.29**	**-**	**724.86**
VI	**Tax expense**			-	-	
	(a) Current tax		-	-	-	-
	(b) Deferred tax	A1	-	-	96.03	96.03
	Total tax expense		**-**	**-**	**96.03**	**96.03**
						a
VII	**Profit for the year (V - VI)**		**701.57**	**23.29**	**(96.03)**	**628.83**
VIII	**Other comprehensive income**					
	Items that will not be reclassified to Profit or Loss :					
	-Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-	-	-
	Total other comprehensive income for the year (net of tax)		**-**	**-**	**-**	**-**
IX	**Total comprehensive income for the year (VII + VIII)**		**701.57**	**23.29**	**(96.03)**	**628.83**

Reconciliation of Cash flow as at March 31, 2021			
	Indian GAAP *	**Difference due to change in IND AS and Prior Period Adjustments**	**IND AS**
Net cash (used in) / from operating activities	2,054.72	1,037.80	3,092.53
Net cash (used in) / from investing activities	(2,055.27)	(1,129.83)	(3,185.10)
Net cash (used in) / from financing activities	-	92.54	92.54
Other adjustments	0.51	(0.51)	-
Net (decrease)/increase in cash and cash equivalents	(0.03)	-0.00	(0.03)
Cash and cash equivalents at the beginning of the year	0.63	-	0.63
Cash and cash equivalents at the end of the year	**0.60**	**-**	**0.60**

Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2021		
Particulars	**Notes**	**31 March 2021**
Shareholder's equity as per Indian GAAP		**4,153.47**
IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(28.22)
Change in financial liability	**B1**	38.96
Deferred tax on above adjustments	**B3**	(25.91)
Total IND AS Adjustment		**(15.17)**
Prior Period Adjustments		
Deferred tax on property plant and equipment not recognised earlier	**A1**	(670.90)
Total Prior Period Adjustments		**(670.90)**
Shareholder's equity as per Ind AS		**3,467.40**

Reconciliation of total comprehensive income for the year ended 31 March 2021		
Particulars	**Notes**	**31 March 2021**
Profit/ (loss) after tax as per Indian GAAP		**701.57**

IND AS Adjustments		
Amortisation of ROU - Lease hold Land	**B2**	(2.17)
Finance Cost	**B1**	(139.90)
Impairment of Financial Instruments	**B1**	165.36
Total IND AS Adjustment		**23.29**
Prior Period Adjustments		
Deferred tax on property plant and equipment not recognised earlier	**A1**	(96.03)
Total Prior Period Adjustments		**(96.03)**
Profit as per Ind AS		**628.83**

(iv)	**Reconciliation of Equity as at April 1, 2020**					
	Particulars		**Indian GAAP ***	**IND AS Adjustment**	**Prior Period Adjustments**	**IND AS**
	ASSETS					
1	**Non-current assets**					
(a)	Property, plant and equipment	**B2, A2**	1,817.05	(26.05)	3,657.00	5,448.00
(b)	Other non-current assets		417.15	-	-	417.15
	Total non-current assets (1)		**2,234.20**	**(26.05)**	**3,657.00**	**5,865.15**
2	**Current assets**					
(a)	Inventories		-	-	-	-
(b)	Financial assets					
	(i) Trade receivables		56.00	-	-	56.00
	(ii) Cash and cash equivalents		0.63	-	-	0.63
	(iii) Bank balances other than cash and cash equivalents		-	-	-	-
	(iv)Other financial assets		1.11	-	-	1.11
(c)	Other current assets		2.57	-	-	2.57
	Total current assets (2)		60.31	-	-	60.31
	Total assets (1+2)		**2,294.51**	**(26.05)**	**3,657.00**	**5,925.46**
	EQUITY AND LIABILITIES					
1	**Equity**					
	(i) Equity share capital		6,345.70	-	-	6,345.70
	(ii) Other equity		(6,550.80)	(38.46)	3,082.13	(3,507.13)
	Total equity (1)		**(205.10)**	**(38.46)**	**3,082.13**	**2,838.57**
	Liabilities					
2	**Non-Current Liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	**B1**	505.65	(13.50)	-	492.15
(b)	Deferred tax liabilities (net)	**B3, A1**	-	25.91	574.87	600.78
	Total Non-Current Liabilities (2)		**505.65**	**12.41**	**574.87**	**1,092.93**
3	**Current Liabilities**					
(a)	Financial liabilities					
	(i) Borrowings		1,834.49	-	-	1,834.49
	(iii) Trade payables					
	-Total outstanding dues of micro enterprises and small enterprises					
	-Total outstanding dues of creditors other than micro		17.60	-	-	17.60

	enterprises and small enterprises					
	(iv) Other financial liabilities		81.87	-	-	81.87
(b)	Other current liabilities		60.00	-	-	60.00
	Total Current Liabilities (3)		**1,993.96**	**-**	**-**	**1,993.96**
	Total Equity and Liabilities (1+2+3)		**2,294.51**	**(26.05)**	**3,657.00**	**5,925.46**

Reconciliation of total equity between previous GAAP and Ind AS as at April 1, 2020		
Particulars		
Shareholder's equity as per Indian GAAP		**(205.10)**
Shareholder's equity as per Indian GAAP		
Amortisation of ROU - Lease hold Land	**B2**	(26.05)
Change in Financial liability	**B1**	13.50
Deferred tax on above adjustments	**B3**	(25.91)
Total IND AS Adjustment		**(38.46)**
Total IND AS Adjustment		
Reversal of Impairment of PPE	**A2**	3,657.00
Deferred tax on property plant and equipment not recognised earlier	**A1**	(574.87)
Total Prior Period Adjustments		**3,082.13**
Shareholder's equity as per Ind AS		**2,838.57**
* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.		

Notes to the reconciliation between previous GAAP and Ind AS	
A	**Prior Period Adjustments**
	The Company has made certain errors in adoption of accounting policies under Previous GAAP. During the current year, on transition to IndAS, the Company has rectified these errors by restating the financial Statement for the respective years/period. These adjustments are on account of:-
A1	Under the Indian GAAP, the Company had not recognised deferred tax liabilities. The Company has evaluated the carrying amount of deferred tax considering the tax holiday period u/s 10AA of Income Tax Act,1961 and it has envisaged that deferred tax liability needs to be created.
A2	Prior period adjustments given on account of reversal of, impairment on property plant and equipment recognised earlier. The Company has reversed the impairment recognised in FY 2010-11 and FY 2011-12 based on valuation report pertaining to FY 2018-19. This reversal should have been done in FY 2018-19, whereas the same was done in FY 2020-21. Accordingly the same has been given effect to in the opening Ind AS financials.
B	**On account of implementation of IND AS**
B1	**Re-measurement of Loan**
	Under the Indian GAAP, interest free loan received from director were accounted at their transaction value. All financial liabilities are recognised at amortised cost as per Ind AS 109. On the date of transaction fair value of loan is calculated and difference is transferred to deferred credit. Subsequently deferred credit is amortised over the period of the loan with corresponding credit in other income. Finance cost is recognised as per effective interest rate with corresponding credit to loan.
B2	**Recognition of Right of Use Assets**
	Under the Indian GAAP, lease hold land was recognised at cost. Under Ind AS, lease liability and right of use ('ROU') assets are recognised at present value of future minimum lease payments. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term. The Company has elected to use the recognition exemptions for short term leases as well as low value assets. ROU assets have been amortised over the period of the lease.
B3	**Deferred tax**

	Deferred tax adjustments has been made in accordance with Ind AS, considering the exemption u/s 10AA of Income tax act, 1961 under balance sheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.
41	The outbreak of the Covid-19 pandemic and the consequent lock down has impacted the regular business operations of the Company. The Company has assessed the impact of the pandemic on its financial position based on the internal and external information, to the extent known and available up to the date of approval of these restated financial statements. Based on such assessment, the Company believes no additional adjustments is required as at March 31, 2023, March 31, 2022 and March 31, 2021 to the carrying value of trade receivables, inventories, property, plant & equipment and other financial assets. Further, the Company has also assessed its liquidity position and based on the cash flows available on balance sheet and unutilized credit lines with banks, the Company will be able to meet all its obligations. The impact of the pandemic may be different from that assessed as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

As per our report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number : 000756N

Sd/
-
Rana Sen
Partner
Membership No. : 066759

Place : Chennai
Date : September 9, 2023

For and on behalf of the Board of Directors of
Polymatech Electronics Limited
(formerly known as Polymatech Electronics Private Limited)

Sd/-	Sd/-
Eswara Rao Nandam	**Uma Nandam**
Managing Director	Director
DIN: 02220039	**DIN:** 02220048
Sd/-	Sd/-
Manoj Kumar Bajaj	**Badri Prasad Mahapatro**
Chief Financial Officer	Company Secretary

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of 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 *32, 237 and 295,* respectively.

(in ₹ lakhs, except ratio)

Particulars	Pre-Offer as of March 31, 2023	As adjusted for the proposed Offer
Total borrowings		
Current borrowings [1] (A)	2,508.33	[●]
Non-current borrowings [1] (B)	1,589.16	[●]
Total borrowings (C)	**4,097.48**	[●]
Total equity		[●]
Equity share capital	7,187.62	[●]
Other equity [1]	24,618.68	[●]
Total equity attributable to owners of the Group (D)	**31,806.30**	[●]
Ratios:		[●]
Non-current borrowings (B)/ Total equity attributable to owners of the Group (D)	0.05	[●]
Total borrowings (C)/ Total equity attributable to owners of the Group (D)	0.13	[●]

Notes:

(1) All the above terms shall carry the meaning as per Schedule III of the Companies Act.

OTHER FINANCIAL INFORMATION

Non-GAAP measures

Certain measures like Gross Profit, Gross Profit Margin, EBITDA, EBITDA Margin, EBIT, EBIT Margin, Return on Capital Employed, Net Worth and Return on Net Worth presented in this Draft Red Herring Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures, are not standardized terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

The accounting ratios and non-GAAP measures derived from our Restated Financial Information are given below:

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Restated profit for the year attributable to owners of the Company (A) (₹ in Lakh)	16,776.62	3,426.81	628.83
Weighted average number of ordinary shares outstanding for the purpose of basic EPS (B)	6,44,75,467	6,34,57,000	6,34,57,000
Weighted average number of ordinary shares in computing diluted EPS (C)	6,44,75,467	6,34,57,000	6,34,57,000
Basic Earnings per share on Profit for the year (in ₹)(1) (D = A/B)	**26.02**	**5.40**	**0.99**
Diluted Earnings per share on Profit for the year (in ₹)(1) (E = A/C)	**26.02**	**5.40**	**0.99**
Equity Share Capital (F) (₹ in Lakh)	7,187.62	6,345.70	6,345.70
Other Equity (G) (₹ in Lakh)	24,618.68	548.51	(2,878.30)
Total Net worth (2) (H=F+G) (₹ in Lakh)	**31,806.30**	**6,894.21**	**3,467.40**
Return on net worth (I = A/H) (%)(3)	52.75%	49.71%	18.14%
Net Asset Value per Equity Share (basic) (J = H/B) (in ₹)(4)	49.33	10.86	5.46
Net Asset Value per Equity Share (diluted) (K = H/C) (in ₹)(5)	49.33	10.86	5.46
Restated Profit Before Tax (L) (₹ in Lakh)	16,664.51	3,503.92	724.86
Finance Cost (M) (₹ in Lakh)	530.35	385.75	228.40
EBIT (6) (₹ in Lakh) (N=L+M)	**17,194.86**	**3,889.67**	**953.26**
Depreciation & Amortisation Expense (O) (₹ in Lakh)	1,606.98	317.90	302.68
EBITDA(7) (P= N+O) (₹ in Lakh)	**18,801.84**	**4,207.57**	**1,255.94**
Revenue from operations (Q) (₹ in Lakh)	64,902.00	12,587.31	4,501.37
EBIT Margin (%) (R=N/Q)	26.49%	30.90%	21.18%
EBITDA Margin (%) (S=P/Q)	28.97%	33.43%	27.90%
EBIT (6) (₹ in Lakh) (A)	17,194.86	3,889.67	953.26
Average Capital Employed (B) (₹ in Lakh)	22,753.55	9,056.27	5295.89
Return on Capital Employed (C=A/B)(%)(8)	**75.57**	**42.95**	**18.00**

Revenue from Operations (A) (₹ in Lakh)	64,902.00	12,587.31	4,501.37
Cost of material consumed (B) (₹ in Lakh)	45,063.73	9,824.02	3,389.91
Changes in inventories of finished goods, semi-finished goods and stock-in-trade (C) (₹ in Lakh)	(594.59)	(1,598.14)	(129.12)
Gross Profit (D=A-B-C) (9) (₹ in Lakh)	**20,432.86**	**4,361.43**	**1,240.58**
Gross Profit Margin (E= D/A) (%)	**31.48%**	**34.65%**	**27.56%**

The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation. Therefore, net worth for the Group includes paid-up share capital, retained earnings, securities premium, other comprehensive income, capital redemption reserve and general reserve and excludes capital reserve on business combinations under common control, as at March 31, 2023, March 21, 2022 and March 31, 2021.*
3. *Return on Net worth (%) = Restated profit for the year attributable to owners of the Company / Total Networth (as per the table above) at the end of the year.*
4. *Net Asset Value per Share (basic) (in ₹) = Total Net worth (as per the table above) / Weighted average number of ordinary shares outstanding for the purpose of basic EPS.*
5. *Net Asset Value per Share (diluted) (in ₹) = Total Net worth (as per the table above)/ Weighted average number of ordinary shares outstanding for the purpose of diluted EPS.*
6. *Earnings Before Interest and Tax (EBIT) is defined as Restated Profit before tax (+) Finance costs. EBIT Margin is defined as EBIT/ Revenue from operations. EBIT and EBIT Margin do not have a standardized meaning and are not recognized measures under Ind AS or IFRS.*
7. *Earnings Before Interest, Tax, Depreciation and Amortisation, (EBITDA) is defined as Restated Profit before tax (+) Finance costs (+ Depreciation and amortisation. EBITDA Margin is defined as EBITDA/ Revenue from operations. EBITDA and EBITDA Margin do not have a standardized meaning and are not recognized measures under Ind AS or IFRS.*
8. *Return on capital employed is defined as EBIT divided by the Average Capital Employed, for the relevant year. Where Capital Employed is calculated as a sum of Net Worth, Short Term and Long Term Liabilities, lease liability and Deferred Tax Liability (net).*
9. *Gross profit is calculated by deducting the cost of goods sold (COGS) from Revenue from Operations.*

In accordance with the SEBI ICDR Regulations, the jaudited financial statements of our Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (“Audited Financial Statements”) are available on our website at www.polymatech.in. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an Offering circular, an Offering memorandum, an advertisement, an Issue or a solicitation of any Issue or an Issue document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe to or purchase any securities of our Company, or any which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision. None of the BRLM or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, inter alia, term loans and other fund-based working capital loans. For details regarding the resolution passed by our Shareholders on June 15, 2022 authorizing the borrowing powers of our Board, see "*Our Management*" on page 208.

Set forth below is a brief summary of our aggregated outstanding borrowings of our Company, on a restated basis, as on March 31, 2023.

(₹ in Lakh)

Category of borrowing	Sanctioned amount as on March 31, 2023	Outstanding amount as On March 31, 2023
Secured		
-Working Capital Term loans(A)	3,980.00	1,589.16
-Cash Credit (B)	2,000.00	620.12
Unsecured		
-Loan from related parties(Current maturities of long term borrowings) (C)	N.A.	1,888.21
Total (A+B+C)		**4097.49**

The Working Capital Term Loan and Cash Credit from HDFC Bank has been repaid as on the date of this Draft Red Herring Prospectus as certified by S S Kothari Mehta & Co., Chartered Accountants, vide certificate dated September 29, 2023.

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

You should read the following discussion in conjunction with the Restated Financial Information. The Restated Financial Information have been prepared in accordance with Ind AS. Ind AS differs in certain material respects from IFRS and US GAAP. For more information, see "Risk Factors – External Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 65.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forwardlooking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 22.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Financial Data – Non-GAAP financial measures and certain other statistical information" on page 18.

The industry-related information contained in this section is derived from the industry report titled "Report on Global Opto-semiconductors industry" dated September 26, 2023 prepared and issued by CARE Advisory Research and Training Limited ("CARE Edge" and such report, the "CARE Edge Report"). We have commissioned and paid for the CARE Edge Report for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. We officially engaged CARE Edge in connection with the preparation of the CARE Edge Report pursuant to an engagement letter dated May 08, 2023 including subsequent amendment dated June 27, 2023. A copy of the CARE Edge Report shall be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the CARE Edge Report (extracts of which have been appropriately incorporated as part of "Industry Overview" beginning on page 116).

Overview

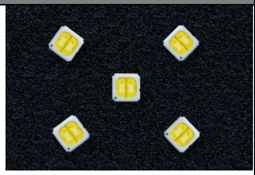
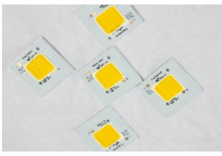
Our Company, Polymatech, is India's first opto-semiconductor chips manufacturer *(source: CARE Edge Report)*, beginning with opto-semiconductor chips production in 2019 by using latest European and Japanese technologies to provide quality products to meet international standards. Our products are present in areas where photonics, or the science of light waves, play a significant role. As on the date of this Draft Red Herring Prospectus, our products are divided into two categories (i) Fully packaged Opto-Semiconductor Chips in the form of COB, HTCC, MLCC, LTCC, etc. "Opto-Semiconductor Chips" or "Chips" and (ii) Luminaries. Our state-of-the-art manufacturing facility is located in Tamil Nadu at SIPCOT (State Industries Promotion Corporation of Tamil Nadu Limited) Hi-Tech SEZ (Special Economic Zone), Oragadam, Sriperumbudur, Kancheepuram, Tamil Nadu. We have also purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant.

We are involved in the designing, fabricating, manufacturing, packaging and assembly of opto-semiconductor chips in house which are sold directly to our customers as well as used in our luminaries assembly.

We are focused on providing superior quality semiconductor chips, and luminaries that consume less energy, generate less heat and still more efficient to help the world meet its sustainability goals. Our customers include multi-national corporations some of which are Fortune 1000 companies. Our luminaries are installed at various factories including Shin-Etsu, Japan, Vishay Precision Group, Stanley, Lohman, Okaya, Japan, AMRL Hitech City (JV with Tamil Nadu Industrial Development Corporation Limited), ASPEN Infra (formerly Suzlon Infrastructure Ltd), Mori Mura, Japan; airports such as Coimbatore airport of Everrise Electric; Stadiums such as Sawai Mansingh Stadium; gurudwaras such as Banglasaheb, New Delhi and temples such as Parthasarathi Temple, Chennai.

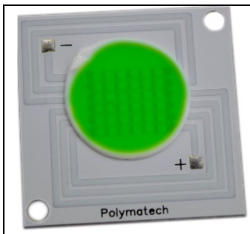
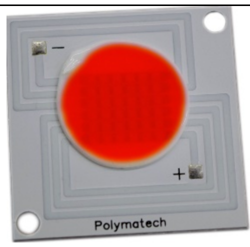
Semiconductors industry is divided into four stages primarily – (i) design, (ii) fabrication, (iii) packaging and (iv) assembly into final product. We primarily operate in design and packaging stage. Presently, the assembly into final product is done only for the luminaries used in large area lighting. Our key product wise revenue is set out below:

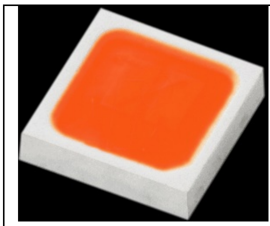
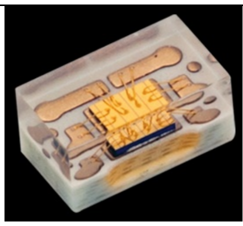
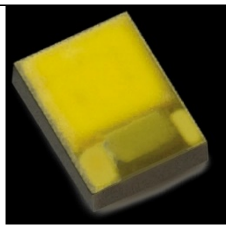
(₹ in Lakh)

Particulars	**Product Pictures**	**Period / Fiscal Ended**		
		March 31, 2023	**March 31, 2022**	**March 31, 2020**
Opto-semiconductor Chips	   	48,102.00	12,587.31	4,501.37
Luminaries :		16,800.00	-	-
Total		**64,902.00**	**12,587.31**	**4,501.37**

Apart from the above products we have also developed and completed trials of multiple other products as mentioned below –

- Photosynthesis lighting for horticulture
- Aquaculture lighting
- UV light for operation theaters for surgeries
- Sanitization Lighting for food processing industry
- Lights used in Endoscopy and Laparoscopy equipment
- Li – Fi (Light fidelity) equipment for transmitting data through light

 Our Opto-Semiconductor Chip for Aquaculture	 Our Opto-semiconductor Chip for Horticulture	 Our Opto-semiconductor Chip for Medical Equipments

 Our Opto-semiconductor Chip producing Infrared light.	 Our Opto-Semiconductor Chips compatible to produce UV-A, UV-B and UV-C lights.	 Our Chip-Scale Package

We are an innovative company that focuses on Research and Development. All of our products are developed in house by our R&D team at Oragadam, Kancheepuram, Tamil Nadu plant. Our R&D department focuses on product designing, tools designing, electronic circuit designing and also has the facility for RPT (Rapid Prototyping). Our R&D department independently develops opto-semiconductor designs and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. Our R&D department is divided into two segments headed (i) Development of chips used in the medical applications such as endoscope, leproscope, UV-C lights, etc.; headed by Mr. Hidenobu Hitotsumatsu, (ii) Design and development of opto-semiconductor chips; headed by Mr. Vishaal Nandam. In April 2019, we successfully developed and produced first semi-conductor chip. We further enhanced our installed capacity from 150 mpa chips (Opto-semiconductor Chips) in Fiscal 2020 to 300 mpa chips in Fiscal 2023. As on the date of this Draft Red Herring Prospectus, we are in the process to enhance our capacity further. Since the initiation of production, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. Our luminaries currently focus on large area lighting, industrial appliances. We expect that our chips for medical applications, aquaculture, horticulture, sanitization and data transmission will be ready for commercial supply by the end of this financial year. Also, our Promoter, Mr. Vishaal Nandam has applied for twenty-five trademarks (all products-related) on September 18, 2023 with the trademarks registry. Our Company plans to enter into Trademark License Agreement for these twenty-five Trademarks. For further details, see '*Our Business - Intellectual Property*' on page 195.

In Luminaries, we have completed our research and successful trials for our own drivers. We have also received BIS (Bureau of Indian Standards) license no. IS 15885 (PART 2/ SEC13): 2012 for our driver which is valid till September 13, 2025. We also design the fixtures but the casting and related operations are outsourced as they are low value added activities.

In our manufacturing operations, we aim to adopt the best available environment, health and safety practices. Our manufacturing facility in Oragadm, Kancheepuram, Tamil Nadu is a *white labeled* manufacturing plant as per the directive and board proceedings of Central Pollution Control Board and directive of Tamil Nadu Pollution Control Board.

We have promoters with technological knowhow and experienced management team. Our promoter, Mr. Eswara Rao Nandam, has over three decades of experience in electronic components manufacturing, auto mobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, integration of self-developed software and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organisations such as Rane Group, Hero group, Pricol, Nokia, Suzlon, GMR, etc. A life member of India Institute of Plant Engineers, Mr. Eswara Rao Nandam has studied M. Tech in Manufacturing Engineering from BITS Pilani, is a Six Sigma practitioner who has acquired multiple other certifications such as 'Lean Manufacturing' from Leancost Solutions, 'Certified System Integrator' from Allen Bradley, CNC Training from Siemens, among others. Mr. Vishaal Nandam who heads the Research and Development division for design and development of chips has over 5 years of experience in electronics and semiconductors. After graduating in B. Tech from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre. He completed 'Embedded Systems Internship Program' by Simple Labs, secured top ranks in competitions such as 'Modelling & Animation of Mechanical Parts' held by SAEINDIA. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world's largest CAD training network. He is also certified VFX Professional and holds certificates in 3D

Max, Advanced Animation (Maya) from Arena Animation. He also holds learnt Robot Operation & Programming Arc Tool from FANUC.

We have one facility located in Oragadam (Kancheepuram), Tamil Nadu and we are in the process to setup our second plant in Krishnagiri, Tamil Nadu which we purchased as BTS (Built to Suit) facility through a sale deed dated August 22, 2023. As on the date of Draft Red Herring Prospectus, all the chip manufacturing and the luminaries assembly is conducted in Oragadam (Kancheepuram), Tamil Nadu plant with the help of two lines of machinery imported from Japan/ USA with a capacity of 300 mpa chips which enable us in bringing efficiencies and economies of scale. Our modern and state-of-art manufacturing facility at Oragadam (Kancheepuram), Tamil Nadu, is equipped with high quality machinery inside class 10,000 clean room – (for maintaining humidity and temperature at certain levels) and based on an anti-static floor to avoid the generation of any kind of static electricity. The clean room is cooled by centralized dual air conditioning units of two 200 TR each. Our manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. For 100% power backup, we have installed three gensets of capacity 125 KVA, 200 KVA and 500 KVA. Also, as per the Memorandum of Understanding dated February 26, 2021, signed by government of Tamil Nadu and the letter dated May 05, 2020, we have been assured uninterrupted power supply on best effort basis.

<u>Brief History on Takeover of our Company by our Current Promoters</u> :-

Polymatech Electronics Limited was formed in the year 2007 as a foreign company, owned and promoted by foreign shareholders, under the name and seal of Polymatech Electronics Private Limited with the object of manufacturing components and parts for electronics and electrical equipments of every description including mobile phones, car and home appliances multimedia equipments, sale and service thereof and related business. The 'initial promoters' or the 'previous promoters' of our company were Polymatech Co. LTD., Japan, and Polymatech (Malaysia) SDN. BHD., Malaysia. The initial promoters constructed the current structure of plant building in May 2009 along with the machineries installed to produce rubber parts, plastic parts with assembly capacity. An official plant opening ceremony was held on September 02, 2009 and the plant was jointly inaugurated by Industries Secretary, Tamil Nadu and Consul General of Japan in Chennai. The major product which was sold by our company was rubber sheet for mobile applications or the 'rubber keypads'. However, the company suspended its production operations effective December 2010 due to falling demand for its products.

In the year 2012, the previous promoters of our company started looking for a prospective buyer for the business and / or land, building and equipments. Polymatech Co. Ltd., Japan, the ultimate holding company was providing the requisite financial and operational support to enable the Company to settle its debts and meet its financial obligations. Further, the financial statements for the year ending March 31, 2012, did not assume the going concern principle and were prepared on liquidation basis.

In the year 2016, Mr. Eswara Rao Nandam through a recently incorporated company, Sensa Integrated Township SDN. BHD., entered into a Share Purchase Agreement dated December 07, 2016, with our company and the then foreign shareholders, to acquire our company. The Share Purchase Agreement was subsequently amended on November 28, 2017 to replace Sensa Integrated Township SDN. BHD. with our promoters Mr. Eswara Rao Nandam and Ms. Uma Nandam in their individual capacities. Under the terms of the agreement(s), Polyma Asset Management Co. LTD., Japan (the holdings of Polymatech Co. LTD, Japan, were transferred to Polyma Asset Management Co. LTD, Japan) and M/s. Polymatech Malaysia SDN. BHD., who held the entire share capital in the Company, agreed to transfer the shares held by them to Mr. Eswara Rao Nandam (52.20 %) and Ms. Uma Nandam (47.80 %) for consideration as stated in the SPA.

Our Company later appointed Mr. Eswara Rao Nandam, Ms. Uma Nandam and Mr. Hidenobu Hitotsumatsu as Directors of the Company in the calendar year 2018 with the resignation of Mr. Yoshihiko Okubo, Mr. Toshihiro Nishihira, Mr. Kenji Komaki and Mr. Kenjiro Shinohe (directors from previous promoting companies) w.e.f August 14, 2018. For further details on Share Purchase Agreement, see *Our History and Certain Other Corporate Matters - Share Purchase Agreements* on page 206.

After the financial year 2011-12, our company for the first time showed the signs of revival in financial year 2019-20 with a total revenue of ₹ 170.00 lakhs and a loss of ₹ 27.90 Lakhs as per the audited results.

Financial Information and Key Performance Indicators (KPIs)

Set forth below is certain financial information and certain KPIs of our business

(Rs. in Lakhs)

Particulars	Restated Financial Information		
	As at and for the year ended March 31, 2023	**As at and for the year ended March 31, 2022**	**As at and for the year ended March 31, 2021**
Revenue from Operations	64,902.00	12,587.31	4,501.37
Total Income	65,162.29	12,807.68	4,718.58
EBITDA (1)	18,801.84	4,207.57	1,255.94
EBITDA Margin (2)	28.97%	33.43%	27.90%
Profit/(Loss) after Tax	16,776.62	3,426.81	628.83
PAT Margin (3)	25.85%	27.22%	13.97%
Capital Expenditure	8,036.53	991.06	3,181.44
ROCE (4)	75.57%	42.95%	18.00%
ROE (5)	86.70%	66.14%	19.94%
Net Debt/EBITDA Ratio (6)	(0.002)	0.99	2.10
Debt to Equity Ratio (7)	0.13	0.60	0.76
Interest Coverage Ratio (8)	32.42	10.08	4.17

As certified by S S Kothari Mehta & Company, Chartered Accountants, pursuant to certificate dated September 26, 2023.

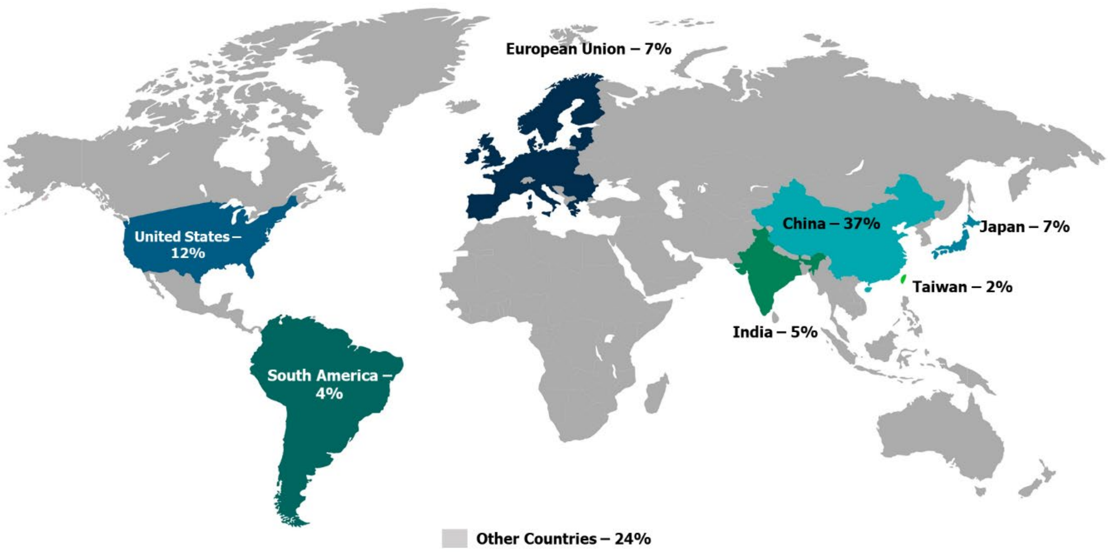
(9) EBITDA is calculated as the sum of (i) profit for the year (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses.
(10) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(11) PAT Margin is calculated as profit after tax divided by Revenue from Operations.
(12) ROCE is calculated as earnings before interest and tax divided by Average Capital Employed.
(13) ROE is calculated as dividing profit after tax by average equity.
(14) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt = total debt – cash and cash equivalents
(15) Debt Equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Total Equity.
(16) Interest Coverage Ratio is calculated by dividing EBIT by Interest Cost

Our Market Opportunity

Global Opto-Semiconductor Market

The global opto-semiconductor market was estimated at USD 37,088 Mn (₹ 2.73 Lakh Crores) in 2018 and has grown at a CAGR of 4% to USD 43,780 Mn (₹ 3.32 Lakh Crores) in 2022. The global opto-semiconductor industry is expected to reach USD 59,224 Mn (₹ 4.87 Lakh Crores) by 2028, growing at a CAGR of 5.4% from 2022 to 2028. The growth is expected to be driven by growth in downstream industries like automotive sector, lighting both in community areas and households. Also, the growth of artificial Intelligence and automation of processes in all walks of life will also drive the demand globally. Globally, Japan, Taiwan and Southeast Asia are the main producers of opto-semiconductors with Japan being the largest producers of opto-semiconductors and China being the largest consumer of opto-semiconductors. (*Source: CARE Edge Report*)

Global Opto-semiconductor Industry (2022): USD 43,780 Mn



<u>Indian opto-semiconductor market</u>

The Indian opto-semiconductor market was estimated at USD 1,515 Mn (₹ 0.11 Lakh Crores) in 2018 and has grown at a CAGR of 12% to USD 2,344 Mn (₹ 0.18 Lakh Crores) in 2022. The market of opto-semiconductor in India is expected to reach USD 5,351 (₹ 0.44 Lakh Crores) Mn by 2028, growing at a CAGR of 15% from 2022 to 2028. The developments in this sector are expected to be driven by increased investment, supportive policies by the Government and increase in demand by the end-user industries. Currently, India is nearly entirely reliant on imports of opto-semiconductors. Presently, China, Singapore, Japan, Germany, South Korea, Thailand, the United States, Malaysia, Vietnam and France are the top countries for opto-semiconductor imports to India. (*Source: CARE Edge Report*)

The industrial sector contributes significantly to India's economy and many enterprises in this area rely heavily on opto-semiconductor chips. India needs to lower its reliance on foreign supply and expand its production of opto-semiconductor chips. Indian government has implemented production-related programmes and other incentives for semiconductor makers.

Certain Non-GAAP Measures

(Rs. in Lakhs)

Particulars	Restated Financial Information		
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As certified by S S Kothari Mehta & Company, Chartered Accountants, pursuant to their certificate dated September 26, 2023.

(1) EBITDA is calculated as the sum of (i) profit for the year (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses.
(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(3) PAT Margin is calculated as profit after tax divided by Revenue from Operations.
(4) ROCE is calculated as earnings before interest and tax divided by Average Capital Employed.
(5) ROE is calculated as dividing profit after tax by average equity.
(6) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt = total debt – cash and cash equivalents
(7) Debt Equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Total Equity.
(8) Interest Coverage Ratio is calculated by dividing EBIT by Interest Cost

Principal Factors Affecting Our Results of Operations

Revenue from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our top five customers accounted, cumulatively, for 61.99%, 65.78%% and 72.70% of our total revenue for the years ending March 31, 2023, 2022 and 2021, respectively. The constitution of top five customers is not identical in these years. Our largest customer of a particular year (different in all the years) accounted for 22.26%, 15.91% and 22.24% of our total revenue for the Fiscals 2023, 2022 and 2021, respectively.

Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, delivery schedule, warranties (in luminaries), logistics, and pricing. Our key customers may also provide us with long term orders ranging upto one year and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. We have enjoyed relationships of over three years with nine out of our top ten customers. Nevertheless, there can be no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Availability of Machinery

The machineries involved in the opto-semiconductor industry are manufactured by a limited number of manufacturers and are available in limited number of countries. Also, the lead time taken in placing a machinery order and the delivery & commissioning of machinery can vary by months. At present all our critical operating machinery such as Semiconductor Analizing Equipment, Semiconductor Programming Equipment, Dessicator, etc. are sold by Japanese manufacturers. These machineries are commissioned by the technical team of machinery vendor who also provide after sale support. These machineries are automatic and in order to avoid any possible machinery breakdown we perform safety measures prior to starting the production.

Capital Outlay for Expansion of our Manufacturing Capacity

We require substantial capital to expand the installed capacities at our existing manufacturing facility (including for new products that we intend to manufacture). As on the date of this Draft Red Herring Prospectus, we have one manufacturing facility in Oragadam, Kancheepuram, Tamil Nadu, were 100% of our products are manufactured. We are also constructing our second manufacturing facility in Krishnagiri, Tamil Nadu.

In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, we incurred capital expenditure into plant and equipment of ₹7,985.66 lakhs, ₹972.11 lakhs and ₹2,317.31 lakhs, respectively, on a restated basis and ₹0.31 lakhs, ₹14.88 lakhs and ₹862.63 lakhs, respectively, into electrical fittings. A significant amount of our capital expenditure has been and is expected to continue to be aimed at increasing our manufacturing capacities, upgrading our facilities and diversifying our product lines.

We aim to utilise the issue proceeds of ₹ 56,572.49 lakhs for funding capital expenditure towards expanding our existing facility at Oragadam, Tamil Nadu in Fiscal 2025. See "*Objects of the Issue*" on page 97 for more information. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing.

Delicate Production Process

The opto-semiconductor manufacturing industry needs a stable and reliable power supply because the manufacturing process is very delicate, and even a short power outage or voltage instability can impact the process. Power disruptions in India, especially during the peak demand months, can impact the industry adversely. Further, as semiconductor manufacturing requires significant amount of water, there needs to be uninterrupted water supply at the plant location. Further, semiconductor fabrication facilities requires a wide range of expensive devices in function. It also requires a non-contaminated clean room with controlled temperature, no dust as a single speck of dust will ruin the microcircuit. The clean room is to be maintained within a narrow band of temperature and humidity with is dampened against vibration. The fabrication process requires a multistep series of photolithographic and chemical processing steps during which electronic circuits are created on a wafer made up semiconductor material. (*Source: CARE Edge Report*)

Taxation

As on the date of this Draft Red Herring Prospectus, hundred percent of our sales is processed and dispatched from our registered office which is an SEZ (Special Economic Zone) area located in Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu 602105, India. As per the Income Tax Act, 1961, our company is eligible for tax benefits available to units in SEZ for the following duration –

- For the first 5 consecutive assessment years beginning with the assessment year 2021-22 - 100% of the profits and gains derived from the export of such articles or things or from services.
- Next 5 consecutive assessment years- 50% of such profits or gains.
- Next 5 consecutive assessment years- amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to Special Economic Zone Reinvestment Reserve Account to be created and utilised for the purpose of the business of the company.

In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, we have paid *nil* tax on the income earned due to the tax benefits available to our company. However, we cannot assure that the same benefits will continue to be available in future.

Competition

We operate in an environment which is dominated by foreign multinational companies and we have not yet identified any India based manufacturer of opto-semiconductors as on the date of this Draft Red Herring Prospectus. An increase in competition can impact our market share, which may lead to price reductions. For detail on our competition see "Our Business - Competition" on page 195.

China is one of the largest producers and exporter of semiconductors in the world. The trade war between USA and China, which started in 2018, has shifted the focus towards other Asian countries for manufacturing and export of electronic components under China+1 policy. Many multinational companies have hence shifted to other Asian countries like Vietnam and India. This reduction in preference for China-made products is also expected to push the indigenous production of components like opto-semiconductor. (*Source: CARE Edge Report*)

Global economic conditions affecting demand

Opto-semiconductors industry is sensitive to global demand and availability of technology and machinery. Additionally, any factor that impacts our customers or vendors would have an impact on our financial statements. General economic factors, include, among others:

- global and local economic or fiscal instability;
- Geopolitical and regulatory measures and developments, such as tax incentives or other subsidies and environmental policies;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in fluctuation in funding costs), foreign exchange rates and inflation rates;

- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- government initiatives in the target markets;
- global preferences to opto-semiconductors and LED lights; and
- cost of raw material and machinery

According to *CARE Edge Report,* despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, volatility in global commodity prices and shortages of key inputs. However, the bright spots for the economy are continued healthy domestic demand, support from government towards capital expenditure, moderating inflation and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the FY23. Moreover, normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

Significant Developments Subsequent to the latest audited financial year

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors by a resolution passed at its meeting held on May 30, 2023, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

2. The shareholders of the Company by a special resolution passed in the Annual General Meeting held on June 21, 2023 authorized the Issue.

3. The name of our Company was changed from *Polymatech Electronics Private Limited* to *Polymatech Electronics Limited* and a fresh certificate of incorporation dated June 06, 2023 was issued by the Registrar of Companies, Chennai.

4. Our Memorandum of Association was amended to reflect the increase in authorised share capital of our Company vide shareholders resolution dated June 06, 2023. The authorised share capital was increased from Rs. 75,00,00,000 divided into 7,50,00,000 Equity Shares of Rs. 10/- each to Rs. 135,00,00,000 divided into 13,50,00,000 Equity Shares of face value of Rs. 10/- each.

5. There have been following changes in our Board:

Sr. No.	Name of Director	Date of Change	Nature of Event	Reason
1.	Mr. Hidenobu Hitotsumatsu	June 30, 2023	Cessation	Due to personal reasons
2.	Mr. Ryan Alexander Young	September 09, 2023	Appointment	Appointment as Independent Director.
3.	Ms. Selvamani Shri Janani	September 16, 2023	Appointment	Appointment as Independent Director.
4.	Mr. Vishaal Nandam	September 16, 2023	Appointment	Appointment as Executive Director.

6. Our Company repaid our debt including cash credit margin and long term borrowing from HDFC Bank Ltd and received the No Due Certificate from HDFC Bank Ltd on August 21, 2023.

7. Pursuant to a special resolution of our Shareholders at an EGM held on June 06, 2023, our Board is authorised to borrow monies from time to time in excess of aggregate of paid up share capital and free reserves (apart from temporary loans obtained/to be obtained from bankers in the ordinary course of

business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed Rs. 50,000 lakhs.

8. Our Company have made preferential allotments on April 19, 2023, June 16, 2023, August 03, 2023 and September 26, 2023 for 1,00,000 Equity Shares, 9,57,500 Equity Shares, 17,47,875 Equity Shares, 50,06,200 Equity Shares, for cash at prices 135, 250, 300 and 300 per share, respectively to the non-promoter group investors in physical mode by issue of physical shares certificates. See, "*Risk Factors - Our Company have made certain preferential allotments of equity shares in the past and these allotments were allotted to investors in physical modes, which may have been in non-compliance with the Rule 9A of (Prospectus and Allotment of Securities) Rules, 2014 and Companies Act, 2013*".

9. We have purchased a BTS (Built to Suit) facility in Krishnagiri, Tamil Nadu through a sale deed dated August 22, 2023, for setting up our second plant.

10. Appointment of our KMP, Mr. Manoj Kumar Bajaj as Chief Financial Officer on April 10, 2023.

11. Appointment of our KMP, Mr. Mohanasundaram Kas Head of Operations on August 30, 2023.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.01 Basis of preparation and presentation of restated financial statement

(i) Compliance with IndAS

The Restated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

These Statements have been prepared by the Management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') ,in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public Offering of equity shares of face value of Rs. 10 each of the Company comprising fresh issue of equity shares (the "Issue"), prepared by the Company 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 from time to time; and
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance" Note).

(ii) The Restated Financial Statements of the Company comprise of the Restated Statement of Assets and Liabilities 31 March 2023, 31 March 2022 and 31 March 2021, Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Cash Flow and Restated Statement of Changes in Equity for the year ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary statement of Significant Accounting Policies and Notes to Restated Financial Information (collectively, the 'Restated Financial Statements' or 'Statements').

(iii) The Restated Financial Statements have been compiled from:

(a) Audited Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 which have been approved by the Board of Directors at their meeting held on September 9, 2023.

Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Account) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which to which the Special purpose Ind AS financial statements were prepared for the purpose of Initial Public Issue (IPO).

The Special purpose Ind AS Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2023.

(iv) In pursuance to ICDR Regulations, the Company is required to provide Financial Statements (FS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). To comply with such requirements, the company has prepared special purpose Ind AS financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. The special purpose Ind AS financial statements with required restatement have been included in the restated financial statements prepared for the purpose of filing the DRHP.

(v) The Restated Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:-

(i) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;

(ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2023, March 31, 2022 and March 31, 2021, in order to bring them in line with the groupings as per the Restated Financial Information of the Company for the year ended March 31, 2023 and the requirements of the SEBI Regulations, if any; and

(iii) The resultant impact of tax due to the aforesaid adjustments, if any.

(vi) Historical cost convention

The Restated Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

(vii) The Restated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR '00,000) upto two decimal places, except when otherwise indicated.

1.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non - current classification.

An asset is treated as current when it is:
(i) Expected to be realized or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realized within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:
(i) It is expected to be settled in normal operating cycle.
(ii) It is held primarily for the purpose of trading.
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.03 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on pro-rata basis on straight line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30
Plant and machinery	10*
Furniture and Fixtures and interiors	5#

Motor Vehicles	6
Office Equipment	10
Computer Systems	3
Electrical Fittings	10^

* Upto financial year ended 31st March 2022 useful life of plant and machinery was considered as 40 years.

Upto financial year ended 31st March 2022 useful life of furniture fixtures and interiors was considered as 10 years.

^ Upto financial year ended 31st March 2022 useful life of electrical fittings was considered as 40 years.

Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

Leasehold Land is amortised over the period of the lease.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020 (after adjustment of reversal of impairment recognised earlier) , measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

1.04 Intangible assets

Recognition and initial measurement

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

1.05 Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or group of assets (cash generating units). Non–financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.06 Financial assets and financial liabilities

Financial assets and financial liabilities (together known as financial instruments) are recognized when Company 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 or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non -current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial Assets and Financial Liabilities measured at amortized cost

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

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.
The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

For the purpose of para (ii) and (iii) above, the principal is considered to be fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

Financial Assets or Liabilities at Fair value through Profit or Loss (FVTPL)

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts other than those which are in the nature of Insurance are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

Impairment of financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

For the purpose of classification of financial asset including trade receivable as credit impaired, a period of three years is considered by the Management.

De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets 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.
On de-recognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from OCI to statement of profit or loss as a reclassification adjustment unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously recognised in OCI are reclassified with equity.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

1.07 Inventories

Inventories are valued at lower of cost or net realisable value

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

1.08 Income tax

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961. Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

1.09 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Company.

1.10 Interest, dividend and claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

1.11 Leases- company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected to use the recognition exemptions for short term leases as well as low value assets.

1.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

1.13 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the period in which they occur.

1.14 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

1.15 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements to the extent it is probable that economic benefits will flow to the Company from such assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

1.16 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.17 Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

1.18 Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.19 Critical accounting judgements, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:

(a) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end.

(b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations as it is not possible to predict the outcome of pending matters with accuracy.

(c) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable vary, it may affect the amount of actual write-offs as estimated.

Key Components of Income and Expenditure

Total Income

Total income comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises sale of our products. Revenue from sale of products predominantly includes sale of opto-semiconductors and luminaries. As on the date of this Draft Red Herring Prospectus, all our revenues are incurred from our registered office and manufacturing unit in SEZ (Special Economic Zone).

Other income

Other income predominantly comprises of lease rental income, interest income on unwinding of financial instruments, interest income on bank deposits and other interest income.

Expenses

Our expenses comprise of cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefits expense, finance cost, depreciation and amortization expense, and other expenses.

Cost of materials consumed

The cost of materials consumed include cost of raw materials and packing materials. Raw materials predominantly include precious metals, certain chemicals, _____ and other inputs such as wires, drivers and fixtures, etc.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work in progress represent the difference between the opening and closing stock of finished goods and work in progress.

Employee benefit expenses

Employee benefit expenses comprises of salaries & wages and staff welfare expenses.

Finance cost

Finance cost comprises predominantly of interest expense on bank borrowings, and other finance costs, which include bank charges, etc.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses comprise of depreciation of property, plant and equipment, right of use assets, electrical fittings, etc.

Other expenses

Other expenses predominantly comprise of manufacturing expenses, cost of repair & maintenance, legal & professional expenses, electricity expenses, water expenses, business promotion expenses, rent expenses, travelling and conveyance expenses, postage & courier expenses, payment to auditors, bank charges, insurance charges, corporate social responsibility expenditure and miscellaneous expense.

Tax expense

Tax expense consists of current tax (at *nil* rate) and deferred tax. As on the date of this Draft Red Herring Prospectus, hundred percent of our sales is processed and dispatched from our registered office which is an SEZ (Special Economic Zone) area located in Plot OZ-13, SIPCOT Hi-Tech SEZ, Oragadam, Kancheepuram, Tamil Nadu – 602105, India. As per the Income Tax Act, 1961, our company is eligible for tax benefits available to units in SEZ for the following duration –

- For the first 5 consecutive assessment years beginning with the assessment year 2021-22 - 100% of the profits and gains derived from the export of such articles or things or from services.
- Next 5 consecutive assessment years- 50% of such profits or gains.
- Next 5 consecutive assessment years- amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to Special Economic Zone Reinvestment Reserve Account to be created and utilised for the purpose of the business of the company.

Results of Operations

The following table sets forth selected information from our results of operations as a percentage of total income for Fiscals 2023, 2022 and 2021:

(₹ in Lakhs)

Particulars	As at, and for the fiscal year ended,					
	2023		2022		2021	
	Amount (₹ in Lakh)	(% of Revenue from	Amount (₹ in Lakh)	(% of Revenue from	Amount (₹ in Lakh)	(% of Revenue from

		Operations)		Operations)		Operations)
Income:						
Revenue from operations	64,902.00	100.00%	12,587.31	100.00%	4,501.37	100.00%
Other income	260.29	0.40%	220.37	1.75%	217.21	4.83%
Total Income	**65,162.29**	**100.40%**	**12,807.69**	**101.75%**	**4,718.58**	**104.83%**
Expenses:						
Cost of materials consumed	45,063.73	69.43%	9,824.02	78.05%	3,389.91	75.31%
Changes in inventories	(594.59)	(0.92%)	(1,598.14)	(12.70%)	(129.12)	-2.87%
Employee benefits expenses	126.63	0.20%	78.23	0.62%	59.78	1.33%
Finance costs	530.35	0.82%	385.75	3.06%	228.40	5.07%
Depreciation and amortisation expenses	1,606.98	2.48%	317.90	2.53%	302.68	6.72%
Other expenses	1,764.68	2.72%	296.00	2.35%	142.07	3.16%
Total Expenses	**48,497.78**	**74.72%**	**9,303.76**	**73.91%**	**3,993.72**	**88.72%**
Profit before tax	**16,664.51**	**25.68%**	**3,503.93**	**27.84%**	**724.86**	**16.10%**
Tax expenses:						
Current tax	Nil	Nil	Nil	Nil	Nil	Nil
Deferred tax	(112.11)	(0.17%)	77.11	0.61%	96.03	2.13%
Total tax expenses	**(112.11)**	**(0.17%)**	**77.11**	**0.61%**	**96.03**	**2.13%**
Profit after tax	**16,776.62**	**25.85%**	**3,426.82**	**27.22%**	**628.83**	**13.97%**
Other comprehensive income for the year/period, net of tax	Nil	Nil	Nil	Nil	Nil	Nil
Total comprehensive income for the year/period	**16,776.62**	**25.85%**	**3,426.82**	**27.22%**	**628.83**	**13.97%**

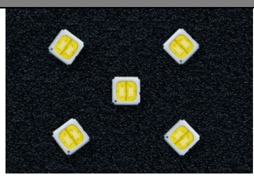
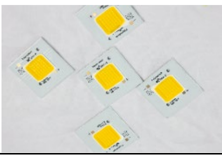
Fiscal 2023 compared with Fiscal 2022

Revenue:

Revenue from operations

Revenue from operations substantially increased by 415.61% to ₹64,902.00 Lakh in Fiscal 2023 from ₹ 12,587.31 Lakh in Fiscal 2022, due to an increase in volume of products sold, higher per unit realisation, as well as introduction of luminaries. Our luminaries contributed to ₹16,800.00 lakhs which is about 25.89% of total revenue from operations whereas there was *nil* revenue from sale of luminaries in Fiscal 2022 since the product was introduced for the first time in Fiscal 2023.

Product wise revenue-

Particulars	Product Pictures	Period / Fiscal Ended	
		March 31, 2023	March 31, 2022
Opto-semiconductor Chips	   	48,102.00	12,587.31

Luminaries :		16,800.00	-
Total		**64,902.00**	**12,587.31**

Further, we experienced sharp demand in our products due to our branding and awareness exercises such as advertisements. We had to increase our production levels to meet higher demand for our products. Our installed capacity utilization for opto-semiconductor chips increased from 35% to 65% from Fiscal 2022 to Fiscal 2023. Also, we successfully acquired a new customer in Fiscal 2023 who contributed 22.26% of our total revenue in Fiscal 2023.

Other income

Our other income increased by 18.11% to ₹260.29 Lakh for Fiscal 2023 from ₹220.37 Lakh for Fiscal 2022, primarily due to a net gain on Interest income on unwinding of financial instruments in the amount of ₹195.79 Lakh for Fiscal 2023 as compared to ₹165.36 Lakh for Fiscal 2022.

Expenses:

Cost of Goods Sold: Our cost of goods sold, which is the aggregate of our cost of materials consumed and changes in inventories, on a restated basis, increased substantially by 440.60% to ₹44,469.14 Lakh for Fiscal 2023 from ₹8,225.88 Lakh for Fiscal 2022. Such increase was predominantly due to increase in purchase of raw materials made during the year, due to an increase in volumes produced and sales. Further, our cost of goods sold has increased to 68.52% of operating revenue in Fiscal 2023 from 65.35% of operating revenue in Fiscal 2022. This is mainly because of the change in product mix.

Employee benefits expenses: Employee benefits expenses on a restated basis increased by 61.87% to ₹126.63 Lakh for Fiscal 2023 from ₹ 78.23 Lakh for Fiscal 2022. This increase was primarily due to a 60.62% increase in salaries and wages to ₹ 119.91 Lakh for Fiscal 2023 from ₹ 74.66 Lakh for Fiscal 2022. This was consequent to an increase in our number of employees consequent to inclusion of luminaries in our product mix, growth in annual salaries as well as an incremental rise in minimum wages.

Finance costs. Our finance costs on a restated basis increased by 37.49% to ₹530.35 Lakh for Fiscal 2023 from ₹ 385.75 Lakh for Fiscal 2022. This was predominantly due to an increase in interest expenses on our borrowings from banks and other finance cost.

Depreciation and amortisation expenses. Our depreciation and amortisation expenses on a restated basis increased by 405.50% to ₹1606.98 Lakh for Fiscal 2023 from ₹317.90 Lakh for Fiscal 2022. This was primarily driven by addition in our plant and equipment.

Other expenses. Our other expenses on a restated basis increased by 496.18% to ₹1,764.68 for Fiscal 2023 from ₹296.00 Lakh for Fiscal 2022, primarily due to (i) increase in manufacturing expenses by 401.93% to ₹721.12 lakh for Fiscal 2023 from ₹ 143.67 lakh for Fiscal 2022, as a result of higher manufacturing activities and inclusion of luminaries in product mix, (ii) a 3011.55% increase in legal & professional expenses to ₹ 563.97 lakh for Fiscal 2023 from ₹ 18.13 lakh for Fiscal 2022 as a result of product development consultancy, (iii) increase in repair & maintenance expenses by 561.92% to ₹230.79 lakh for Fiscal 2023 from ₹ 34.87 lakh for Fiscal 2022, as a result of increased running of machines and maintenance thereof to meet the surge in product demand, and (iv) increase in business promotion expenses by 1644.45% to ₹ 45.13 lakh for Fiscal 2023 from ₹2.59 lakh for Fiscal 2022 as a result of an increased media advertisements.

Profit Before Tax:

As a result of the foregoing, i.e. increased growth in revenue, among others, our profit before tax on a restated basis increased by 375.59% to ₹16,664.51 Lakh for Fiscal 2023 as compared to ₹3503.93 Lakh for Fiscal 2022.

Tax Expenses

Our total tax expenses on a restated basis decreased by 245.39% to negative ₹112.11 Lakh for Fiscal 2023 from ₹77.11 Lakh for Fiscal 2022. The decrease in our tax expenses for Fiscal 2023 was primarily attributable to a 245.39% decrease in deferred tax to negative ₹ 112.11 Lakh in Fiscal 2023 from ₹77.11 Lakh in Fiscal 2022.

Profit After Tax

As a result of foregoing, our profit after tax on a restated basis increased by 389.57% to ₹16,776.62 Lakh for Fiscal 2023 from ₹3,426.82 Lakh for Fiscal 2022.

Fiscal 2022 compared with Fiscal 2021

Revenue:

Revenue from Operations. Our revenue from operations on a restated basis increased by 179.63% to ₹12,587.31 Lakh for Fiscal 2022 from ₹4,501.37 Lakh for Fiscal 2021. There has been a constant increase of demand of products manufactured by us in the market since the time of acquisition of the Company by our Promoters resulting in higher sales in Fiscal 2022 in comparison to Fiscal 2021. We increased our installed capacity of opto-semiconductor chips to 300 mpa (million pieces per annum) in Fiscal 2022 from 150 mpa in Fiscal 2021. Our capacity utilization was 35% in Fiscal 2022 compared to 40% in Fiscal 2021.

The products in our company are the results of our in-house research and development and becoming India's first opto-semiconductor chip manufacturer. Our revenue has been increasing on increased market awareness of our products resulting in increased demand of our products. We also got a push in growth of our revenue due to relaxations of COVID-19 induced lockdown.

Other income. Our other income on a restated basis increased ₹1.45% to ₹ 220.37 Lakh for Fiscal 2022 from ₹ 217.21 Lakh for Fiscal 2021, primarily due to increase in lease rental income.

Expenses:

Cost of Goods Sold: Our cost of goods sold, which is the aggregate of our cost of materials consumed and changes in inventories on a restated basis, increased by 152.27% to ₹8,225.88 for Fiscal 2022 from ₹3260.79 lakh for Fiscal 2021. The increase in our cost of goods sold was largely in line with the growth of 279.63% in our revenue from operations. We also increased our installed capacity to 300 mpa in Fiscal 2022 from 150 mpa in Fiscal 2021. Further, our cost of goods sold decreased to 65.35% of operating revenue in Fiscal 2022 from 72.44% of operating revenue in Fiscal 2021. This was mainly because of achieving higher efficiency in production process.

Employee benefits expenses: Employee benefits expenses on a restated basis increased by 30.86% to ₹78.23 Lakh for Fiscal 2022 from ₹59.78 Lakh for Fiscal 2021. This increase was primarily due to 26.33% increase in salaries and wages to ₹74.66 Lakh for Fiscal 2022 from ₹59.10 Lakh in Fiscal 2021. The rise in employee benefits expenses is mainly due to fresh hirings since the acquisition of our company and since the ease of COVID 19 induced lockdown.

Finance costs: Our finance costs on a restated basis increased by 68.89% to ₹385.75 Lakh for Fiscal 2022 from ₹228.40 Lakh for Fiscal 2021. This increase in finance costs was due to increase in interest on borrowings.

Depreciation and amortisation expenses: Our depreciation and amortisation expenses on a restated basis increased by 5.03% to ₹317.90 Lakh for Fiscal 2022 from ₹302.68 for Fiscal 2021, primarily due to the addition of plant & equipments and electrical fittings.

Other expenses: Our other expenses on a restated basis increased by 108.35% to ₹296.00 Lakh for Fiscal 2022 from ₹142 Lakh for Fiscal 2021, primarily due to a (i) increase Manufacturing Expenses by 89.92% to ₹143.67 Lakh for Fiscal 2022 from ₹75.65 Lakh for Fiscal 2021, as a result of increased manufacturing activities as a result of surge in product demand, (ii) increase in Repair & Maintenance Expenses by 215.65% to ₹ 34.87 Lakh for Fiscal 2022 from ₹11.05 Lakh for Fiscal 2021 as a result of increased usage of machinery, (iii) increase in Miscellaneous Expense expenses by 304.72% to ₹ 27.74 Lakh for Fiscal 2022 from ₹6.85 Lakh for Fiscal 2021 and (iv) increase in Bank Charges by 86.15% to ₹29.75 Lakh for Fiscal 2022 from ₹15.98 Lakh for Fiscal 2021, as a result of increase in borrowings.

Profit Before Tax:

As a result of the foregoing, our profit before tax on a restated basis increased by 383.39% to ₹3503.93 Lakh for Fiscal 2022 from ₹724.86 Lakh for Fiscal 2021. The profit before tax also increased due to increased closing inventory of finished goods and work in progress leading to negative change in inventories to ₹1,598.14 Lakhs in Fiscal 2022 from ₹129.12 Lakhs in Fiscal 2021. As a result, our total expenses was reduced in contrast to increase in revenue.

Tax expenses:

Our total tax expenses on a restated basis decreased by 19.70% to ₹77.11 Lakh in Fiscal 2022 from ₹96.03 Lakh in Fiscal 2021. The decrease in our tax expenses for Fiscal 2022 was attributable to the decrease in deferred tax.

Profit After Tax:

As a result of the foregoing, our profit after tax on a restated basis increased by 444.95% to ₹3,426.82 Lakh for Fiscal 2022 from ₹628.83 Lakh for Fiscal 2021.

Discussion on the Statement of Cash Flows

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

(₹ in Lakhs)

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Net cash generated from/(used in) operating activities	4,621.54	(133.39)	3,092.53
Net cash (used in) investing activities	(8,036.52)	(987.40)	(3,185.10)
Net cash generated from/(used in) financing activities	7,546.08	1,123.20	92.54
Net increase/(decrease) in cash and cash equivalents	4,131.10	2.41	(0.03)
Cash and cash equivalents at the beginning of the year/period	3.00	0.60	0.63
Cash and cash equivalents at the end of the year/period	4,134.10	3.00	0.60

Cash flows generated from/(used in) operating activities

Net cash generated in operating activities on a restated basis was ₹4,621.54 Lakh for Fiscal 2023. While our net profit before tax on a restated basis was ₹16,664.51 Lakh, we had operating profit before working capital changes of ₹ 18,801.84 Lakh, which was adjusted for non-cash adjustments for depreciation and amortisation of ₹ 1,606.98 Lakh and finance cost of ₹ 530.35 Lakh. Our working capital adjustments for Fiscal 2023 primarily consisted of increases in trade receivables of ₹10,743.24 Lakh, other assets of ₹2,056.14 Lakh, inventories of ₹1,647.40 Lakh and Trade Payables of ₹ 426.80 Lakhs. We were not liable to pay income tax in Fiscal 2023.

Net cash used in operating activities on a restated basis was ₹133.40 Lakh for Fiscal 2022. While our net profit before tax on a restated basis was ₹3,503.92 lakh, we had operating profit before working capital changes of ₹ 4,207.57 Lakh, which was adjusted for non-cash adjustments for depreciation and amortisation of ₹317.90 Lakh and finance cost of ₹385.75 Lakh. Our working capital adjustments for Fiscal 2022 primarily consisted of increases in trade receivables of ₹1,843.74 Lakh, inventories of ₹1,843.97 Lakh, trade payables of ₹543.76 Lakh and decreases in other financial liabilities of ₹955.70 Lakh and other liabilities of ₹ 165.36 Lakh. We were not liable to pay income tax in Fiscal 2022.

Net cash generated from operating activities on a restated basis was ₹3092.53 Lakh for Fiscal 2021. While our net profit before tax on a restated basis was ₹724.86 Lakh, we had operating profit before working capital changes of ₹1,255.94 Lakh, which was adjusted for non-cash adjustments for depreciation and amortisation of ₹302.68 Lakh and finance cost of ₹228.40 Lakh. Our working capital adjustments for Fiscal 2021 primarily consisted of increases in trade receivables of ₹682.70 Lakh, inventories of ₹129.12 Lakh, trade payables of ₹984.79, other financial liabilities of ₹904.08 Lakh, other liabilities of ₹436.09 Lakh and decreases in other current assets of ₹ 332.45 Lakh. We were not liable to pay income tax in Fiscal 2021.

Cash flows used in investing activities

Net cash used in investing activities on a restated basis was ₹ (8,036.52) Lakh for Fiscal 2023, primarily due to the net purchase of property, plant & equipment of ₹8,036.52 Lakh.

Net cash used in investing activities on a restated basis was ₹ (987.40) Lakh for Fiscal 2022, primarily due to the net purchase of property, plant & equipment of ₹991.06 Lakh.

Net cash used in investing activities on a restated basis was ₹ (3,185.10) Lakh for Fiscal 2021, primarily due to the net purchase of property, plant & equipment of ₹3,181.44 Lakh.

Cash flows generated from/(used in) financing activities

Net cash generated from financing activities on a restated basis was ₹ 7,546.08 Lakh for Fiscal 2023, primarily due to proceeds from issue of shares, securities premium and share application money received of ₹ 841.92 Lakh, ₹ 7,158.55 Lakh and ₹ 135.00 Lakh respectively, which was partially offset by interest payment of ₹530.35 Lakh towards borrowings from banks and repayment of borrowings (net) of ₹ 59.04 Lakh.

Net cash generated from financing activities on a restated basis was ₹ 1,123.20 Lakh for Fiscal 2022, due to the net Proceeds from borrowings of ₹ 1,508.95 and partially offset by payment of interest ₹ 385.75 Lakh.

Net cash generated from financing activities on a restated basis was ₹ 92.54 Lakh for Fiscal 2021, due to net proceed from borrowing of ₹ 320.94 Lakh which was partially offset by payment of interest of ₹ 228.20 Lakh.

New Products or Business Segments

Except as disclosed in this Draft Red Herring Prospectus, including as described in "*Our Business*" beginning on Page 174, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Our operations fall under a single business segment, manufacturing and sale of Semi-Conductors and LED Devices, as on March 31, 2023. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Restated Financial Information.

We do not disaggregate our revenue based on geographical locations. This is due to the fact that all our sales are conducted from Special Economic Zone.

Indebtedness

As of March 31, 2023, we had total current and non-current borrowings amounting to ₹1589.16 Lakh. As on the date of this Draft Red Herring Prospectus, we do not have any outstanding working capital loan facilities or long term borrowings from banks / financial institutions. For further details related to our indebtedness, see "*Financial Indebtedness*" beginning on page 294.

Contingent Liabilities

As per the Restated Financial Statement there are no Contingent Liabilities as at March 31, 2023. For details, see "*Financial Information – Restated Financial Information – Notes forming part of the Restated Financial Statements– Note 32 – Commitments and Contingencies*" on page 273.

Capital and other commitments

As of March 31, 2023 we had no capital commitments (net of advances), as per the Restated Financial Information. For details, see "*Financial Information – Restated Financial Information – Notes forming part of the Restated Financial Statements– Note 32 – Commitments and Contingencies*" on page 273.

Lease Liabilities

Our company has lease contract for factory land. The lease term of the factory land is 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The annual rental is Rs. 1/- from 1st year till 98th year and Rs. 2/- on 99th year. The carrying amount of lease hold is ₹182.33 lakh (as at 31st March 2022: ₹184.50 lakh and as at 31st March 2021: ₹186.67 lakh)

Capital Expenditure

Capital expenditures consist primarily of investments in our manufacturing facility to add new technologies and upgrade facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to expand our production capacities, upgradation of our products, replace equipment, etc.

The following table summarizes the primary constituents of our capital expenditure for the Fiscal 2023, Fiscal 2022, and Fiscal 2021, as per the Restated Financial Information:

(₹ in Lakh)

Particulars	At March 31, 2023	At March 31, 2022	At March 31, 2021
Plant and equipment	7,985.66	972.11	2,317.31
Electrical fittings	0.31	14.88	862.63
Plant Interiors	44.00	0.75	-
Furnitures & fixtures	2.74	0.78	-
Computer	3.81	1.05	-

The above capital expenditures were financed by internally generated resources, borrowings and equity capital infusion.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see *"Restated Financial Statements - Related Party Transactions"* on page 272.

Auditor's Observations

Our Statutory Auditors have not included any qualifications or emphasis of matter in the Restated Consolidated Financial Information.

Quantitative and Qualitative Analysis of Market Risks

The Company has exposure to the following risks arising from financial instruments: credit risk; liquidity risk; and interest rate risk.

Financial Risk Management

1. **Credit Risk**

Our Company is exposed to credit risk from its operating activities (primarily trade receivables). The Company's exposure to credit risk is influenced mainly by the individual characteristic of each consumer and the concentration of risk from the top few consumers.

Our company extends credit to consumers in normal course of business. Consumers outstanding are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable.

2. **Liquidity Risk**

The company objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs

The table provides cash flow towards non -derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

(₹ in Lakh)

Particulars	Less than 12 months	Above 12 months	Total
As at 31st March 2023			
Interest bearing Borrowings (Including Current Maturity)	-	2,209.27	2,209.27
Non-Interest bearing Borrowings (Including Current Maturity)	1,888.21	-	1,888.21
Trade and Other payables	1,972.97	-	1,972.97
Other Financial Liabilities	15.00	-	15.00
Total	**3,876.18**	**2,209.27**	**6,085.45**
As at 31st March 2022			
Interest bearing Borrowings (Including Current Maturity)	-	2,709.79	2,709.79
Non-Interest bearing Borrowings (Including Current Maturity)	-	1,446.74	1,446.74
Trade and Other Payables	1,546.16	-	1,546.16
Other financial liabilities	30.25	-	30.25
Total	**1,576.41**	**4,156.53**	**5,732.94**
As at 31st March 2021			
Interest bearing Borrowings (Including Current Maturity)	150.65	1,205.20	1,355.85
Non-Interest bearing Borrowings (Including Current Maturity)	-	1,291.74	1,291.74
Trade and Other payables	1,002.39	-	1,002.39
Other financial liabilities	985.95	-	985.95
Total	**2,138.99**	**2,496.94**	**4,635.93**
The Company has current financial assets which will be realised in ordinary course of business. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.			

3. **Interest rate risk**

i. **Interest rate risk exposure**

Interest rate exposure of the Company is mainly on Borrowing from Banks, which is linked to marginal cost of fund based lending rate (MCLR) of bank's lending and the Company does not foresee any risk on the same.

(₹ in Lakh)

Particulars	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 021**
Variable rate borrowings	2,209.27	2,709.79	1,355.85
Fixed rate borrowings	1,888.21	1,446.74	1,291.74
Total borrowings	**4,097.48**	**4,156.53**	**2,647.59**
Interest Rate of Borrowing			
Particulars	**Total Borrowing**	**Floating Rate Borrowings**	**Fixed Rate Borrowing**
As at 31st March 2023			
Secured	2,209.27	2,209.27	-
Unsecured	1,888.21	-	1,888.21
Total	**4,097.48**	**2,209.27**	**1,888.21**
As at 31st March 2022			
Secured	2,709.79	2,709.79	-
Unsecured	1,446.74	-	1,446.74
Total	**4,156.53**	**2,709.79**	**1,446.74**
As at 31st March 2021			
Secured	1,355.85	1,355.85	-
Unsecured	1,291.74	-	1,291.74
Total	**2,647.59**	**1,355.85**	**1,291.74**

ii. **Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	**Impact on profit before tax**		
	31st March, 2023	**31st March, 2022**	**31st March, 2021**
Interest rates – increase by 50 basis points	11.05	13.55	6.78
Interest rates – decrease by 50 basis points	(11.05)	(13.55)	(6.78)

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Changes in Accounting Policies

For details of changes in accounting policies in the last three years, please see "Restated Financial Information" on page 327.

Seasonality/ Cyclicality of Business

Our business is not subject to seasonality.

Expected Future Changes in Relationship Between Costs and Revenues

Except as discussed in the section titled "*Risk Factors*" on page 32 and this section, and elsewhere in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations or finances and future changes in relationship between costs and revenues.

Dependence on Few Customers

For details on our dependency on our key customers, please see "*Risk Factors – We are dependent on, and derive a substantial portion of our revenue from a few customers. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, the top five customers accounted for 61.99%, 65.78%% and 72.70%, respectively, of our restated revenue from operations. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition*" on page 33.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*As on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings, (ii) action taken by regulatory or statutory authority, (iii) claims related to direct and indirect tax matters, and (iv) any other pending litigation as determined to be material pursuant to the materiality policy in each case involving our Company, our Directors and our Promoters ("**Relevant Parties**"). As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company. Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years including outstanding actions.*

There are no outstanding legal proceedings involving any of our Group Companies that have a material impact on our Company.

*Pursuant to the materiality policy adopted by our Board of Directors on June 16, 2023 for the purposes of point (iv) above, any pending litigation (including arbitration proceedings) involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding actions, and tax matters, has been considered 'material' ("**Materiality Policy**") and accordingly specific disclosures are made in this Draft Red Herring Prospectus where:*

(i) the monetary claim made by or against the Relevant Parties in any such pending litigation/ arbitration proceeding is equivalent to or above 1% of the restated profit after tax of the Company, for Fiscal 2023, as per the Restated Financial Information, which amounts to ₹16,776.62 Lakhs;

(ii) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does exceed the materiality threshold as specified in (i) above, or such pending matters which involve the Relevant Parties but are not falling in (i) above but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company; and

(iii) any such litigation where the decision in one matter is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (i) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (i)above;

*As on the date of this Draft Red Herring Prospectus, there are outstanding material dues to two creditors of the Company. In terms of the Materiality Policy, outstanding dues to any creditor of the Company having a monetary value exceeding ₹ 295.94 Lakhs, which is 15% of the total trade payables of our Company as of Fiscal 2023 as per the Restated Financial Information shall be considered as 'material'. Accordingly, as of March 31, 2023, as per the Restated Financial Information, any outstanding dues exceeding ₹ 295.94 Lakhs 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 medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding the status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

It is clarified that for the purpose of the Materiality Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding governmental/ statutory/ regulatory/ judicial 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 proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Litigation filed against our Company

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed against our Company.

b. Action taken by regulatory and statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions taken by regulatory and statutory authorities against our Company.

c. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings filed against our Company.

B. Litigation filed by our Company

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed by our Company.

b. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending material civil proceedings filed by our Company.

II. Litigation involving our Directors

A. Litigation filed against our Directors

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceeding against our Directors.

b. Action by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending action by any statutory or regulatory authority against our Directors.

c. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings against our Directors, which have been considered material in accordance with the Materiality Policy.

B. Litigation filed by our Directors

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed by our Directors.

b. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings filed by our Directors, which have been considered material in accordance with the Materiality Policy.

III. Litigation involving our Promoters

A. Litigation filed against our Promoters

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed against our Promoters.

b. Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending action taken by statutory or regulatory authorities against our Promoters.

c. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings filed against our Promoters, which have been considered material in accordance with the Materiality Policy.

d. Disciplinary action taken against our Promoter(s) in the five fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchanges (including outstanding actions)

Our Promoters, Mr. Eswara Rao Nandam and Mrs. Uma Nandam are also promoters in Datasoft Application Software (India) Limited ("**Datasoft**"). Pursuant to BSE notice dated February 8, 2023 ("**BSE Notice**"), the shareholding in the demat account of our Promoters, Mr. Eswara Rao Nandam and Mrs. Uma Nandam was frozen and the trading in the securities of Datasoft Application Software (India) Limited ("**Datasoft**") was also suspended with effect from March 13, 2023 due to non-compliance with the Regulation 33 of the SEBI Listing Regulations for two consecutive quarters (June 2022 and September 2022). Datasoft later submitted the quarterly results of June 2022, September 2022 and December 2022 on March 20, 2023. The quarterly results of March 2023 were submitted on May 30, 2023. Our promoters are are in the process to unfreeze their holdings and remove the suspension of Datatsoft.

B. Litigation filed by our Promoters

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed by our Promoters.

***b.* Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings filed by our Promoters, which have been considered material in accordance with the Materiality Policy.

IV. Litigation involving our subsidiary

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

V. Tax proceedings involving our Company, Director and Promoters

As of the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Company, Director and Promoters :

Our promoters and Directors have received Income tax notices such as under Section 143(3) for different assessment years. However, the notices are below the threshold mentioned in our Materiality Policy adopted on June 16, 2023.

VI. Litigation proceedings involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which have material impact on our Company.

VII. Outstanding dues to small-scale undertakings or any other creditors

In terms of the Materiality Policy, our Board considers such creditors '*material*' to whom the amount due exceeds 15% of the total trade payables as at the end of the latest period of the Restated Financial Information, i.e., ₹ 295.94 Lakhs, as of March 31, 2023.

As of March 31, 2023, our Company did not have any MSME Creditors as certified by *S S Kothari Mehta & Company*., Chartered Accountants, pursuant to their certificate dated September 23, 2023.

As of March 31, 2023, our company owed ₹ 1,750.00 Lakhs constituting 88.70% of total trade payable. Further, we have not uploaded the details pertaining to outstanding dues towards our Creditors on the website of our Company to maintain confidentiality.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material consents, licenses, registrations permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 196.

We have also disclosed below the material approvals for which fresh applications/renewal applications have been made. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors- We may be unable to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations" on page 50.

For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page 332 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 204.

A. Material approvals in relation to our Company.

I. Approval in relation to the incorporation of our Company.

S.No.	Particulars	Issuing authority	Date
1.	Certificate of incorporation under the name of 'Polymatech Electronics Private Limited'.	Registrar of Companies.	May 29, 2007
2.	A fresh certificate of incorporation was issued consequent upon the change of name upon conversion from 'Polymatech Electronics Private Limited' to 'Polymatech Electronics Limited', pursuant to the conversion of our Company from a private limited company to a public limited company.	Registrar of Companies.	June 06, 2023

The corporate identification number of our Company is U32107TN2007PLC063706.

II. Approval in relation to the Issue

For details, see "*Other Regulatory and Statutory Disclosures*" on page 332.

III. Approvals in relation to our business operations

An indicative list of the material approvals required by our Company to undertake our business is set out below:

S. No.	Particulars	Issuing authority	Date of issuance	Validity
1.	Registration and license number with registration number - KPM12346 to work as a factory under the Factories Act, 1948	Directorate of Industrial Safety and Health, Government of Tamil Nadu	June 27, 2023	December 31, 2023
2.	UDYAM registration number UDYAM-TN-08-0003771	Ministry of Micro, Small and Medium Enterprises,	September 18, 2020	Perpetual

		Government of India		
3.	Legal entity identified code bearing number - 984500440F8546156D43	LEI Register India Private Limited	July 09, 2019	July 09, 2024
4.	Approval for Electrical Installations	Central Electricity Authority, Government of India	December 28, 2020	Perpetual
5.	Bureau of Indian Standards license number R-61003379 – for product – LED flood lights.	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	January 2, 2023	January 1, 2025
6.	Bureau of Indian Standards license number R-61003930 – for product – LED Luminaires for road and street lighting.	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India	August 9, 2023	August 8, 2025
7.	Bureau of Indian Standards license number R-61004081 – for product – AC supplied electronic controlgear for LED modules	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India	September 14, 2023	September 13, 2025

IV. Material tax related approvals

S. No.	Particulars	Issuing authority	Date of issue
1.	Permanent account number – AAECP2981Q	Income Tax Department, Government of India	February 24, 2010
2.	Tax deduction account number - CHEP09361C	Income Tax Department, Government of India	September 7, 2023
3.	GST identification number – 33AAECP2981Q3ZT	Government of India under Central Goods and Services Tax Rules, 2017	December 3, 2018
4.	GST exemption letter	Department of Commerce, Ministry of Commerce and Industry, Government of India.	August 28, 2019

V. Foreign trade related approval

S. No.	Particulars	Issuing authority	Date of issuance	Validity

1.	Importer-Exporter Code with code number - 3807000267	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	April 10, 2008	Perpetual
2.	Letter of approval bearing number 8/1/2007/SIPCOT – Oragadam for manufacture and export of semi-conductor Chips-Light Source-LEDs & Luminaires at SIPCOT Hi-tech SEZ, Oragadam, Kancheepuram.	Office of the Development Commissioner, Department of Commerce, Ministry of Commerce and Industry, Government of India.	September 02, 2019*	September 01, 2024
3.	Customs & Excise duty exemption letter	Department of Commerce, Ministry of Commerce and Industry, Government of India.	August 28, 2019	Perpetual

VI. Approvals or renewals applied for but not yet received

S.No.	Application	Issuing authority	Date of application
1.	Application for renewal for fire license for non-multi storied buildings	Fire & Rescue Service Department, Tamil Nadu	August 28, 2023

B. Material approvals in relation to our material subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

C. Intellectual property-related approvals

As of the date of this Draft Red Herring Prospectus, our Company has applied and objected for the trademark "Polymatech" under class 11 and class 9, respectively.

We also plan to execute a trademark licensing agreement with our Promoter, Mr. Vishaal Nandam, for the twenty-five trademarks recently applied by him on September 18, 2023 under class 9 and class 11. These trademarks are for using the names "Alwaysgreen", "Alwayswhite", "Alwaysday", "Lightman", "Cinelight", "Suchi", "Brightwhite", "Plantlight", "Sanilight", "Sleepregulator", "Gemprotect", "Icomfort", "Plight", "Nlight", "Vlight", "Iprotect", "Surroundlight", "Evenspread", "Hipure", "Hipurity", "Monosource", "Flipchip", "Faceup", "Ravaye", "Lightup".

For risks associated with intellectual property, please refer to the section titled "*Risk Factors - We may not be able to protect our brand name and trademarks* on page 36.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

1. Our Board of Directors has authorised the Issue by a resolution passed in their meeting held on May 30, 2023.

2. Our Shareholders have approved and authorised the Issue by way of a special resolution passed at their Annual General Meeting held on June 21, 2023.

3. This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on September 29, 2023**.**

In-principle listing approvals

Our Company has received in-principle approvals from BSE and the NSE for the listing of our Equity Shares pursuant to their letters dated **[●]** and **[●]** respectively**.**

Prohibition by the SEBI or other governmental authorities

Our Company, Promoters, Promoter Group, Directors, and persons in control of our Promoters or Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and the members of the Promoter Group severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them in respect of its respective holding in our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market.

Eligibility for the Issue-

Our Company is eligible for the Issue in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. our Company has net tangible assets of at least ₹300.00 lakhs, calculated on a restated basis, in each of the preceding full financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 of which not more than 50% are held as monetary assets;

2. our Company has an average operating profit of at least ₹1500.00 lakhs, calculated on a restated basis, during the preceding three financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, with operating profit in each of these preceding three years;

3. our Company has a net worth of at least ₹100.00 lakhs in each of the three preceding full financial years ended March 31, 2023, March 31, 2022and March 31, 2021, calculated on a restated basis; and

4. our Company has not changed its name within the last year except for the change of status to public limited company from private limited company.

Set forth below are our Company's operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Financial Information included in this Draft Red Herring Prospectus.

(*₹ in lakhs, unless otherwise stated*)

Particulars	March31,2023	March31,2022	March31,2021
Restated Net tangible assets[1]	31,623.97	6,709.71	3,280.73
Restated Monetary assets[2]	4,134.10	3.00	0.60
Monetary assets as a % of net tangible assets (%), as restated	13.07%	0.04%	0.02%
Pre-Tax operating profit, as restated [3]	16,934.57	3,669.30	736.05
Net worth[4] as restated	31,806.30	6,894.21	3,467.40

Notes:

(1) "Net tangible assets" means the sum of all net assets of the Company as per the Restated Financial Information excluding Intangible Assets (as per IND AS- 38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)

(2) "Monetary assets" are defined as amount of 'Cash and Cash equivalents' as per the Restated Financial Information, (excluding Fixed deposits with banks not considered as cash and cash equivalents).

(3) "Pre-Tax Operating Profit" means restated profit before tax excluding other income, finance costs and exceptional items.

(4) "Net worth" means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets.

Amounts in the above computation are as reported by the Company as derived from the Restated Financial Information for the respective year ends and certified by S S Kothari Mehta & Co., Chartered Accountants, vide certificate dated September 23, 2023 .

Our Company confirms that it is also 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 terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delay period.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

1. Our Company, Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

2. None of our Promoters or our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;

3. None of our Company, our Promoters or our Directors has been categorized as a wilful defaulter or a fraudulent borrower;

4. None of our Promoters and our Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

5. there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

6. Our Company along with the Registrar to the Issue has entered into tripartite agreements dated January 23, 2023 and March 15, 2023 with NSDL and CDSL, respectively, for the dematerialization of the Equity Shares.

7. The Equity Shares of our Company held by the Promoters are in the dematerialised form.

8. All the Equity Shares of our Company are fully paid up and there are no partly paid-up Equity Shares as of the date of filing of this Draft Red Herring Prospectus.

9. There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM, KHAMBATTA SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT IN TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of registering the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. Further, the legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors and the BRLM 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.polymatech.in/), would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM 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 Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, partners, designated partners, 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, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company 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 and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Tamil Nadu only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, permitted insurance companies and pension funds, insurance funds setup and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary issue memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary Issue memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

No action has been or will be taken to permit a public Offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be Issueed 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 Issue or sale hereunder, shall, under any circumstances, create any implication that there have been no change in our affairs or in the affairs of our Company from the date hereof or that the information contained herein is correct as of anytime subsequent to this date.

Eligibility and Transfer Restrictions

Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary Issue memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue if the recipient is outside India.

No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary Issue memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

The Equity Shares Issueed in the Issue have not been and will not be registered under the U.S. Securities Act or any state applicable laws of the United States, and unless so registered, may not be Issueed 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issueed and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such Issues and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issueed or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws or such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the 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 NSE**.** NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to the Stock Exchanges for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Issue.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under 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/ Issue] Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing:(a) of our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Issue, the BRLM, the Registrar, the Statutory Auditors, industry research report provider, independent chartered engineer, in their respective capacities, have been obtained and such consents have not been withdrawn until the date of this Draft Red Herring Prospectus; and (b) consents in writing of the Syndicate Members, Sponsor Bank(s), Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), Monitoring Agency and the Underwriters to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert opinion

Our Company has received written consent dated September 23, 2023, from **S S Kothari Mehta and Company**, Chartered Accountants, our Statutory Auditors, who hold a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 09, 2023 relating to the Restated Financial Information and (ii) the statement of possible special tax benefits dated September 26, 2023 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is 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 preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed Group Companies, subsidiary and associates of our Company

Except as disclosed in '*Capital Structure*' on page 82, our Company has not made any capital issue during the three years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, we do have only one listed group company and our listed group company has not made any capital issue 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 rights issue 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/ promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed promoters or listed subsidiary.

Price Information of the Past Issues Handled by the Book Running Lead Manager

Sr. No.	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on	+/- % change in closing price, [+/-	+/- % change in closing price, [+/-	+/- % change in closing price, [+/-

					Listing Date (Rs.)	% change in Closing benchmark] 30th calendar days from listing	% change in closing benchmark] 90th calendar days from listing	% change in Closing benchmark] 180th Calendar days from listing
1.	Rudrabhishek Enterprises Limited	18.73	41.00	July 13, 2018	41.25	-1.68 [+3.05]	-1.56 [+2.32]	+15.95 [+0.60]
2.	Gayatri Rubbers and Chemicals Limited	4.58	30.00	February 07, 2023	35.00	+21.17 [+0.19]	+42.17 [+1.96]	+93.17 [10.13]
3.	Vels Films International Limited	33.74	99.00	March 22, 2023	101	-0.30 [+2.76]	-3.54 [+9.35]	+35.35 [17.73]
4.	Quality Foils (India) Limited	4.52	60.00	March 24, 2023	100	+62.33 [+4.01]	+50.08 [+11.28]	+85.00 [18.82]
5.	Quicktouch Technologies Limited	9.33	61.00	May 02, 2023	92	+121.97 [+2.13]	+129.51 [+8.26]	N.A.
6.	De Neers Tools Limited	22.99	101.00	May 11, 2023	190	+74.50 [+1.46]	+144.55 [+6.96]	N.A.
7.	Sahaj Fashions Limited	13.96	30.00	September 06, 2023	31	N.A.	N.A.	N.A.
8.	EMS Limited	321.25	211	September 21, 2023	282.05	N.A.	N.A.	N.A.

Sources: All share price data is from www.nseindia.com.

Note:

i. The CNX Nifty are considered as the Benchmark Index
ii. Prices on NSE are considered for all of the above calculations
iii. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered
iv. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
v. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

Summary statement of price information of past issues handled by Khambatta Securities Limited:

Financial Year	Total no. of IPOs	Total Funds raised (Rs. Crores)	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		
			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%
2023-24	4	32.32	-	-	-	2	-	-	-	-	-	-	-	-
2022-23	3	42.84	-	-	1	1	-	1	-	-	-	2	1	-

2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Stock market data of the Equity Shares

This being the initial public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Disposal of investor grievances by our Company

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee on September 16, 2023 comprising of Ms. Rapala Virtanen Tarja Hannele Ryan, Mr. Alexander Young and Mr. Eswara Rao Nandam to review and redress the shareholders and investor grievances such as transfer/transmission of Equity Shares, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated/new share certificates, investigating complaints relating to allotment of shares, approval of transfer or transmission of shares. For details, see "*Our Management"* on page 208.

Our Company has also appointed Mr. Badri Prasad Mahapatro, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information*" on page 74.

Our Company has not received any investor complaints during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar or the relevant Designated Intermediary, for the redressal of routine investor grievances, shall be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

No person connected with the Issue, including but not limited to our Company, the BRLM, the Syndicate Members, our Promoters, our Directors or the members of our Promoter Group shall Issue in any manner whatsoever any incentive, whether direct or indirect, 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 Issue.

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

As on the date of this Draft Red Herring Prospectus, our Company has not sought any exemption from complying with any provisions of securities laws.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, Issueed and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue comprises a Fresh Issue by our Company. For details in relation to the sharing of Issue expenses, see "*Objects of the Issue*" on page 197.

Ranking of Equity Shares

The Equity Shares being Issueed/Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the sections entitled *"Dividend Policy"* and *"Main Provisions of Articles of Association*" beginning on pages 236 and 375 respectively.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the GoI in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Issue for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, please refer to the sections titled *"Dividend Policy"* and *"Main Provisions of Articles of Association"* beginning on pages 236 and 375respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 each and the Issue Price at the lower end of the Price Band is ₹ **[●]** per Equity Share and at the higher end of the Price Band is ₹ **[●]** per Equity Share. The Anchor Investor Issue Price is ₹ **[●]** per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM, and advertised in all editions of **[●]**, an English national daily newspaper, all editions of **[●]**, a Hindi national daily newspaper and all editions of **[●]**, a Gujarati newspaper, Gujarati being the regional language of Daman and Diu, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the

Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares Issueed by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, or 'e-voting' in accordance with the provisions of the Companies Act, 2013;
- Right to receive Issues for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and foreign exchange regulations; and
- Such other rights, as may be available to a Shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 375.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations the Equity Shares shall be Allotted only in dematerialised form. The Equity Shares Issueed through the Red Herring Prospectus can be applied for in the dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated January 23, 2023 amongst our Company, NSDL and Registrar to the Issue.
- Tripartite agreement dated March 15, 2023 amongst our Company, CDSL and Registrar to the Issue.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of **[●]** Equity Share subject to a minimum Allotment of **[●]** Equity Shares to QIBs and RIBs. The Allotment to Non-Institutional Bidders shall not be less than the minimum Non-Institutional application size. For the method of Basis of Allotment, please refer to the section titled "*Issue Procedure*" on page 352.

Jurisdiction

The courts of Tamil Nadu will have exclusive jurisdiction in relation to this Issue.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to Investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if they were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A 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. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, 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 Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not proceed with the Issue, in whole or part thereof, to the extent of their respective portion of Issueed Shares after the Bid/Issue Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLM, decide not to proceed with the Issue, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges simultaneously. In such event, the BRLM through the Registrar to the Issue shall notify the SCSBs and the Sponsor Bank in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/Issue Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the BRLM withdraw the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a public Offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI and Stock Exchanges.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●]** (1)
BID/ISSUE CLOSES ON	**[●]** (2)#

(1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

 # UPI mandate end time and date shall be at [●]on [●]

An indicative timeline in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which* *the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

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

The above timetable, is indicative and does not constitute any obligation or liability on our Company or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI Notification No. No. SEBI/LAD-NRO/GN/ 2022/ 63 dated January 14, 2022, our Company shall within four days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription. In case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares it shall refund the entire money received on application within 4 days of receipt of intimation of such rejection. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("IST")
Bid/Issue Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at [●] on [●].*

On the Bid/ Issue Closing Date, Bids shall be uploaded until:

a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

b) 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLM and the Registrar to the Issue on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue. Bids and any revision in Bids will be accepted only during Working Days during the Bid / Issue Period.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 03, 2006 and letter no. NSE/IPO/25101- 6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids and revisions by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. Provided that Cap Price shall remain minimum 105% of the Floor Price and shall not exceed 120% of the Floor Price. Neither our Company nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software/ hardware system or otherwise.

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

None among our Company and/or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of discrepancy in data entered in the electronic book vis-a-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 may be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date on the date of closure of the Issue or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Issue; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so Issueed under the Red Herring Prospectus , our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within four days from the closure of the Issue or within 4 days of receipt of intimation of rejection of listing by the stock exchange and refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares, as may be applicable. If there is a delay beyond four days after Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest prescribed under the applicable law.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 82 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 375.

ISSUE STRUCTURE

The Issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ 75,000.00 Lakhs (the "Issue"). The Issue comprises of a Fresh Issue of up to [●] Equity Shares. The Issue shall constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ **[●]**, at its discretion prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the amount raised pursuant to the Pre-IPO Placement, will be reduced from the Fresh Issue subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

The Issue is being made through the Book Building Process.

The face value of the Equity Shares is ₹ 10 each.

Particulars	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/allocation	Not more than **[●]** Equity Shares	Not less than **[●]** Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than **[●]** Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/allocation	Not more than **[●]** % of the Issue size shall be available for allocation to QIBs. However, **[●]** % of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than **[●]** % of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders subject to the following (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with an application size of more than ₹ 2 lakhs and up to ₹ 10 lakh; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with application size of more than ₹ 10 lakh; provided that the unsubscribed portion in either of the sub categories specified above may be allocated to applicants in the other	Not less than **[●]** % of the Issue or the Issue less allocation to QIBs and Non- Institutional Bidders will be available for allocation

		sub-category of Non-Institutional Bidders.	
Basis of Allotment/allocation 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) **[●]** Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to **[●]** % of the QIB Portion (of up to **[●]** Equity Shares) may be allocated on a discretionary basis to Anchor Investors at the Anchor Investor Allocation Price out of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations.	The allotment to each Non- Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Issue Procedure*" on page 352.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Issue Procedure*" on page 352.
Minimum Bid	Such number of Equity Shares and in multiples of **[●]** Equity Shares so that the Bid Amount exceeds ₹ **[●]**	Such number of Equity Shares and in multiples of **[●]** Equity Shares so that the Bid Amount exceeds ₹ **[●]**	**[●]** 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 size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of **[●]** Equity Shares so that the Bid does not exceed the size of the Issue (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of **[●]** Equity Shares so that the Bid Amount does not exceed ₹ **[●]**
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	**[●]** Equity Shares and in multiples of **[●]** Equity Shares thereafter		
Allotment Lot	**[●]** Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply	Public financial institutions as specified in Section 2(72)	Resident Indian individuals, Eligible NRIs	Resident Indian individuals, Eligible

	of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions Mutual Funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs, pension fund with minimum corpus of ₹2500 lakhs National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	on a non- repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	NRIs and HUFs (in the name of Karta)
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids (4) In case of all other Bidders: Full Bid Amount shall be blocked by SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

**Assuming full subscription in the Issue*

*(1) Our Company, in consultation with the BRLM, may allocate up to **[●]** % of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Issue Procedure" on page 352.*

(2) Subject to valid Bids being received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1)) of the SEBI ICDR Regulations.

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under "Issue Procedure - Bids by FPIs" on page 359 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Issue" on page 340.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (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 Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), discontinued the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds with only the UPI Mechanism for such Bids with the existing timeline of T+6 days continuing for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II until March 31, 2020. Further, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Circular**"), SEBI has reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"). Compliance to the T+3 Circular has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. Accordingly, the Issue will be undertaken pursuant to the processes and procedures as notified in the T+3 Circular once UPI Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI, including with respect to SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending on the timing of the opening of the Issue.*
Issue

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 hasintroduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular came into force for initial public Issues opening on or after May 1, 2021 except as amended pursuant to SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public Offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public Offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the lead manager shall continue to coordinate with intermediaries involved in the said process.

Further, our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Our Company and the Book Running Lead Manager 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 the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of theIssue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders, in accordance with the SEBI ICDR Regulations.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories on proportionate basis, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable laws. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill over from any other category or a combination of categories.

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 the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders 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.

Phased implementation of UPI as per the UPI Circulars

SEBI has issued 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 UPI Bidders through 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 payment mechanism in three phases in the following manner:

(a) **Phase I**: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II**: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI *vide* its circular no.SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase..

(c) **Phase III**: The Phase III shall commence voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issues opening on or after December 1, 2023 as per the SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, we may need to make appropriate changes in the Red Herring Prospectus and the Prospectus depending upon the prevailing phase at the time of opening of the Issue.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Issue BRLM will be required to compensate the concerned investor. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make a written confirmation as prescribed in Annexure I of SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Tamil daily newspaper, Tamil being the regional language of Tamil Nadu, where our Registered

Office is located) on or prior to the Bid/ Issue Opening Date and such advertisement shall also be made available to 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 or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Further, pursuant to SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all RIBs applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below: (i) a syndicate member; (ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity); (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLM with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Electronic registration of bids

(a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building Process on a regular basis before the closure of the Issue.

(b) On the Bid / Issue 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) IssueThe Designated Intermediaries shall modify select fields uploaded in the Stock Exchanges platform during the Bid/Issue Period till 5:00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Issue. UPI Bidders are mandatorily required to use the UPI Mechanism for submitted their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

All ASBA Bidders must provide either (i) bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

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. Bidders using the ASBA process to participate in the Issue must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis.	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions.	[●]
Anchor Investors	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLM.

For ASBA Forms (other than UPI Bidders using the UPI Mechanism), the Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any escrow collection bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded during the Bid Period and the modification/ updation of Bids shall close at 5.00 pm on the Bid/Issue Closing Date.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through

UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error codes and descriptions, if any. Further, the Sponsor Bank(s) will undertake the reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Bank's UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, the performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The Equity Shares Issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be Issueed or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being Issueed and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those Issues and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issueed or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
(c) The Designated Intermediaries are given time until 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded on the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by the BRLM, associates and affiliates of the BRLM and the Syndicate Members and the persons related to BRLM and the Syndicate Members and Bids by Anchor Investors

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, 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 BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
(ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" 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 BRLM.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company in consultation with BRLM reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made, subject to applicable law.

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 Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on a 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 373.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including an investor group) (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason, subject to applicable law. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 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
(c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons who 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.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub-funds or a separate class of investors with a segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub-fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above-mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with the same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate the implementation of SEBI FPI Regulations, such multiple Bids shall be rejected. Participation of FPIs in the Issue shall be subject to the FEMA Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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, venture capital funds which have not re-registered as AIFs 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 SEBI FVCI Regulations 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. A category III AIF cannot invest more than 10% of its investible funds in one investee company. 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) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt/ corporate debt restructuring/ strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 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, the Company in consultation with BRLM, reserves 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 ("**IRDAI 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 IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI, from time to time, including the IRDAI Investment Regulations for specific investment limits applicable to them.

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 in consultation with BRLM, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued 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 the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 lakh (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2500 lakh, 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, in consultation with the BRLM, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, registered with the Pension Fund Regulatory and Development Authority, subject to applicable laws, with minimum corpus of ₹ 2500 lakh, 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 in consultation with BRLM reserve the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1000 lakh. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1000 lakh.

(c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid / Issue Opening Date, and will be completed on the same day.

(e) Our Company in consultation with the BRLM will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1000 lakh;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1000 lakh but up to ₹25,000 lakh, subject to a minimum Allotment of ₹ 500 lakh per Anchor Investor; and

- in case of allocation above ₹ 25,000 lakh under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lakh, and an additional 10 Anchor Investors for every additional ₹25,000 lakh, subject to minimum Allotment of ₹ 500 lakh per Anchor Investor.

(f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

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

(i) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) can apply in the Issue under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

(k) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.

(l) For more information, see the General Information Document.

The above information is given for the benefit of the Bidders/applicant. Our Company and the Book Running Lead Manager 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 regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIIs who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2 lakh with respect to RIIs if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 2 lakh with respect to RIIs, the Bid will be considered for allocation under the Non-Institutional Portion.

If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised bid at Cut-off Price.

In the event of a downward revision in the Price Band, RIIs who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid / Issue Opening Date, the Bid /Issue Closing Date and the QIB Bid/[Issue] Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The information is given for the benefit of the Bidders/applicants. Our Company and members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Issue Price but prior to the filing of Prospectus. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid/[Issue] 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 UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. UPI Bidders 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. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed

on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. 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. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;

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. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

11. Ensure that they have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the [Issue] through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

13. 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;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgement;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, 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 a SEBI circular dated July 20, 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;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;

20. 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;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and 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, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. FPIs making multiple investment manager (“**MIM**”) Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

26. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

27. In case of QIBs and NIBs (other than for Anchor Investor and UPI Bidder), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

29. UPI Bidders 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 UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

30. UPI Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders 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(s) to authorize blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;

34. Ensure that ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. of the Bid/Issue Closing Date;

36. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press releases dated June 25, 2021, and September 17, 2021.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 or in the list displayed on SEBI's website 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 for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "Bids by HUFs" on page 359;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue / Issue 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 the Red Herring Prospectus;

14. Do not submit your Bid after 3.00 pm on the Bid / Issue Closing Date;

15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Issue Closing Date;

16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

17. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;

19. Do not submit the General Index Register (GIR) number instead of the PAN;

20. 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 Issue;

21. 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 UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids until the Bid/[Issue] Closing Date;

23. 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;

24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

25. 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;

26. 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);

27. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

28. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

29. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

30. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

31. Do not submit a Bid cum Application Form with third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

32. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information” on page 74.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID [subject to availability of information regarding third-party account from Sponsor Bank(s)];

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third-party bank accounts or using third-party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid / Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Issue Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Issue Closing Date, unless extended by the Stock Exchanges.

In case of any pre-Issue or post [Issue] related issues regarding demat credit/refund orders/ unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and Registrar. For details of the Company Secretary and Compliance Officer and Registrar, see "General Information" on page 74.

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 / Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

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 BRLM 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 Issueed in the Issue through the Issue 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 net Issue 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 Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000 provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum NIB application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice 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 in the [Issue] through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"
(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 Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from Anchor Investors.

Allotment Advertisement

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of a widely circulated English national daily newspaper, [●], all editions of a widely circulated Hindi national daily newspaper, [●] and a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Issue 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 amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated January 15, 2023, amongst our Company, NSDL and Registrar to the Issue.

- Tripartite agreement dated March 15, 2023, amongst our Company, CDSL and Registrar to the Issue.

Undertaking by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law 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 / Issue Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue 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 Applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Issue after the Bid /[Issue] Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company in consultation with the BRLM, withdraw the Issue after the Bid / Issue Closing Date, our Company shall be required to file a fresh draft issue document with SEBI, in the event our Company subsequently decide to proceed with the Issue thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that except for any allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or Issueed 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

Utilisation of Issue Proceeds

Our Board certifies that:

- all monies received out of the 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;

- details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who –***

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹ 1 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020 (the "**Consolidated FDI Policy**"), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. As on date, under the Consolidated FDI Policy, up to 100% foreign investment under the automatic route is currently permitted for our Company.

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 Consolidated FDI Policy and 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.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares 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, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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. Each Bidder should seek independent legal advice about its ability to participate in the Issue. 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 to the Issue in writing about such approval along with a copy thereof within the Bid/Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For details, please refer to the section titled "*Issue Procedure*" on page 352.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, please refer to the sections titled "Issue Procedure – Bids by Eligible NRIs" and "Issue Procedure – Bids by FPIs" on pages [●] and [●] respectively.

The Equity Shares Issueed in the Issue 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 Issueed 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 Issueed and sold (i) within the United States only to persons reasonably believed

to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States, in offshore transactions, as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those Issues and sales occur.

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 Issueed or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company 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 Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION

OF

POLYMATECH ELECTRONICS LIMITED

The Articles of Association of our Company ("Articles") have been approved by our Board of Directors pursuant to a resolution passed on January 02, 2023 and by our Shareholders pursuant to a special resolution passed on January 27, 2023.

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.

INTERPRETATION

1. In these regulations-

   (i) "the Act" means the Companies Act, 2013.
   (ii) "the seal" means the common seal of the company.

2. Unless the context otherwise requires, the words or expressions contained in Table 'F' or these Articles shall bear the same meaning as in the Companies Act, 2013 or any statutory modification thereof in force as the date at which these regulations become binding on the company.

3. The Company is a Public Limited Company within the meaning of Section 2 (71) of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

4. This Article provides that:

   (i) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and wither at a premium or at par and at such time as they may from time to time think fit.

   (ii) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided without payment of any charges.

   (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

   (iv) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

5. This Article provides that:

   (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given.

   (ii) The provisions of Articles shall mutatis mutandis apply to debentures of the company.

6. This Article provides that except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

7. This Article provides that:

(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

8. This Article provides that:

(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

9. This Article provides that the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

10. This Article provides that Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

11. This Article provides that:

(i) The company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

12. This Article provides that the company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

13. This Article provides that:

(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. This Article provides that:

(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. This Article provides that:

(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

16. This Article provides that a call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

17. This Article provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. This Article provides that:

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. This Article provides that:

(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. This Article provides that the Board-

(i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

21. This Article provides that:

(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

22. This Article provides that the Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register-

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

23. This Article provides that the Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section *(1)* of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

24. This Article provides that on giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

25. This Article provides that:

(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. This Article provides that:

(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) 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.

27. This Article provides that:

(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. This Article provides that a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

29. This Article provides that if a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

30. This Article provides that the notice aforesaid shall-

   (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

   (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

31. This Article provides that if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

32. This Article provides that:

   (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

   (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. This Article provides that:

   (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

   (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

34. This Article provides that:

   (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

   (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

   (iii) The transferee shall thereupon be registered as the holder of the share; and

   (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

35. This Article provides that the provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

36. This Article provides that the company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. This Article provides that subject to the provisions of Section 61 of the Act, the company may, by ordinary resolution-

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. This Article provides that where shares are converted into stock-

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

39. This Article provides that the company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account

CAPITALISATION OF PROFITS

40. This Article provides that:

(i) The company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in subclause (*B*);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. This Article provides that:

(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

42. This Article provides that notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

43. This Article provides that all general meetings other than annual general meeting shall be called extraordinary general meeting.

44. This Article provides that:

(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient numbers to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

45. This Article provides that:

(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

46. This Article provides that the chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. This Article provides that if there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

48. This Article provides that If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be chairperson of the meeting.

ADJOURNMENT OF MEETING

49. This Article provides that:

(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

50. This Article provides that subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

51. This Article provides that a member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

52. This Article provides that:

(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

53. This Article provides that a member 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, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

54. This Articl provides that any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

55. This Article provides that no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

56. This Article provides that:

(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

57. This Article provides that the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. This Article provides that an instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

59. This Article provides that a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

60. This Article provides that the number of the directors and the name of first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

61. This Article provides that the Company shall have not less than three and not more than Fifteen Directors.

62. This Article provides that the First Directors of the Company shall be:

(i) Kenichi Makino
(ii) Sikayanaidu Manickam

63. This Article provides that:

(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

64. This Article provides that the Board may pay all expenses incurred in getting up and registering the company.

65. This Article provides that the company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

66. This Article provides that all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

67. This Article provides that every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

68. This Article provides that:

(i) Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

69. This Article provides that:

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

70. This Article provides that:

(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

71. This Article provides that the continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

72. This Article provides that:

(i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

73. This Article provides that:

(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

74. This Article provides that:

(i) A committee may elect a chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

75. This Article provides that:

(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

76. This Article provides that all acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

77. This Article provides that save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

78. This Article provides that subject to the provisions of the Act-

    (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

    (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

79. This Article provides that a provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

80. This Article provides that:

    (i) The Board shall provide for the safe custody of the seal.

    (ii) The seal of the Company shall not be affixed to any instrument except 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 two directors; and those two directors shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

81. This Article provides that the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

82. This Article provides that subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

83. This Article provides that:

    (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

    (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

84. This Article provides that:

    (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

85. This Article provides that the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the Company.

86. This Article provides that:

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

87. This Article provides that any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

88. This Article provides that notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

89. This Article provides that no dividend shall bear interest against the Company.

ACCOUNTS

90. This Article provides that the Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

91. This Article provides that subject to the provisions of Chapter XX of the Act and rules made there under-

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

92. This Article provides that every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered with the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10:00 A.M. and 5:00 P.M. on all Working Days from date of the Red Herring Prospectus until the Bid/ Issue Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at www.polymatech.in and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/Issue Closing Date).

A. Material Contracts for the Issue

1. Memorandum of Understanding dated September 28, 2023 entered into between our Company and the Book Running Lead Manager (BRLM).

2. Registrar Agreement dated September 28, 2023, amongst our Company and the Registrar to the Issue.

3. Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Registrar to the Issue, the Book Running Lead Manager (BRLM), Syndicate Members and the Escrow Collection Bank, Public Issue Account Bank, Sponsor Banks and the Refund Bank;

4. Syndicate Agreement dated [●] amongst our Company, the Book Running Lead Manager (BRLM), the Registrar to the Issue and the Syndicate Members.

5. Underwriting Agreement dated [●] amongst our Company, the Book Running Lead Manager (BRLM) and the Underwriters.

6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency;

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated May 29, 2007 and fresh certificate of incorporation dated June 06, 2023 issued pursuant to conversion from a private to a public company.

3. Resolution of the Board of Directors dated May 30, 2023, approving the Issue and other related matters.

4. Resolution of the Board of Directors dated September 29, 2023 approving the Draft Red Herring Prospectus (DRHP) for filing with the SEBI and the Stock Exchanges.

5. Resolution of the IPO Committee dated September 29, 2023 approving the Draft Red Herring Prospectus (DRHP) for filing with the SEBI and the Stock Exchanges.

6. Shareholders' Resolution passed at the Annual General Meeting of the Company held on June 21, 2023 authorizing the Issue and other related matters.

7. Statement of Possible special tax benefits dated September 26, 2023 from our Statutory Auditor.

8. Report of our Statutory Auditor dated September 09, 2023 regarding the Restated Financial Statement of our Company for the year ended, March 31 2023, March 31 2022 and March 31 2021 included in this Draft Red Herring Prospectus.

9. Share Purchase Agreement dated December 07, 2016 originally entered amongst our Company Polymatech Electronics Limited, Polyma Asset Management Co. Limited (Japan), Polymatech Malaysia SDN. BHD. and Sensa Integrated Township SDN. BHD.

10. Amendment of original Share Purchase Agreement dated December 07, 2016 vide amendment agreement dated November 28, 2017 entered amongst our Company Polymatech Electronics Limited, Polyma Assets Management Co. Limited (Japan), Polymatech Malaysia SDN.BHD., Sensa Integrated Township SDN. BHD and our Promoters Mr. Eswara Rao Nandam and Mrs. Uma Nandam for replacing Sensa Integrated Township SDN. BHD.

11. Consent dated September 23, 2023 from S.S. Kothari Mehta & Co., Chartered Accountants, 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 our Statutory Auditors, and in respect of (i) the examination report dated September 09, 2023 relating to the Restated Financial Information as at and for the years ended March 31, 2023, 2022 and 2021; and (ii) statement of special tax benefits available to our Company and its Shareholders under the direct and indirect tax laws dated September 26, 2023;

12. Consent letter dated August 30, 2023 from Dr. L. Balaji, Balaji & Associates, (Membership Number: M-82502/9), Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as independent chartered engineer.

13. Consents of our Promoters, Directors, Bankers to our Company, the BRLM, Underwriters*, Registrar to the Issue, Banker(s) to the Issue*, Syndicate Members, Legal Counsels, Statutory Auditor and Peer Reviewed Auditor, Bankers to the Company, Company Secretary and Compliance Officer of our Company and Chief Financial Officer to act in their respective capacities.

    **The aforesaid will be appointed prior to filing of the RHP / Prospectus with RoC and their consents as above would be obtained prior to the filing of the RHP / Prospectus with RoC.*

14. Consent from CARE Advisory Research and Training Limited dated September 26, 2023 to include contents or any part thereof from their report titled "Global Opto-semiconductors Industry" in this Draft Red Herring Prospectus (DRHP);

15. Industry report titled "Global Opto-semiconductors Industry" dated September 26, 2023 prepared by CARE Advisory Research and Training Limited, commissioned and paid for by our Company exclusively in connection with the Issue and issued by CARE Advisory Research and Training Limited in this regard.

16. Tripartite Agreement dated January 23, 2023 among our Company, NSDL and the Registrar to the Issue.

17. Tripartite Agreement dated March 15, 2023 among our Company, CDSL and the Registrar to the Issue.

18. Certificate relating to key performance indicators dated September 26, 2023 issued by S.S. Kothari Mehta & Co., Chartered Accountants;

19. Due diligence certificate to SEBI from the BRLM, dated September 29, 2023.

20. In-principle listing approvals dated [●] and [●] from BSE Limited and National Stock Exchange of India Limited, respectively.

21. SEBI final observation letter dated [●].

22. Copy of Managing Director Agreement with Mr. Eswara Rao Nandam and our Company dated May 04, 2023 for his appointment.

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 of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Eswara Rao Nandam Managing Director DIN: 02220039	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Uma Nandam Executive Director DIN: 02220048	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Vishaal Nandam Executive Director DIN: 07318680	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Rapala Virtanen Tarja Hannele Independent Director DIN: 09528399	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Ryan Alexander Young Independent Director DIN: 10295603	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Selvamani Shri Janani Independent Director DIN: 10325105	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Manoj Kumar Bajaj Chief Financial Officer PAN: AGTPB4720D	Sd/-

Date: September 29, 2023
Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India ("**SEBI**"), 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, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Badri Prasad Mahapatro Company Secretary M No.: BCAPM6023L	Sd/-

Date: September 29, 2023
Place: Chennai