DRAFT RED HERRING PROSPECTUS
Dated September 20, 2021
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

DATA PATTERNS (INDIA) LIMITED

Our Company was incorporated as Indus Teqsite Private Limited on November 11, 1998, at Bangalore, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore. Subsequent to the merger with our Erstwhile Subsidiary, the name of our Company was changed to "Data Patterns (India) Private Limited" and a fresh certificate of incorporation dated August 4, 2021 was issued by the Registrar of Companies, Tamil Nadu. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on August 12, 2021 and the name of our Company was changed to Data Patterns (India) Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on September 13, 2021. For details of change in name and Registered and Corporate Office of our Company, see "*History and Certain Corporate Matters*" on page 198

Registered and Corporate Office: Plot H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai 603103, Tamil Nadu, India; **Tel**: +91 44 4741 4000
Website: www.datapatternsindia.com; **Contact Person**: Manvi Bhasin, Company Secretary and Compliance Officer; **E-mail**: manvi.bhasin@datapatterns.co.in
Corporate Identity Number: U72200TN1998PLC061236

OUR PROMOTERS: SRINIVASAGOPALAN RANGARAJAN AND REKHA MURTHY RANGARAJAN

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF DATA PATTERNS (INDIA) LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3000 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,070,675 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 1,967,013 EQUITY SHARES BY SRINIVASAGOPALAN RANGARAJAN, UP TO 1,967,012 EQUITY SHARES BY REKHA MURTHY RANGARAJAN (THE "PROMOTER SELLING SHAREHOLDERS") , UP TO 75,000 EQUITY SHARES BY SUDHIR NATHAN AND UP TO 414,775 EQUITY SHARES BY G.K. VASUNDHARA ("THE OTHER SELLING SHAREHOLDERS") AND UP TO 1,646,875 EQUITY SHARES BY THE PERSONS LISTED IN THIS DRAFT RED HERRING PROSPECTUS (THE "INDIVIDUAL SELLING SHAREHOLDERS" AS DEFINED BELOW) (THE PROMOTER SELLING SHAREHOLDERS, THE OTHER SELLING SHAREHOLDERS AND THE INDIVIDUAL SELLING SHAREHOLDERS COLLECTIVELY, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER").

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A PRIVATE PLACEMENT OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 600 MILLION ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE PRE-IPO PLACEMENT, IF ANY, WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO APPLICABLE LAW.

THE FACE VALUE OF EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A 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/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**") provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), 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 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 Offer 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts and UPI ID (in case of RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 336 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and Offer Price (determined by our Company, in consultation with the BRLMs, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Offer Procedure" on page 336), 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 34.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be 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 up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 375.

BOOK RUNNING LEAD MANAGERS TO THE OFFER		REGISTRAR TO THE OFFER
JM Financial Limited 7th Floor, Cnergy,Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6630 3030 **E-mail**: datapatterns.ipo@jmfl.com **Investor Grievance E-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**IIFL Securities Limited** 10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel**: +91 22 4646 4600 **E-mail**: datapatterns.ipo@iiflcap.com **Investor Grievance E-mail**: ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact Person**: Devendra Maydeo/Nishita Mody **SEBI Registration No.**: INM000010940	**Link Intime India Private Limited** C-101, 1st Floor 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: datapatterns.ipo@linkintine.co.in **Investor Grievance E-mail**: datapatterns.ipo@linkintine.co.in **Website:** www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/ OFFER SCHEDULE

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

(1)Our Company, in consultation with the BRLMs, 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 BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

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TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Outstanding Litigation and Other Material Developments", "Other Regulatory and Statutory Disclosures", "Description of Equity Shares and Terms of Articles of Association" and "Offer Procedure" on pages 108, 191, 103, 226, 101, 198, 308, 310, 316, 355, and 336, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Data Patterns (India) Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Plot H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai 603103, Tamil Nadu
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 205
"Auditors" or "Statutory Auditors"	R.G.N.Price & Company, Chartered Accountants, the statutory auditors of our Company.
"Board" or "Board of Directors"	Board of directors of our Company, as appointed from time to time
CFO	Chief Financial Officer of the Company, namely Venkata Subramanian Venkatachalam
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 205
"Company Secretary and Compliance Officer" or "CS"	Company Secretary and Compliance Officer of our Company namely Manvi Bhasin
Director(s)	The directors on the Board of our Company, as described in "*Our Management*" on page 205
Equity Shares	Equity shares of our Company of face value of ₹2 each
Erstwhile Subsidiary	The erstwhile wholly-owned subsidiary of our Company, Data Patterns (India) Private Limited
Existing Shareholders	Existing shareholders of our Company, as listed below.
IPO Committee	The IPO committee of our Company as described in "*Our Management*" on page 205
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "*Our Management*" on page 205
Managing Director	Managing Director of our Company, namely Srinivasagopalan Rangarajan, as described in "*Our Management*" on page 205
Materiality Policy	Policy for identification of group companies, material outstanding civil litigations proceedings of our Company, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated July 16, 2021
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended

Term	Description
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as described in "*Our Management*" on page 205
Pre- IPO Placement	Our Company, in consultation with the BRLMs, may consider a private placement of up to [●] equity shares for cash consideration aggregating up to ₹ 600 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO placement, subject to applicable law
Promoters	Our Promoters, namely, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 222
ROCCPS	Redeemable Optionally Convertible Preference Shares
Registered and Corporate Office	Registered and corporate office of our Company located at Plot H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai 603103, Tamil Nadu
"Registrar of Companies" or "RoC"	Registrar of Companies, Tamil Nadu at Chennai
"Restated Financial Information" or "Restated Financial Statements"	Our restated summary statements of assets and liabilities as on March 31, 2021, March 31, 2020, and March 31, 2019 and the restated statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon, the audited financial statements prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 for the Financial Year ended March 31, 2021 and audited special purpose financial statements for the Financial Years ended March 31, 2020 and March 31, 2019 together with the annexures and notes thereto, prepared and presented in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Scheme of Amalgamation	Scheme of amalgamation between our Erstwhile Subsidiary and our Company and the respective shareholders and creditors approved by National Company Law Tribunal, Division Bench-1, Chennai, by its order dated April 13, 2021
Shareholders	Shareholders of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as described in "*Our Management*" on page 205

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom 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 and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs, during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted prior to and after which the BRLMs will not accept any Bids from Anchor Investor and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs.

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	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
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 333
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period 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 and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
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/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation. Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs 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/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder/Applicant/Investor	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the 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
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, JM Financial Limited and IIFL Securities Limited
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat 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 respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, 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 the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, 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. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time, or at such other website as may be prescribed by SEBI from time to time
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 20, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares

Term	Description
Escrow Account	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, i.e. ₹ [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 3000 million by our Company.
"GID" or "General Information Document"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
IIFL Securities	IIFL Securities Limited
JM Financial	JM Financial Limited
Link Intime	Link Intime India Private Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Minimum Promoter's Contribution	Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that are eligible to form part of the minimum promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters that shall be locked-in for a period of eighteen months from the date of Allotment
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 88
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	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	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale.
Offer Agreement	Agreement dated September 20, 2021 entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 6,070,675 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹ [●] million
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs, in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the terms of the Red Herring Prospectus and the Prospectus.
Offer Proceeds	Collectively, the proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 88
Offered Shares	Up to 6,070,675 Equity Shares aggregating up to ₹ [●] being offered for sale by the Selling Shareholders in the Offer for Sale

Term	Description
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company,in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper, (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price. Our Company, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB portion to Anchor Investors on a discretionary basis
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock-brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated September 17, 2021 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer
"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 list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
Resident Indian	A person resident in India, as defined under FEMA.
"Retail Individual Bidder(s)" or "RIB(s)" or "RII(s)" or "Retail Individual Investor(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion
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 can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and

Term	Description
	updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on 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 no. 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 and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholders, the Individual Selling Shareholders and the Other Selling Shareholder as set out in the section "List of Selling Shareholders" on page 19
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB 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 In accordance with the 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, RIBs 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&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	ID created on the UPI for single window clearance mobile payment system developed by the NPCI
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such

Term	Description
Working Day	All days on which commercial banks in Chennai and Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Chennai and Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

List of Existing Shareholders

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
1.	Srinivasagopalan Rangarajan	14,732,328
2.	Rekha Murthy Rangarajan	12,545,335
3.	G.K. Vasundara	741,895
4.	Florintree Capital Partners LLP	5,996,622
5.	Shivanand Shankar Mankekar (Laxmi Shivanand Mankekar)	303,490
6.	Laxmi Shivanand Mankekar (Shivanand Shankar Mankekar)	758,780
7.	Shivanand Shankar Mankekar (Kedar Shivanand Mankekar)	303,490
8.	Desingurajan P	1,598,107
9.	Vijay Ananth K	1,556,885
10.	Tirunavukkarasu T S	765,683
11.	Ravi S	110,000
12.	Thomas Mathuram S	568,480
13.	Kuppuswamy G	554,730
14.	Sooriamala A P	85,250
15.	Venkata Subramanian V	672,403
16.	Swaminathan A	267,905
17.	Ramamoorthy Renganathan	68,750
18.	Soundararajan R	125,427
19.	Ganesh V	55,000
20.	Devaraju K	55,000
21.	Nandaki Devi R	55,000
22.	Ramamurthi N	55,000
23.	Palanichamy S	38,500
24.	Andal N	41,250
25.	Chitra	118,030
26.	Kaleel Ahmed A	44,000
27.	Stalin Koshy K	44,000
28.	Senthil Kumar J	57,750
29.	Vinodh Kumar D	55,000
30.	Karthick R	48,125
31.	Navin X Raja	48,125
32.	Muni Prasad K V	82,500
33.	Vimal R	77,000
34.	Soundarapandiyan G	77,000
35.	Ramakrishnan B	77,000
36.	Mariappan S	77,000
37.	Ramesh M	77,000

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
38.	Rajagopalan S V	27,500
39.	Rajesh Kumar T	31,625
40.	Lakshmanan S	27,500
41.	Senthil Kumar S	27,500
42.	Veerapathiran A	27,500
43.	Yuvaraj J	27,500
44.	Baskar S	42,625
45.	Jagathalapratap E	27,500
46.	Saravanakumar P	27,500
47.	Karthikeyan M	27,500
48.	Sathish Kumar K	27,500
49.	Ramesh V N	27,500
50.	Satheesh Kumar K V	24,750
51.	Mala Shekar	17,875
52.	Rajasekaran V	23,375
53.	Manoharan D	17,875
54.	Kailasam M	24,750
55.	Rajendra Kumar R	27,500
56.	Raja S	23,375
57.	Saravanan K R	23,375
58.	Syed Shah J	27,500
59.	Jagannathan J	22,000
60.	Koteeswara Rao C V	13,750
61.	Revathy K P	19,250
62.	Chidambaram T R	13,750
63.	Lakshmi Narayanan P R	19,250
64.	Sukumaran Unni T	16,500
65.	Prithivi Rajan M	17,875
66.	Sriramakrishnan V	19,250
67.	Arun Kumar M	19,250
68.	Kathiresan R	20,625
69.	Choudarpally Srikanth	17,875
70.	Gamaliel Moses Immanuel	17,875
71.	Gurumoorthy R	17,875
72.	Jagat Bhusan Panda	17,875
73.	Kingshuk Mitra	17,875
74.	Rajesh D	17,875
75.	Hariharan V	9,625
76.	Kumar H	15,125
77.	Dhayanandhan R	13,750
78.	Sugumar K	16,500
79.	Rajeswari N Melanta	8,250
80.	Rangarajan R	12,375
81.	Latha Sudan	8,250
82.	Kalidass K	12,375

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
83.	Anitha M	12,375
84.	Jayanthi D	12,375
85.	Mangalakumar M	13,750
86.	Chandra Sekar G J	13,750
87.	Kalanidhi G	13,750
88.	Srinivasan V	8,250
89.	Namrata Kapur	8,250
90.	Viswanadham E K	13,750
91.	Elaya Sekaraja M	13,750
92.	Meganathan C	6,875
93.	Devamirtham R	6,875
94.	Manikandan E	6,875
95.	Mohammed Mubeen S	6,875
96.	Saravanan S	6,875
97.	Basavaraj S	6,875
98.	Arunkumar M	11,000
99.	Gifton Samuel D	11,000
100.	Kanchana R	11,000
101.	Palanisamy M	11,000
102.	Linto Thomas	11,000
103.	Shanmugam S	11,000
104.	Harish Babu G K	11,000
105.	Anjaneya Sarma Tangirala	6,875
106.	Sainudheen C	6,050
107.	Jegan J	5,500
108.	Ravi Chandran G	5,500
109.	Sathiaseelan T	9,625
110.	Titus V	5,500
111.	Anand Babu R	5,500
112.	Velsamy V	5,500
113.	Pattu P	5,500
114.	Franklin T	5,500
115.	Logesh S	5,500
116.	Senthil Murugan N	5,500
117.	Bharathi M	5,500
118.	Vishnu B	9,625
119.	Thinesh M	9,625
120.	Suriya R	9,625
121.	Parthiban A	9,625
122.	Loganathan N	9,625
123.	Stephen A	4,125
124.	Vijay Kumar Raja T	8,250
125.	Sankar B	4,125
126.	Yuvaraj L	4,125
127.	Tamilselvan P	8,250

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
128.	Senthil Kumar M	4,125
129.	Raja R	8,250
130.	Chandra Kumar D	4,125
131.	Ponnambalam E R	4,125
132.	Ganeshkumar S	4,125
133.	Pravinkumar S	11,000
134.	Nagarajan D	4,125
135.	Arumugam S	8,250
136.	Vasantha Kumar C	4,125
137.	Sathish Kumar S	4,125
138.	Shankar K S	8,250
139.	Sasikumar D	8,250
140.	Sandeep E	4,125
141.	Madhusudhan D	8,250
142.	Mahendran V	8,250
143.	Dhanasekaran N	4,125
144.	Sadham Husen S	4,125
145.	Thiruraj G	8,250
146.	Anil Kumar	4,125
147.	Auxilian James Raja	4,125
148.	Krishna Murthy G	4,125
149.	Vairavan P	4,125
150.	Vimal Raj A	4,125
151.	Ramesh V	2,750
152.	Gokula Krishnan M	2,750
153.	Nageswaran V	2,750
154.	Perumal N	2,750
155.	Suresh K	2,750
156.	Satheesh Kumar S	2,750
157.	Rajasekaran R	2,750
158.	Jayashree V	2,750
159.	Antony Lourdu Raj	2,750
160.	Chilambarasan R	2,750
161.	Dinesh Kumar B	2,750
162.	Elumalai G	2,750
163.	Murali R	2,750
164.	Thanikaivel S	2,750
165.	Gopinathan A	2,750
166.	Paul Murugan T	2,750
167.	Manikandan S	2,750
168.	Paramaraj K	2,750
169.	Prakash S	2,750
170.	Parthiban V	2,750
171.	Karthikeyan R	2,750
172.	Krishna Kumar C	2,750

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
173.	Muruhananthan T	2,750
174.	Thennarasan K	2,750
175.	Bhagavathy NM	2,750
176.	Arumugaraj M	2,750
177.	Thirunavukkarasu S	2,750
178.	Mahendran B	2,750
179.	Selvavinayagam P	4,125
180.	Chandran K	2,750
181.	Parthipan B	2,750
182.	Suban S	2,750
183.	Rajendran S	2,750
184.	Ramu J	2,750
185.	Mani K N	2,750
186.	Paramasivam K	2,750
187.	Dinesh Babu M	2,750
188.	Karthick A	2,750
189.	Mukesh Babu U	2,750
190.	Anandaraj S	2,750
191.	Duraisamy N	2,750
192.	Haridass S	2,750
193.	Subramanian M	2,750
194.	Prabhu V	2,750
195.	Joy Antony J	2,750
196.	Adaikalam H	2,750
197.	Arivazhagan K	2,750
198.	Vimal Raj S	2,750
199.	Vignesh V B	2,750
200.	Anburaj K	2,750
201.	Suresh T K	2,750
202.	Koteeswaran J	2,750
203.	Kavitha K	2,750
204.	Muthu Kumar M	2,750
205.	Muthu Raja S	2,750
206.	Thirumurugan A	2,750
207.	Anil Kumar Tripathi	2,750
208.	Udayakumar V	2,750
209.	Mathankumar R	2,750
210.	Moorthy G	2,750
211.	Mareeswaran M	2,750
212.	Leelarani D	2,750
213.	Ayyapparamakrishnan S	2,750
214.	Dhinakar B	2,750
215.	Sundareswar G	2,750
216.	Bhavani G	2,750
217.	Vasudevan R	2,750

Sl. No.	Shareholder's name	Total number of Equity Shares held as on the date of the DRHP
218.	Arun Kumar B	2,750
219.	Mahesh K V	2,750
220.	Venkateswara Rao Burle	2,750
221.	Bindu S Nair	2,750
222.	Arunkumar M	2,750
223.	Ramesh S	2,750
224.	Karthik K	2,750
225.	Muthusamy V	2,750
226.	Baskar A	2,750
227.	Sriram R	2,750
228.	Shabeer A	2,750
229.	Virender Pratap Singh	2,750
230.	Jayavel P	2,750
231.	Venkatasalapathi K	2,750
232.	Raj Bahadur	2,750
233.	Neelakkannan S	2,750
234.	Lal E	2,750
235.	Balakrishnan C	2,750
236.	Rajasekar P S	6,875
237.	Ramanathan S	6,875
238.	Selvam P	4,125
239.	Sudhir Nathan	175,450
240.	Kavitha Sudhir	37,867
241.	G.S. Ravi	113,630
242.	Anirudh Prasad	141,708
243.	Ganesh Baliga	119,020
244.	K. Raghunandan	113,438
245.	K Sundara Raghavan	1,246,932
246.	Geetha Venkatesh	22,660
247.	Uma Ramachandran	5,665
248.	Ameeta Chatterjee	11,330
249.	Deepika Panicker	8,498
250.	Kalpana D Kothari	22,660
251.	Moiz Tambawala	16,995
252.	Naveen Jain	22,660
253.	Pratik Nagvekar	2,832
254.	Rahul Koshy	5,665
255.	Rekha Shreeratan Bagry & Shreeratan Bagry	22,660
256.	Suresh Kumar	5,665

Technical/Industry Related Terms/Abbreviations

Term	Description
AC	Amortised Cost
ACCCS	Shakti Artillery, Combat, Command and Control Systems
ADC&RS	Air Defence Control and Reporting System
AEW &C	Airborne Early Warning System
AGRU	Array Group Receiver Unit
AMCA	Advanced Medium Combat Aircraft
ARL	Army Research Lab
ASW	Anti-Submarine Warfare
AWACS	Airborne Early Warning and Control Systems
BEL	Bharat Electronics Limited
CABS	Centre for Air Borne System
CAIR	Defence and Research Lab at the Centre for AI and Robotics
CCS	Cabinet Committee on Security
CGU	Cash Generating Unit
CODM	Chief Operating Decision Maker
COMCYBER	Commander of Cyber Defence
COMINT	BrahMos missile programme
COTS	Commercial Off the Shelf
CY	Calendar Year
DAP 2020	Defence Acquisition Policy 2020
DLRL	Defence Electronics Research Laboratory
DoS	Department of Space
DPSUs	Defence-sector Public Sector Undertakings
EBIDTA	Earnings before Interest, Taxes, Depreciation & Amortization
ECM	Electronic Counter Measures
EPS	Earnings Per Share
EIR	Effective Interest Rate
ELINT	Electronic Intelligence systems
EMDEs	Emerging Market and Developing Economies
EMS	Electronic Manufacturing Services
EOI	Expression Of Interest
ESS	Environmental Stress Screening
EW	Electronic Warfare
F&S Report	Industry research report on “Defense and Space Market Report” prepared and released by Frost & Sullivan dated September 16, 2021 commissioned and paid for by our Company in respect of this Offer in accordance with an engagement letter dated July 12, 2021.
FDI	Foreign Development Investment
FETs	Field Evaluation Trials
FF	Fully Formed
FGFA	Indo-Russian Fifth Generation Fighter Aircraft
FPGA	Field-Programmemable Gate Arrays
FSS	Fixed Satellite Service
FVTOCI	Financial assets at fair value through other comprehensive income
FVTPL	Financial assets at Fair Value Through Profit or Loss
GSL	Goa Shipyard Limited
GSLV	Geo Stationary Launch Vehicle
HAL	Hindustan Aeronautics Limited

Term	Description
HALT	Highly Accelerated Life Test
HASS	Highly Accelerated Stress Screening
IAC-1	Indigenous Aircraft Carrier
IAI	Israel Aerospace Industries
ICs	Integrated Circuits
iDEX	Innovations for Defence Excellence
IFF	Identify Friend or Foe Seeker
IGAs	Inter-governmental Agreements
IMF	Indian Monetary Fund
IoT	Internet of Things
IPC	International Printed Circuit
ISRO	Indian Space Research Organisation
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
INSAT	ISRO's Indian National Satellite
I-level	Intermediate Level Test equipment to carry out repair at Depot level
JeM	Jaish-e-Mohammed
LPD	Landing Platform Dock
LeT	Lashkar-e-Toiba
LCA	Tejas Mk I A Light Combat Aircraft
LCA-Tejas	Tejas Mk I A Light Combat Aircraft
LORROS	Long-Range Reconnaissance and Observation System
QRSAM	Quick Reaction Surface-to-Air Missile
LLTR	Low Level Transportable Radar
LRDE	Electronics and Radar Development Establishment
LRMR & ASW	Long Range Maritime Reconnaissance and Anti-Submarine Warfare Aircraft
LRSAM	Long-Range Surface to Air Missile
LUH	Light Utility Helicopter
MCMVs	Mines Counter Measures Vessels
MDL	Mazgaon Dock Shipbuilders Limited
ME	Middle East
MRCBF	Multi-Role Carrier Borne Fighter
MRMR	Medium Range Maritime Reconnaissance
MRO	Maintenance Repair and Overhaul
MSS	Mobile Satellite Service
NCW	Network Centric Warfare
NISAR	NASA-ISRO Synthetic Aperture Radar
NIUSAT	Nano satellite
NSIL	New Space India Limited
O-level	Operator Level Test equipment to verify operation of the equipment at field level
OBOR	One Belt One Road
OFBs	Ordnance Factory Board
PCB	Printed Circuit Board
Previous GAAP	Accounting standards notified under Section 133 of the Companies Act 2013, read together with relevant Rules made there under.
PLAN	People's Liberation Army Navy
PNT	Position Navigation and Timing
PPE	Property, Plant and Equipment
PSLV	Polar Satellite Launch Vehicle

Term	Description
PSU	Public sector undertakings
QMS	Quality Management System
R&D	Research and Development
ROU	Right-of-Use
RWR	Radar Warning Receiver
RF	Radio Frequencies
RFI	Request for Information
SAR	Synthetic Aperture Radar
SIGINT	Surveillance and Intelligent Gathering
SRMR	Short-Range Maritime Reconnaissance
SSLV	Small Satellite Launch Vehicle
SSN	Nuclear-powered Attack Submarines
SVC	Single Vendor Cases
Tac C3I	Tactical Command Control Communication and Information
TDF	Technology Development Fund Scheme
TERLS	Thumba Equatorial Rocket Launching Station
ToT	Transfer of Technology
UAS	Unmanned Aerial Solutions
VIRAL	Venus Infrared Atmospheric Gases Linker
XPoSat	X-ray Polarimetry Satellite

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investments Funds
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Fund” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Competition Act	Competition Act, 2002
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996

Term	Description
DIN	Director Identification Number
DPIIT	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*)
DP ID	Depository Participant Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EMS	Electronic Manufacturing Services
EPS	Earnings Per Share
FCPA	Foreign Corrupt Practices Act, 1977
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Gazette	Gazette of India
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 (as amended) and the Companies (Accounts) Rules, 2014, as amended
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs
“Mn” or “mn”	Million
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A or NA or N.A.	Not applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
R&D	Research and development
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934.
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The Government of a State in India
Stock Exchanges	Together, BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings
UIDAI	Unique Identification Authority of India
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

LIST OF SELLING SHAREHOLDERS

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
Promoter Selling Shareholders					
1.	Rangarajan S	14,732,328	1,967,013	8.61	-
2.	Rekha Murthy Rangarajan	12,545,335	1,967,012	3.34	-
Other Selling Shareholders					
3.	Vasundhara G K	741,895	414,775	0.79	-
4.	Sudhir Nathan	175,450	75,000	0.79	-
Individual Selling Shareholders					
5.	Desinguraja P	1,598,107	121,250	37.04	44.39
6.	Vijay Ananth K	1,556,885	102,500	38.02	44.39
7.	Thirunavukkarasu T S	765,683	73,500	45.24	57.25
8.	Ravi S	110,000	100,000	0.36	-
9.	Thomas Mathuram S	568,480	50,000	56.74	70.26
10.	Kuppuswamy G.	554,730	43,750	58.13	70.26
11.	Sooriamala A.P.	85,250	31,250	12.75	64.36
12.	Venkata Subramanian V	672,403	31,250	62.85	69.96
13.	Swaminathan A	267,905	31,250	55.51	74.55
14.	Ramamoorthy Renganathan	68,750	62,500	0.36	-
15.	Soundararajan R	125,427	62,500	40.06	88.22
16.	Ganesh V	55,000	25,000	0.36	-
17.	Devaraju K	55,000	27,500	0.36	-
18.	Nandaki Devi R	55,000	25,000	0.36	-
19.	Ramamurthi N.	55,000	25,000	0.36	-
20.	Palanichamy S	38,500	15,000	9.51	64.36
21.	Andal N	41,250	15,000	13.16	64.36
22.	Chitra	118,030	15,000	63.65	88.22
23.	Kaleel Ahmed A	44,000	13,750	20.36	64.36
24.	Stalin Koshy K	44,000	13,750	20.36	64.36
25.	Senthil Kumar J	57,750	13,750	30.84	64.36
26.	Vinodh Kumar D	55,000	13,750	29.16	64.36
27.	Karthick R	48,125	12,500	27.79	64.36
28.	Navin X. Raja	48,125	12,500	27.79	64.36
29.	Muni Prasad K V	82,500	12,500	43.03	64.36
30.	Vimal. R	77,000	12,500	41.51	64.36
31.	Soundarapandiyan G	77,000	12,500	41.51	64.36
32.	Ramakrishnan B	77,000	12,500	41.51	64.36
33.	Mariappan S	77,000	12,500	41.51	64.36
34.	Ramesh M	77,000	12,500	41.51	64.36
35.	Rajagopal SV	27,500	25,000	0.36	-
36.	Rajesh Kumar T	31,625	11,250	14.28	64.36

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
37.	Lakshmanan S	27,500	10,000	13.16	64.36
38.	Senthil kumar S	27,500	10,000	13.16	64.36
39.	Veerapathiran A	27,500	10,000	13.16	64.36
40.	Yuvaraj J	27,500	10,000	13.16	64.36
41.	Baskar S	42,625	10,000	31.33	64.36
42.	Jagathalapratap E	27,500	9,375	16.36	64.36
43.	Saravanakumar P	27,500	9,375	16.36	64.36
44.	Karthikeyan M	27,500	9,375	16.36	64.36
45.	Sathishkumar K	27,500	9,375	16.36	64.36
46.	Ramesh V N	27,500	9,375	16.36	64.36
47.	Satheesh Kumar K.V.	24,750	8,750	14.59	64.36
48.	Mala Shekar	17,875	8,125	0.36	-
49.	Rajasekaran V	23,375	8,125	15.42	64.36
50.	Manoharan D	17,875	16,250	0.36	-
51.	Kailasam M	24,750	8,125	18.14	64.36
52.	Rajendra Kumar R	27,500	8,125	22.76	64.36
53.	Raja S	23,375	7,500	19.19	64.36
54.	Saravanan K R	23,375	7,500	19.19	64.36
55.	Syed Shah	27,500	7,500	25.96	64.36
56.	Jagannathan J	22,000	6,875	20.36	64.36
57.	Koteeswara Rao C.V	13,750	12,500	0.36	-
58.	Revathy K P	19,250	6,250	18.65	64.36
59.	Chidambaram T R	13,750	12,500	0.36	-
60.	Lakshmi Narayanan PR	19,250	6,250	18.65	64.36
61.	Sukumaran Unni	16,500	7,500	0.36	-
62.	Prithivi Rajan M	17,875	5,625	20.06	64.36
63.	Sriramakrishnan V	19,250	5,625	23.22	64.36
64.	Arun Kumar M	19,250	5,625	23.22	64.36
65.	Kathiresan R	20,625	5,625	25.96	64.36
66.	Choudarpally Srikanth	17,875	5,000	24.98	64.36
67.	Gamaliel Moses Immanuel	17,875	5,000	24.98	64.36
68.	Gurumoorthy R	17,875	5,000	24.98	64.36
69.	Jagat Bhusan Panda	17,875	5,000	24.98	64.36
70.	Kingshuk Mitra	17,875	5,000	24.98	64.36
71.	Rajesh D	17,875	5,000	24.98	64.36
72.	Hariharan V	9,625	4,375	0.36	-
73.	Kumar H	15,125	4,375	23.64	64.36
74.	Dhayanandhan R	13,750	4,375	19.56	64.36
75.	Sugumar K	16,500	4,375	27.03	64.36
76.	Rajeswari N Melanta	8,250	7,500	0.36	-
77.	Rangarajan R	12,375	3,750	21.70	64.36
78.	Latha S	8,250	3,750	0.36	-

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
79.	Kalidass K	12,375	3,750	21.70	64.36
80.	Anitha Mani	12,375	3,750	21.70	64.36
81.	Jayanthi D	12,375	3,750	21.70	64.36
82.	Mangalakumar M	13,750	3,750	25.96	64.36
83.	Chandrasekar G J	13,750	3,750	25.96	64.36
84.	Kalanidhi G	13,750	3,750	25.96	64.36
85.	Srinivasan V	8,250	3,750	0.36	-
86.	Namrata Kapur	8,250	3,750	0.36	-
87.	Viswanadham.E.K	13,750	3,750	25.96	64.36
88.	Elaya Sekaraja	13,750	3,750	25.96	64.36
89.	Meganathan C	6,875	3,125	0.36	-
90.	Devamirtham R	6,875	3,125	0.36	-
91.	Manikandan E	6,875	3,125	0.36	-
92.	Mohamed Mubeen S	6,875	3,125	0.36	-
93.	Saravanan S	6,875	3,125	0.36	-
94.	Basavaraj S	6,875	3,125	0.36	-
95.	Arunkumar M	11,000	3,125	24.36	64.36
96.	Gifton Samuel D	11,000	3,125	24.36	64.36
97.	Kanchana R	11,000	3,125	24.36	64.36
98.	Palanisamy M	11,000	3,125	24.36	64.36
99.	Linto Thomas	11,000	3,125	24.36	64.36
100.	Shanmugam S	11,000	3,125	24.36	64.36
101.	Harish Babu G K	11,000	3,125	24.36	64.36
102.	Anjaneya Sarma Tangirala	6,875	3,125	0.36	-
103.	Sinudeen	6,050	2,750	0.36	-
104.	Jegan J	5,500	2,500	0.36	-
105.	Ravi Chandran G	5,500	2,500	0.36	-
106.	Sathiaseelan T	9,625	2,500	27.79	64.36
107.	Titus V	5,500	2,500	0.36	-
108.	Anand Babu R	5,500	2,500	0.36	-
109.	Velsamy V	5,500	2,500	0.36	-
110.	Pattu P	5,500	2,500	0.36	-
111.	Franklin T	5,500	2,500	0.36	-
112.	Logesh S	5,500	2,500	0.36	-
113.	Senthil Murugan N	5,500	2,500	0.36	-
114.	Bharathi M	5,500	2,500	0.36	-
115.	Vishnu B	9,625	2,500	27.79	64.36
116.	Thinesh M	9,625	2,500	27.79	64.36
117.	Suriya R	9,625	2,500	27.79	64.36
118.	Parthiban A	9,625	2,500	27.79	64.36
119.	Loganathan N	9,625	2,500	27.79	64.36
120.	Stephen A	4,125	1,875	0.36	-

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
121.	Vijay Kumar Raja T	8,250	1,875	32.36	64.36
122.	Sankar B	4,125	1,875	0.36	-
123.	Yuvaraj L	4,125	1,875	0.36	-
124.	Tamilselvan P	8,250	1,875	32.36	64.36
125.	Senthil Kumar M	4,125	1,875	0.36	-
126.	Raja R	8,250	1,875	32.36	64.36
127.	Chandra Kumar D	4,125	1,875	0.36	-
128.	Ponnambalam E R	4,125	1,875	0.36	-
129.	Ganesh Kumar S	4,125	1,875	0.36	-
130.	Pravinkumar S	11,000	3,125	24.36	64.36
131.	Nagarajan D	4,125	1,875	0.36	-
132.	Arumugam S	8,250	1,875	32.36	64.36
133.	Vasantha Kumar C	4,125	1,875	0.36	-
134.	Sathish Kumar S	4,125	1,875	0.36	-
135.	Shankar K S	8,250	1,875	32.36	64.36
136.	Sasikumar D	8,250	1,875	32.36	64.36
137.	Sandeep E	4,125	1,875	0.36	-
138.	Madhusudhan D	8,250	1,875	32.36	64.36
139.	Mahendran V	8,250	1,875	32.36	64.36
140.	Dhanasekaran N	4,125	1,875	0.36	-
141.	Sadham Husen S	4,125	1,875	0.36	-
142.	Thiruraj G	8,250	1,875	32.36	64.36
143.	Anil Kumar	4,125	1,875	0.36	-
144.	Auxilian James Raja	4,125	1,875	0.36	-
145.	Krishna Murthy G	4,125	1,875	0.36	-
146.	Vairavan P	4,125	1,875	0.36	-
147.	Vimal Raj A	4,125	1,875	0.36	-
148.	Ramesh V	2,750	1,250	0.36	-
149.	Gokula Krishnan M	2,750	1,250	0.36	-
150.	Nageswaran V	2,750	1,250	0.36	-
151.	Perumal N	2,750	1,250	0.36	-
152.	Suresh K	2,750	1,250	0.36	-
153.	Satheeshkumar S	2,750	1,250	0.36	-
154.	Rajasekaran R	2,750	1,250	0.36	-
155.	Jayashree V	2,750	1,250	0.36	-
156.	Antony Lourdu Raj	2,750	1,250	0.36	-
157.	Chilambarasan R	2,750	1,250	0.36	-
158.	Dinesh Kumar B	2,750	1,250	0.36	-
159.	Elumalai G	2,750	1,250	0.36	-
160.	Murali R	2,750	1,250	0.36	-
161.	Thanikaivel S	2,750	1,250	0.36	-
162.	Gopinathan A	2,750	1,250	0.36	-

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
163.	Paul Murugan	2,750	1,250	0.36	-
164.	Manikandan	2,750	1,250	0.36	-
165.	Paramaraj K	2,750	1,250	0.36	-
166.	Prakash S	2,750	1,250	0.36	-
167.	Parthiban V	2,750	1,250	0.36	-
168.	Karthikeyan R	2,750	1,250	0.36	-
169.	Krishna Kumar C	2,750	1,250	0.36	-
170.	Muruhananthan T	2,750	1,250	0.36	-
171.	Thennarasan K	2,750	1,250	0.36	-
172.	Bhagavathy N M	2,750	1,250	0.36	-
173.	Arumugaraj M	2,750	1,250	0.36	-
174.	Thirunavukkarasu S	2,750	1,250	0.36	-
175.	Mahendran B	2,750	1,250	0.36	-
176.	Selvavinayagam P	4,125	1,875	0.36	-
177.	Chandran K	2,750	1,250	0.36	-
178.	Parthipan B	2,750	1,250	0.36	-
179.	Suban S	2,750	1,250	0.36	-
180.	Rajendran S	2,750	1,250	0.36	-
181.	Ramu J	2,750	1,250	0.36	-
182.	Mani K N	2,750	1,250	0.36	-
183.	Paramasivam K	2,750	1,250	0.36	-
184.	Dinesh Babu M	2,750	1,250	0.36	-
185.	Karthick A	2,750	1,250	0.36	-
186.	Mukesh Babu U	2,750	1,250	0.36	-
187.	Anandaraj S	2,750	1,250	0.36	-
188.	Duraisamy N	2,750	1,250	0.36	-
189.	Haridass S	2,750	1,250	0.36	-
190.	Subramanian M	2,750	1,250	0.36	-
191.	Prabhu V	2,750	1,250	0.36	-
192.	Joy Antony J	2,750	1,250	0.36	-
193.	Adaikalam H	2,750	1,250	0.36	-
194.	Arivazhagan K	2,750	1,250	0.36	-
195.	Vimal Raj S	2,750	1,250	0.36	-
196.	Vignesh V B	2,750	1,250	0.36	-
197.	Anburaj K	2,750	1,250	0.36	-
198.	Suresh T K	2,750	1,250	0.36	-
199.	Koteeswaran J	2,750	1,250	0.36	-
200.	Kavitha K	2,750	1,250	0.36	-
201.	MuthuKumar M	2,750	1,250	0.36	-
202.	Muthu Raja S	2,750	1,250	0.36	-
203.	Thirumurugan.A	2,750	1,250	0.36	-

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on September 19, 2021	Number of Equity Shares offered in the Offer for Sale	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
204.	Anil Kumar Tripathi	2,750	1,250	0.36	-
205.	UdayaKumar V	2,750	1,250	0.36	-
206.	Mathankumar N R	2,750	1,250	0.36	-
207.	Moorthy G	2,750	1,250	0.36	-
208.	Mareeswaran M	2,750	1,250	0.36	-
209.	Leelarani D	2,750	1,250	0.36	-
210.	Ayyapparamakrishnan S	2,750	1,250	0.36	-
211.	Dhinakar B	2,750	1,250	0.36	-
212.	Sundareswar G	2,750	1,250	0.36	-
213.	Bhavani G	2,750	1,250	0.36	-
214.	Vasudevan R	2,750	1,250	0.36	-
215.	Arun Kumar B	2,750	1,250	0.36	-
216.	Mahesh K V	2,750	1,250	0.36	-
217.	Venkateswara Rao Burle	2,750	1,250	0.36	-
218.	Bindu S. Nair	2,750	1,250	0.36	-
219.	Arunkumar M	2,750	1,250	0.36	-
220.	Ramesh S	2,750	1,250	0.36	-
221.	Karthik K	2,750	1,250	0.36	-
222.	Muthusamy V	2,750	1,250	0.36	-
223.	Bhaskar A	2,750	1,250	0.36	-
224.	Sriram R	2,750	1,250	0.36	-
225.	Shabeer A	2,750	1,250	0.36	-
226.	Virender Pratap	2,750	1,250	0.36	-
227.	Jayavel P	2,750	1,250	0.36	-
228.	Venkatasalapathi K	2,750	1,250	0.36	-
229.	Raj Bahadur	2,750	1,250	0.36	-
230.	Neelakkannan S	2,750	1,250	0.36	-
231.	Lal E	2,750	1,250	0.36	-
232.	Balakrishnan C	2,750	1,250	0.36	-

**** The consent from all the selling shareholders has been received on August 20, 2021***
^As per the certificate issued by R.G.N. Price & Co. ,Chartered Accountants dated September 19,2021.

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. 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 stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Financial Information. For further information, see "*Financial Statements*" beginning on page 226. In this Draft Red Herring Prospectus, figures for Fiscals 2021, 2020 and 2019 have been presented.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34, 158 and 274, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Our Restated Financial Information are derived from:

a) audited Ind AS financial statements of the company as at and for the year ended March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 11, 2021.
   audited Special purpose Ind AS Financial statements as at and for the year ended March 31, 2020, and as at and for the year ended March 31, 2019.

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 and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors –Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, 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 61. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Currency and Units of Presentation

All references to:

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

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

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

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 other currencies:

Currency	**As at**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
1 USD	73.50	75.39	69.17*

**Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday*
Source: www.rbi.org.in and www.fbil.org.in

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the reported titled “*Defence and Space market Report*” dated September 16, 2021, prepared exclusively for the Offer by Frost & Sullivan which was commissioned on July 12, 2021 and paid for by our Company. For risks in relation to commissioned reports, see “*Risk Factors – Third party industry and statistical information in this Draft Red Herring Prospectus may be incomplete or unreliable”* on page 53.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The data used in this Draft Red Herring Prospectus may have been reclassified or reordered by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 34.

In accordance with the SEBI ICDR Regulations, “*Basis for Offer Price*” on page 101 includes information relating to our listed peer group companies. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

Disclaimer of Frost & Sullivan

"Defence and Space market Report'' has been prepared for the proposed initial public offering of equity shares by Data Patterns (India) Limited (the "Company").

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

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

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

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "may", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue", "can", "could", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- a decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI's defence or space related policies
- loss of any of our major customers due to any adverse development or significant reduction in business from our major customers
- imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers
- failure to comply with quality standards may lead to cancellation of existing and future orders
- inability to qualify for or win bids to further expand our business]

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 108, 158 and 274, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled "Defence and Space Market Report" dated September 16, 2021 prepared by Frost & Sullivan exclusively for the Offer, which has been commissioned by our Company

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 34, 158 and 274, respectively. By their nature, certain market risk disclosures are only estimates, and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to 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 to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. 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 future performance. Neither our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, the Selling Shareholders shall ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholders in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer**.**

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither 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 "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Statements", "Outstanding Litigation and Material Developments" ,"Offer Procedure" "Description of Equity Shares and Terms of Articles of Association on pages 34, 88, 158, 108, 75, 62, 226, 310, 336 *and* 355, *respectively of this Draft Red Herring Prospectus.*

<table>
<tr><td>Summary of the primary business of the Company</td><td>We are among the few vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. With net profitability growth of approximately 164% between Fiscal 2020 and Fiscal 2021, we are one of the fastest growing companies in the Defence and Aerospace Electronics sector in India. (Source: F&S Report) We have proven in-house design and development capabilities and experience of more than three decades (including through our erstwhile subsidiary) in the defence and aerospace electronics space. Our offerings cater to the entire spectrum of defence and aerospace platforms – space, air, land and sea.</td></tr>
<tr><td>Summary of the Industry</td><td>The global defence expenditure is expected to grow to $ 2031 billion by 2025 due increased geo-political uncertainty even though countries face economic pressures due to COVID 19 disruption. There is a structural shift in the defence budget with increased allocation for modernisation funds, and approval of non-relapsable fund. The fund available to the defence industry participants during Fiscal 2022 to Fiscal 2031 is estimated at $ 339 billion. Additionally, Fiscal 2021 was characterized by an overspend of 18.6 % above the budgeted capital allocation on back of the emergency purchases following the face off with China</td></tr>
<tr><td>Name of Promoters</td><td>Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan</td></tr>
<tr><td>Offer size</td><td>The following table summarizes the details of the Offer size:

<table>
<tr><td>Offer(1)(2)#</td><td>Up to [●] Equity Shares aggregating up to ₹ [●] million</td></tr>
<tr><td>of which:</td><td></td></tr>
<tr><td>(i) Fresh Issue(1)</td><td>Up to [●] Equity Shares aggregating up to ₹ 3,000 million</td></tr>
<tr><td>(ii) Offer for Sale(2)</td><td>Up to 6,070,675 Equity Shares aggregating up to ₹ [●] million</td></tr>
</table>
^ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 600 million, 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 BRLMs. 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.
(1)The Offer has been authorized by our Board pursuant to the resolution passed at the board meeting dated July 16,,2021and by our Shareholders pursuant to their resolution dated September 15,2021.
(2)Each Selling Shareholder, severally and not jointly, confirms that their respective portion of the Offered Shares have been held by such Selling Shareholders for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. Our Board has taken on record the approval of the Offer for Sale by the Selling Shareholders at its board meeting dated August 12, 2021. For details on the confirmation and authorization of each of the Selling Shareholders for their participation in the Offer of Sale, see "The List of Selling Shareholders" on page 19.

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

For details, see "Offer Structure" and "The Offer" on pages 333 and 62.</td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds shall be utilised are as follows:

<table>
<tr><th>Particulars</th><th>Amount* (in ₹ million)</th></tr>
<tr><td>Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company;</td><td>542.57</td></tr>
<tr><td>Funding working capital requirements of our Company</td><td>951.91</td></tr>
<tr><td>Upgrading and expanding our existing facilities at Chennai</td><td>626.84</td></tr>
<tr><td>General corporate purposes (1)</td><td>[●]</td></tr>
<tr><td>Net Proceeds</td><td>[●]</td></tr>
</table>
(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. Our Company , in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh</td></tr>
</table>

Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company

For further details see "*Objects of the Offer*" on page 88.

Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital

(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

Name	No. of Equity Shares	Percentage of the pre-Offer paid-up Equity Share Capital (%)
Promoters		
Srinivasagopalan Rangarajan	14,732,328	31.52
Rekha Murthy Rangarajan	12,545,335	26.84
Total (A)	**27,277,663**	**58.36**
Promoter Group		
G.K. Vasundhara	741,895	1.59
Total (B)	**741,895**	**1.59**
Total (C=A+B)	**28,019,558**	**59.95**

(b) The aggregate pre-Offer shareholding of the Promoter Selling Shareholders, Other Selling Shareholders and Individual Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company, is set out below:

Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
Promoter Selling Shareholders		
Srinivasagopalan Rangarajan	14,732,328	31.52
Rekha Murthy Rangarajan	12,545,335	26.84
Total (A)	**27,277,663**	**58.36**
Individual Selling Shareholders		
Total (B)*	**9,249,075**	**19.79**
Other Selling Shareholder		
Sudhir Nathan	175,450	0.38
G.K. Vasundhara	741,895	1.59
Total (C)	**917,345**	**1.97**
Grand Total (A) + (B) + (C)	**37,444,083**	**80.14**

For details on the number of shares held by the individual selling shareholders, please see "List of Selling Shareholders" on page 19.

Summary of Selected Financial Information

(a) A summary of restated financial information as per the Restated Financial Statement is provided below:

(₹ in million, except per share data)

Particulars	As at and for the Fiscal ending		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
(A) Share capital*	17.00	17.00	17.00
(B) Net worth, as restated**	2,074.69	1531.93	1325.91
(C) Total income	2265.50	1601.92	1325.09
(D) Profit after tax	555.71	210.48	77.02
(E) Earnings per share (basic) (in ₹)	12	5	2
(F) Earnings per share (diluted) (in ₹)	12	5	2
(G) Net asset value per Equity Share (in ₹)	44.38	32.77	28.37
(H) Total borrowing (as per the balance sheet)***	332.21	605.66	601.33

Notes:
** Share capital means the aggregate value of the equity share capital.*
*** Net worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

<table>
<tr><td></td><td>*** Total borrowings means the aggregate value of current borrowings and non-current borrowings (including current maturities of term loan).</td></tr>
<tr><td>Auditor's qualifications which have not been given effect to in the Restated Financial Information</td><td>There are no auditor qualifications which have not been given effect to in the Restated Financial Information.</td></tr>
<tr><td>Summary table of outstanding litigations</td><td>A summary of outstanding litigation proceedings involving our Company, Directors and Promoters as on the date of this Draft Red Herring Prospectus is provided below:
(in ₹ million, unless otherwise specified)
<table>
<tr><th>Type of Proceedings</th><th>Number of cases</th><th>Amount
(₹ in million)</th></tr>
<tr><td colspan="3">Cases involving our Company</td></tr>
<tr><td>Criminal proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Actions by statutory or regulatory authorities</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Claims related to direct and indirect taxes</td><td>6</td><td>28.52</td></tr>
<tr><td>Other pending material litigation proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Total (A)</td><td>6</td><td>28.52</td></tr>
<tr><td colspan="3">Cases involving our Directors other than our Promoters</td></tr>
<tr><td>Criminal proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Actions by statutory or regulatory authorities</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Claims related to direct and indirect taxes</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Other pending material litigation proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Total (B)</td><td>NIL</td><td>NIL</td></tr>
<tr><td colspan="3">Cases involving our Promoters</td></tr>
<tr><td>Criminal proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Actions by statutory or regulatory authorities</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Claims related to direct and indirect taxes</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Other pending material litigation proceedings</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Total (C)</td><td>NIL</td><td>NIL</td></tr>
</table>
For further details, please see "Outstanding Litigations and Material Developments" on page 310.</td></tr>
<tr><td>Risk Factors</td><td>For details of the risks applicable to us, please see "Risk Factors" on page 34.</td></tr>
</table>

<table>
<tr><td>Summary table of contingent liabilities</td><td>The following is a summary table of our contingent liabilities and capital commitments as at March 31, 2021 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

	For the year ended March 31, 2021 (*₹ in million)*
Contingent liabilities:	
Disputed amount under Appeal:	
i) Sales Tax	12.14
ii) Service Tax	4.76
iii) Income Tax	13.81

For details of capital commitments as reported in the Restated Financial Statements, see *“Financial Statements – Contingent liabilities and commitments”* on page 258.</td></tr>
<tr><td>Summary of related party transactions</td><td>The summary of related party transactions of our Company for the fiscal years ended March 31, 2021, March 31, 2020 and March 31, 2019, are set forth in the table below:

Name of party	Nature	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
KMP	Managerial Remuneration	12.65	11.58	10.00
	Loan Received	-	75.92	200.57
	Loans repaid	177.72	99.26	55.92
	Interest on Loans	28.92	17.19	15.42
	Dividend	2.38	2.38	2.38
	Loan payable	5.11	153.93	160.06
Relative of KMP	Dividend	0.05	0.05	0.05

For further details of the related party transactions, see “*Other Financial Information – Related Party Transactions*” on page 273.</td></tr>
<tr><td>Details of all financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus</td><td>Except for the financing of 84,989 equity shares purchased by the employees and four other shareholders in our Company, there have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus. For further details, please see “Capital Structure” on page 75.</td></tr>
<tr><td>Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year</td><td>Except as disclosed in the section, “List of Selling Shareholders” on page 19, our Promoters and Selling Shareholders have not acquired any specified securities in the one year preceding the date of this Draft Red Herring Prospectus.</td></tr>
<tr><td>Details of Pre-IPO Placement</td><td>Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 600 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is</td></tr>
</table>

	completed, the Fresh Issue sizewill be reduced to the extent of such Pre-IPO Placement, subject to applicable law.
Average cost of acquisition of shares of our Promoters and the Selling Shareholders	For details on average cost of acquisition of shares of our Promoter and the Selling Shareholders, refer the section, *"List of Selling Shareholders"* beginning on page 19 in this Draft Red Herring Prospectus
Any issuance of Equity Shares in the last one year for consideration other than cash	Except as disclosed in the section, "Capital Structure" on page 75, our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.
Any split/consolidation of Equity Shares in the last one year	Except as disclosed in the section, "Capital Structure" on page 75, our Company has not undertaken any split/consolidation of its Equity Shares in the last one year from the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider risks described below as well as other information disclosed in this Draft Red Herring Prospectus before making an investment in the Equity Shares. Risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus. Risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. For further details, see "Our Business" on page 158, "Industry Overview" on page 108, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 274, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 28.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus.

INTERNAL RISK FACTORS

1. ***Our business is largely dependent on contracts from the GoI and associated entities including defence public sector undertakings and government organizations involved in space research. A decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI's defence or space related policies may have a material adverse impact on our business.***

   We are among the few vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. With profitability growth of approximately 164% between Fiscal 2020 to Fiscal 2021, we had the highest profitability amongst key Indian defence companies. (*Source: F&S Report*). We offer products catering to the entire spectrum of defence and aerospace platforms such as space, air, land and sea.

   Consequently, our business is dependent on projects and programmes undertaken by GoI and associated entities, such as defence public sector undertakings and government organizations involved in space research (collectively, the "GoI Entities"). We derived ₹ 1177.60 million, ₹ 573.00 million and ₹ 630.42 million amounting to 52.58%, 36.71%, and 48.10% of our total sales during Fiscals 2021, 2020 and 2019 respectively, from sales made to the GoI Entities.

   Further, our contracts depend upon the continuing availability of budgets extended to the Ministry of Defence ("MoD") and the Department of Space ("DoS"). The Indian defence spending has been steadily increasing since 2000 and is estimated to be \$ 72.9 billion in 2020. ISRO revenue expenditure has also been increasing since Fiscal 2017 from \$ 1396.87 million to \$ 1865.83 million in Fiscal 2019 and is forecasted to grow to \$ 2085.68 million by Fiscal 2025. (Source: F&S report) While there has been an increase in the total defence and space allocations by the GoI over a period of time, the level of defence and space spending and changes in the tax policies by the GoI in the future are difficult to predict and may be impacted by numerous factors such as the evolving nature of the national security concerns, foreign policy, domestic political environment and macroeconomic conditions. The GoI's defence or space related policies will have a material impact on our business.

   Given that we derive a significant portion of our total sales from contracts with GOI Entities and that we will continue to cater to GOI Entities, we are exposed to various risks inherent in doing business with GOI Entities. These risks include participation in GOI Entities contracts could subject us to stricter regulatory requirements which may increase our compliance costs; GOI Entities tenders are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning GOI Entities tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins; the tender process is long and may be subject to significant delays; terms and conditions of GOI Entities contracts, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts; and GOI Entities contracts may not include a cap on direct or consequential damages, which could cause us to assume additional risks and incur additional expenses in servicing these contracts.

A decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI Entities' defence or space requirements and geo-political circumstances, may have a material adverse impact on our business and profitability.

2. ***We depend on a limited number of customers such as DRDO Defence PSUs such as MoD, BrahMos Aerospace and the Indian government space organization for a significant portion of our revenue for a significant portion of our revenue. The loss of any of our major customers due to any adverse development or significant reduction in business from our major customers may adversely affect our business, financial condition, results of operations and future prospects***

We have in the past derived, and we may continue to derive, a significant portion of our revenue from limited number of customers such as DRDO and other government and private agencies. As per our Restated Financial Statements, our revenue from our top five customers is as follows:

Fiscal 2021

Type of Entity	Customer Name	Amount (Rs in Million)
Government	Defence Electronics Research Laboratory, DRDO	528.11
Public Limited	Electronics Corporation Of India Ltd	331.44
Private Limited	BrahMos Aerospace Private Limited	231.35
Government	Customer 1	118.75
Export	Customer 2	116.75
	Total Amount	**1326.40**

Fiscal 2020

Type of Entity	Customer Name	Amount (Rs in Million)
Private Limited	BrahMos Aerospace Private Limited	849.93
Government	Defence Electronics Research Laboratory	216.96
Government	Centre For Air Borne Systems, DRDO	110.27
Government	Customer 1	106.36
Export	Customer 2	89.98
	Total Amount	**1373.50**

Fiscal 2019

Type of Entity	Customer Name	Amount (Rs in Million)
Private Limited	Brahmos Aerospace Private Limited	373.94
Government	Defence Research & Development Lab	183.93
Government	Bharat Electronic Limited	135.17
Government	Defence Avionics Research Establishment	131.1
Government	Centre For Air Borne Systems, DRDO	91.96
	Total Amount	**916.10**

As our business is currently concentrated with a select number of customers, any adverse development with such customers, including because of any dispute with, or disqualification by, such major customers, may result in us experiencing significant reduction in our cash flows and liquidity. If our customers are able to fulfil their requirements through any of our existing or new competitors, providing products with better quality and/or cheaper cost, we may lose significant portion of our business. Additionally, consolidation of any of our customers may also adversely affect our existing relationships and arrangements with such customers, and any of our customers that are acquired may cease to continue the businesses that require products manufactured by us.

Further, in the event our major customers face any form of adverse effect due to exigent circumstances, resulting in a sustained decline in the demand for their products, including due to macroeconomic or geo-political factors affecting the economy in general, could in turn affect their demand for our products. The volume and timing of sales to our major customers may also adversely vary due to variation in: (i) delay in or cancellation of projects; (ii) niche choices of raw materials for our products manufactured; (iii) specific requirements; (iv) management of inventory levels; (v) manufacturing strategy; and (vi) growth strategy. Furthermore, we do not have firm commitment in the form of long-term supply agreements with our customers and instead rely on purchase orders and contracts for manufacture of specific products on a project basis to govern the volume and other terms of our sale of products. There can be no assurance that upon expiry of the contracts, our customers will re-enter into such agreements with us in a timely manner and at terms favourable to us or at all. Consequently, there is no commitment on the part of our major customers to continue to place new purchase orders with us and as a result, our cash flow and consequent revenue may fluctuate significantly from time to time. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be forced to incur a loss.

3. ***Any failure to comply with the provisions of the contracts entered with our customers, especially the GoI Entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.***

The contracts entered with our customers, especially GoI Entities, contain onerous obligations and are subject to laws which give them certain rights and remedies including without limitation the following

- terminate existing contracts for default, delays or force majeure conditions;
- demand encashment of warranty indemnity bonds/advance bank guarantee;
- reduce orders under, or otherwise modify, contracts or sub-contracts;
- claim intellectual property rights in products and systems produced by us; and
- control or prohibit the export of our products and services;

In the event that our customers enforce any of the above provisions, it could have an adverse effect on our business operations, financial conditions and results of our operations.

Apart from the above, most of the contracts with our customers require our Company to pay liquidated damages in the event of delay in delivery of products. For each of Fiscal 2021, Fiscal 2020 and Fiscal 2019, we incurred amounts of ₹ 9.99 million, ₹ 14.84 million and ₹ 66.19 million towards liquidated damages. Our liquidated damages in Fiscal 2019 consisted of write-offs by us for certain prior period damages. For further details, refer to the section "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 274.

We cannot assure you that, in the future, such contracts can be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract could have a material adverse effect on our business, results of operations and financial condition. The incurring of such liabilities pursuant to the imposition of liquidated damages or the invocation of such performance bank guarantees and indemnity bonds in relation to our contracts could have an adverse effect on our business, results of operation, and financial condition.

4. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We have design capabilities across the entire spectrum of strategic defence and aerospace electronics solutions including processors, power, radio frequencies and microwave, embedded software and firmware and mechanical engineering. We believe our core competencies include electronic hardware design and development, software design and development, firmware design and development, mechanical design and development, product prototype design and development, functional testing and validation, environment testing and verification and engineering services.

We believe, our capabilities across the spectrum of defence and aerospace electronics solutions from design to delivery allows us significant competitive benefits in terms of overall development time and cost and also allows us to offer competitive pricing when bidding for defence and aerospace projects.

Therefore, we design, develop and manufacture complex and specialised products and systems for customers in defence and space sector based on specific requirements stipulated by them. Given the nature of our products and solutions, and the sector in which we operate, our customers typically have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in products and solutions manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products by our customer. This may lead to cancellation of supply orders or non-renewal of agreements by our customers and at certain instances may impose additional costs in the form of product liability and/or product recall. Further, any failure to make timely deliveries of products and solutions as per our customers' requirements could result in cancellation or non-renewal of purchase orders and at certain instances may also result in us bearing additional financial exposure.

We have put in place quality control procedures and processes to ensure that our products will be able to satisfy our customers' quality standards. However, it is possible that our procedures and processes may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. For instance, in the Non-Conformance / Failure Analysis Report dated May 6, 2020 prepared for customer, BrahMos Aerospace, Hyderabad, certain failures were observed and corrections were recommended in relation to our peripheral control device. Any such failure to identify defects could require us to undertake service actions or component recalls. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

Prior to awarding us contracts, certain of our customers undertake a detailed review process, which involves inspection of our production facilities, review of our manufacturing processes, raw materials, technical review of the designs and specification of the proposed product and solutions, inspection and review of prototypes of the product and solutions. This extensive review process is generally periodic in nature and firm orders are placed only after the review process. The finished product delivered by us is further subject to validation by our customers upon delivery at their facilities. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. In request for proposal from services (Army, Air Force and Navy), the customer carries out Technical Evaluation and subsequently Field Evaluation Trial is done on selected vendors before the commercial bid is opened. Site visits are also done in MOD contracts in addition to evaluation at the factory. In most of the services contracts, the product is accepted only after installation at the customer location. If customer site is not ready, then it will lead to delays in delivery and hence the payments and resulting cash flow issues.

We typically provide a standard warranty period for our products, however in many cases we are required to provide a warranty period of 12 to 36 months, depending on the tender conditions, for new products from the date of delivery. Due to the length of the warranty period extended by us, we may be subject to claims from our customers and we may incur additional costs and additional warranty period if rectification work is required in order for us to satisfy our obligations during the warranty period. Though our past warranty cost obligation was relatively low, and we have provided for in our financials, we cannot assure that in future, our warranty obligations may continue to be low or would not require any provisions to be made to our financials. If the costs of any rectification work exceed the warranty provisions, our business, financial condition, results of operations and prospects may be adversely affected. Further, to ensure minimal defects, we may be required to incur significant expenses to maintain our quality assurance systems, which may affect our financial condition.

In certain cases, where our customers provide a warranty to their end users and incur warranty costs for non-conformity of their products to agreed specifications or standards, our supply arrangements with our customers typically allow us to review warranty claims in order to determine if the failure was caused by a manufacturing defect in our components. If it is determined that the failure was on account of a manufacturing defect in our components, we may be required to promptly correct or replace those defective components at our own expense, failing which we may be required to reimburse our customers at part acquisition cost, with additives to cover administrative, labour, material and other such costs.

Further, our customers generally have the right to inspect and audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

5. ***The loss, shutdown or slowdown of our Design and Engineering and manufacturing facility may have a material adverse effect on our business, results of operations and financial condition.***

We have our Design and Engineering and manufacturing facility in an integrated 100,000 sq ft facility with a Design Centre and Manufacturing unit located at SIPCOT IT Park, Chennai. The two wings are well equipped for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in aerospace and defence applications. Any significant interruption to, or loss or shutdown of, operations at any of our manufacturing facilities or Design and Engineering centres would adversely affect our business.

If any of our facilities or centres are harmed or rendered inoperable by factors such as, including the breakdown or failure of equipment, difficulties or delays in obtaining raw materials, spare parts and equipment / machines, raw material shortages, performance below expected levels of output or efficiency, facility obsolescence or disrepair, natural or man-made disasters (including earthquakes, fire, floods, acts of terrorism and power outages) and industrial accidents, it may render it difficult or impossible for us to efficiently operate our business for some time, or require us to shut major part of our operations, which may adversely affect our business, financial condition, result of operations and cash flows. For instance, our business operations were temporarily disrupted from end March 2020 on account of the temporary shutdown of the manufacturing facilities or Design and Engineering centres on account of the lockdown imposed by the central/state authorities to combat the spread of COVID-19. For further details, see "*Risk Factors– . The continuing effect of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.*" on page 38.

6. ***We may not qualify for or win bids to further expand our business, which may have an adverse effect on our business, financial condition, results of operations and prospects.***

Our business and growth depend on our ability to qualify for and win bids undertaken by GoI Entities for awarding contracts. Our Company obtains a majority of its business through a competitive bidding process in which it competes for project awards based on, among other things, pricing, technical and technological expertise, reputation for quality, financing capabilities and track record. The bidding and selection process is affected by a number of factors, including factors which may be beyond our control, such as market conditions, project delays, scope adjustments, or external economic factors. Any increase in competition during the bidding process or reduction in our competitive capabilities could have a material adverse effect on our market share.

In addition to meeting bid capacity requirements, we may also be required to pre-qualify for the orders involving GoI Entities such as in relation to background checks and prior experience of the bidders. However, we cannot assure that we shall always maintain our bid capacity and our pre-qualification capabilities, and that we shall be able to continually secure projects so as to enhance our business operations, financial performance and results of operations. Further, such pre-qualification criteria may also change from time to time. Our inability to fulfil and maintain the bid and pre- qualification capabilities may materially impact our operating revenue and profitability.

There can be no assurance that our current or potential competitors will not offer products and solutions comparable or superior to those that we offer at the same or lower prices, adapt more quickly to industry challenges, or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, prospects and financial condition.

7. ***The continuing effect of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted***

In the year 2019, the disease caused by the "novel coronavirus", commonly known as COVID-19 was first reported in Wuhan, China. Since then, the virus has progressively spread globally to many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorised the outbreak as a pandemic on March 11, 2020.

In order to contain the spread of the COVID-19 pandemic, the GoI along with state governments declared a lockdown in India including severe travel and transport restrictions and a directive to all citizens to shelter in place, unless essential. The COVID-19 pandemic and associated responses have adversely affected, among other things, workforces, consumer sentiment, liquidity, economies, trade and financial markets around the world, including in India. The lockdown required private, commercial and industrial establishments to remain closed. As a result, our business operations were temporarily disrupted with effect from end March 2020 to May 2020 and May 2021 to end June, 2021. Though our manufacturing facility was functioning largely, our Design and Engineering centres and branch offices had to be shut down, pursuant to the directives from the central/local authorities which, in turn, impacted our ability to maintain continued operations resulting in some loss of productivity and cash flows. Further, since we do not maintain business interruption insurance (other than any interruptions caused due to fire), we will not be covered for any claims or damages arising out of such disruptions.

Many of our employees were working remotely from May 10, 2021 to June 23, 2021. Heightened cybersecurity, information security and operational risks may result from these remote working arrangements. While we have already implemented a business continuity plan, we cannot assure you that such plans and safeguards will be effective during the ongoing COVID -19 pandemic. During the COVID-19 pandemic there has been an increased propagation of malware that could expose our employees and system to increased cybersecurity threats through phishing and other means. As the number of our employees working from unprotected home networks increases, there are a variety of threats that their devices are exposed to on their local home networks. Since many of our employees do not use a mobile computing device to carry out their jobs, we have provided them with hired mobile computing devices or allowed them to use their personal computing devices to access our network resources, exposing our network and systems to an increased risk of security breaches. Corporate devices also face increased risks of compromise due to a higher population of malware that is more prevalent on residential networks. We could be adversely affected if key personnel or a significant number of employees were to become unavailable due to the effects and restrictions imposed as a result of the COVID-19 pandemic. If any of our employees were suspected of contracting COVID-19 or any other contagious disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the well-being of our employees. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations (including implementation of work from home regime for key executives, to the extent possible), and resumption of our operations within permissible limits) and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

Further, our Statutory Auditors have included emphasis of matters in their report on the financial statements for the fiscal year ended March 31, 2021, which describes the uncertainty relating to COVID-19 pandemic and its consequential effects on the affairs of the Company. For further details, see "Financial Statements" beginning on page 226. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activities in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations and financial condition.

Further, in the event the number of infected cases of COVID-19 in India begins to rise again, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. Further, there is uncertainty regarding the scope, duration and efficacy of the GoI's and state governments' assurance to prevent the spread of COVID-19 or the economic disruption caused as a result. We cannot assure you that we will not face any difficulty in our operations due to such restrictions, and such prolonged instances of lockdown may adversely affect our business, results of operations, financial condition, cash flows, reputation and prospects. As on the date of this Draft Red Herring Prospectus, there is significant uncertainty on the impact of COVID-19 on the global and Indian economy and we may not be able to accurately predict its near term or long term impact on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in "*External Risk Factors-Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business* on page 55.

8. ***We are subject to government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.***

We are required to obtain and maintain a number of statutory and regulatory licences, registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. In addition, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek new approvals, licenses, registrations and permits from time to time, as and when required in the ordinary course of our business. Obtaining licences, registrations, permits and approvals or their renewals are time consuming processes and subject to frequent delays. We have obtained a number of licences, registrations, permits and approvals from the relevant authorities and are renewing such statutory approvals periodically for the existing facility. Our approvals/NoC from State Industries Promotion Corporation of Tamil Nadu (SIPCOT), Department of Industrial Safety &Health**,** TN Fire & Rescue Services, Department of Public Health & Preventive Medicine and TN Pollution Control Board for Air and Water related to the expansion plans have been received to start and/or continue the construction of the new building planned by us. The Directorate of Town and Country Planning (MLPA) application is in the last stage of approval and pending receipt while the application to SIPCOT has been acknowledged and is being processed.

We have also made applications to relevant authorities for updating the name of our Company in current registrations and approvals, pursuant to the Scheme of Amalgamation and conversion of our Company into a public company. These applications are being processed.

There is no assurance that such licences, registrations, permits and approvals or renewals will be issued or granted to us or updated in a timely manner, or at all. If we do not receive such licences, registrations, permits and approvals or renewals in a timely manner, it could result in cost and time overrun or our business and operations may be adversely affected. Moreover, certain approvals granted to us by statutory authorities may be revoked at any point of time due to circumstances which may or may not be within our control and this could have an adverse impact on our business and operations. For further details, see "*Key Regulations and Policies" and "Government and Other Approvals*" on pages 191 and 313, respectively.

Our licences, registrations, permits and approvals are also subject to certain conditions, some of which may be onerous and require us to incur expenditure towards compliance with such conditions. We may also not be aware of certain approvals or permissions, which we may be required to maintain or acquire for undertaking our operations, under any new regulation or amended regulation made by any local or State Government. Any inability to obtain, maintain or renew licences, registrations, permits and approvals required for our operations may adversely affect continuity of our operations.

Further, in order to sell our products, our products must be approved by government agencies in the countries in which we do business. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, it may reduce our revenues, increase costs, adversely affect our business, financial condition and results of operations.

9. ***We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations, financing our inventory, purchase of raw materials and our development of new products which may be adversely affected by changes in terms of credit and payment. We are required to maintain a high level of working capital because our business activities are characterised by long product development periods and production cycles. Even where milestone payments are allowed, these have to be backed by bank guarantees. Delays in payment under on-going contracts or reduction of advance payments due to lower order intake or inventory and work in progress increases and/or accelerated payments to suppliers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded through external debt financings.

We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. These factors may result, or have resulted, in increase in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological changes and additional market developments. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

10. ***The amount of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in the future.***

Our total order book amount for fiscal 2019, fiscal 2020, fiscal 2021 and as at July 31, 2021 are ₹ 1,815.08 million, ₹ 5,855.45 million, ₹ 4,979.87 million and ₹ 5,822.97 million respectively. We prepare our order book on the basis of the work completed, the outstanding work and the time expected to complete the bids and contracts forming part of the order book. The order book may be materially impacted if the time taken or amount payable for completion of any ongoing order of our Company changes. The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods in relation to signed contracts. Further, we cannot guarantee that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. In addition, our order book depends on continued growth of the defence and space sector in India and our ability to remain competitive. Our existing order book and our growth rate may not be indicative of the number of orders we will receive or our growth in the future.

Our order book only represents business that is considered firm, although this is subject to, among other things, cancellation or early termination or because of any breach of our contractual obligations, non -payment by our customers, delays in the initiation of our customers' projects, unanticipated variations or adjustments in the scope and schedule of our obligations for reasons outside our and our customers' control or change in budget appropriations which affect our customers. Accordingly, we cannot predict with certainty the extent to which a project forming part of our order book will be performed. Further, such delays in the completion of a project or cancellation of a project may lead to delays or refusal in payment of the applicable amount that we expect to be paid in respect of such project. Our clients may also be entitled to terminate the agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. In addition, where a project is concluded as scheduled, our client may delay, default or otherwise fail to pay amounts owed to us. Such payments often represent an important portion of the margin we expect to earn on a project. Further, any delay in execution of ongoing projects leading to extended timelines would also adversely impact our ability to undertake additional projects in future and the outlook of our order book. While none of our projects have been cancelled or terminated prematurely, there can be no assurance that our Company will receive any applicable termination payments in time or at all or that the amount paid will be adequate to enable our Company to recover its investments in the prematurely cancelled project. In such events, we may have to bear the actual costs for project activities incurred by us which may exceed the agreed work as a result of which, our future earnings may be lower from the amount of the order book and if any of the forgoing risks materialize, our cash flow position, revenues and earnings may be adversely affected.

11. ***If we are unable to manage our growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by expansion of product portfolio with complex technology-based products, focusing on repeat large volume production orders, augmenting our Design and Engineering capabilities and expanding manufacturing infrastructure and focusing on increasing revenues by leveraging core competencies and grow our services business. For details, see "*Our Business –Strategies*" on page 167.

This could place significant demands on our operational, credit, financial and other internal risk controls. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. As our product portfolio and product pipeline grow, we may require additional personnel on our project management, in-house quality assurance and Design and Engineering teams to work with our partners on quality assurance, regulatory affairs and product development. As a result, our operating expenses and capital requirements may increase significantly. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. We may also be exposed to certain other risks, including difficulties arising from operating a larger and more complex organisation; the failure to (i) efficiently and optimally allocate management, technology and other resources across our organisation, (ii) compete effectively with competitors and (iii) increase our production capacity; the inability to control our costs; and unforeseen legal, regulatory, property, labour or other issues.

Further, our future business plan is dependent on our ability to raise funds through debt or equity and we may have difficulty obtaining funding on acceptable terms or at all. Adverse developments in the Indian credit markets may significantly increase our debt service costs and the overall cost of our funds. Moreover, even if we secure the required funding, there is no assurance that we will be able to successfully expand our production capacity or diversify our product and solutions portfolio. We may also face difficulties in effectively implementing new technologies required in designing, developing and manufacturing new products and solutions and may not be able to recover our investments. An inability to implement our future business plan, manage our growth effectively or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations. For further details, please see "*Internal Risk Factors- We design, develop and manufacture products and solutions that incorporate advanced technologies. Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex or involve developmental costs.*" on page 46.

12. *If we do not continue to innovate and further develop our business, or we are not able to keep pace with technological developments, we may not remain competitive and our business and results of operations could suffer.*

Our operations rely heavily on the effectiveness of our products. To remain competitive, we must continue to stay abreast of the constantly evolving trends and to enhance and improve the responsiveness, functionality and features of our products, including cost to their end customers and compete, we must continue to invest significant resources in research and development to enhance our information technology and improve our existing services. The industry in which we operate is characterized by rapid technological evolution and changes in customer requirements, which could render our existing technologies and systems obsolete. There is a need to keep in pace with state-of-the-art technologies in defence sector in developed countries.

Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. There can be no assurance that we will be able to use new technologies effectively or adapt technologies and systems to meet customer requirements or emerging industry standards.

There can be no assurance that we will be able to successfully implement our future strategy to continue to innovate.

Further, the process of innovation and development requires that we make long-term investments and commit significant resources before knowing whether these investments will eventually result in businesses that achieve customer acceptance and generate the revenues required to provide desired returns. We may experience difficulties that could delay or hinder the successful development, introduction and marketing of products. There can be no assurance that such products will be readily accepted in the market, become commercially successful or that our competitors will not be able to produce similar products at a lower price than we can, which would have an adverse effect on our products' competitive position. If we are unable to achieve the anticipated returns in such new growth areas, it could have a material adverse effect on our business, results of operations and financial condition. For details, see "*Our Business – Our Strategies*" on page 167.

13. *We could incur losses under our fixed price contracts as a result of cost overruns, delays in delivery or failures to meet contract specifications which may have an adverse effect on our business, financial condition and results of operations.*

Most of our contracts are fixed-price contracts. All costs including labour and raw materials costs are forecasted by us when we enter such fixed-price contracts. In case of cost variances from such estimates, we are permitted to retain all cost savings on completed contracts but are liable for the full amount of all cost overruns. In the past, we have witnessed cost overruns in the case of some of our contracts and we may also continue to witness the same in the future. The actual costs incurred on a fixed-price contract may vary from our estimates due to factors such as:

- unanticipated variations in labour and equipment productivity over the term contract;
- Unanticipated variations in Foreign Exchange
- unanticipated increases in labour, raw material, sub-contracting and overhead costs;
- delivery delays and corrective measures for poor workmanship;
- equipment failures;
- changes in the specifications provided by our customers;
- obsolescence of any components; and
- changes in testing requirements.

We cannot assure you that these contracts, if secured, can be completed profitably. Significant cost overruns on our fixed price contracts could have a material adverse effect on our business, financial condition, results of operations and prospects.

Depending on the size of the project, variations from estimated contract performance could significantly reduce our earnings, and could result in losses, during any quarter of a fiscal or entire fiscal. All of our fixed price contracts provide for liquidated damages for late delivery. In the past, we have been required to re-negotiate some of the terms, such as price, date of delivery, scope of work, due to a delay in delivery of the products owing to a combination of internal as well as external factors beyond our control. This may also have an impact on our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

14. ***Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.***

As of August 31, 2021, our aggregate outstanding indebtedness was Rs. 558.24 million. Some debt financing agreements entered into by our Company contain restrictive covenants, and/or events of default that limit our ability to undertake certain types of transactions, which may adversely affect our business and financial condition. We are required to obtain prior consent from some of our lenders for, among other matters, to effect any change in the shareholding pattern of the Company and alter the constitutional documents. Moreover, our manufacturing facility and some of our plant and machinery at such facility have been offered as a collateral for some of our loans and our Promoters have also provided a personal guarantee in relation to our borrowings. Our financing agreements also require us to maintain certain financial ratios and it can be recalled by lenders in certain circumstances. If the lenders exercise their right to recall a loan, it could have an adverse effect on our or these companies' reputation, business and financial position. For further details of the restrictive covenants under our financing documents, see "*Financial Indebtedness*" beginning on page 308.

We cannot assure you that we will have or will be able to comply with all such restrictive covenants in a timely manner or at all, or that we will be able to comply with all such restrictive covenants in the future. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to discontinuation of our credit facilities or acceleration of all amounts due under such facilities, which could adversely affect our financial position and our ability to conduct and implement our business plans.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Additionally, pursuant to the Offer, our Company proposes to utilise a part of the Net Proceeds to carry out scheduled repayment or pre-payment of its existing indebtedness and in the event our Company pre-pays certain loans, it may be required to bear additional interest or additional bank fees or may require the consent of such lenders. For further details, see "*Objects of the Offer*" beginning on page 88.

15. ***Pursuant to the credit facilities sanctioned by the State Bank of India, 12,521,025 Equity Shares of one of our Promoters, Srinivasagopalan Rangarajan aggregating to 26.79% of the paid-up capital of the Company have been pledged with State Bank of India. A breach by our Company of certain covenants under the financing agreements may compel the State bank of India to exercise its rights under the sanction letter and reduce the shareholding of our Promoter which may adversely affect our business.***

Pursuant to the credit facilities sanctioned by the State Bank of India, 12,521,025 Equity Shares of one of our Promoters, Srinivasagopalan Rangarajan aggregating to 26.79% of the paid-up capital of the Company have been pledged with State Bank of India. While, this has not impacted our Promoter's ability to meet the requirements toward minimum promoters' contribution, any default under the financing agreements pursuant to which these securities have been pledged will entitle the State bank of India, to enforce the pledge over these securities. If these pledges are enforced, the shareholding of our Promoter in our Company maybe reduced and we may face certain impediments in taking decisions and State bank of India will be entitled to attend general meetings of our Company, and exercise voting rights in respect of the pledged Equity Shares. For further details on such loan agreements, see "Capital Structure" beginning on page 75. As a result of the above, we may not be able to conduct our business or implement our strategies as currently planned, which may adversely affect our business, cash flows and prospects.

16. ***Our success depends significantly on our Promoters, Key Management Personnel and other senior management and skilled personnel. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.***

Our performance depends largely on the efforts and abilities of our Promoters, Key Management Personnel, and other senior management and skilled personnel. We believe that their inputs and experience in the fields of, inter alia, design and development, project management, operations management and manufacturing technologies along with their past experience in the defence sector are valuable for the development of business and operations and the strategic steps taken by our Company.

The average period of time the KMPs have been associated with our Company is approximately 20 years in engineering products and solutions for defence application. We are dependent on our Promoters to manage our current operations and to meet future business challenges. The active involvement of our Promoters in our operations, including the strategy, direction and customer relationships have been integral to our development and business. We cannot assure you that their services will continue to be available to us, or that we will be able to find a suitable replacement if required. Further, the successful completion of our projects, the day-to-day operations and the planning and execution of our business strategy depends significantly on our Key Management Personnel and other senior management and skilled personnel. Although we have initiated a structured training programme for the middle management executives, we cannot assure you that we will be able to adequately replace such skilled and experienced personnel. This may lead to a lack of domain expertise for key positions in our Company which may adversely affect our business.

Moreover, our ability to execute projects depends on our ability to attract, train, motivate and retain senior management and skilled personnel due to the complex nature of our products. We cannot assure you that we will be able to retain these professionals or find adequate replacements in a timely manner, or at all. To the extent we lose such skilled personnel, we will be required to find ways to successfully manage the transfer of confidential information from them to their replacements. An inability to retain any key managerial personnel may impair our ability to bid on and obtain new projects and therefore will have an adverse effect on our operations.

Furthermore, the loss of any of the members of our KMPs and other senior management and skilled personnel or an inability on our part to manage the attrition levels, may lead to loss of technical knowledge which may materially and adversely impact our business, results of operations, and financial condition.

17. ***We intend to utilise a portion of the Net Proceeds for our capital expenditure requirements and such funding requirements have not been appraised by any independent agency.***

We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements which includes, our expansion programme estimated to be around ₹ 626.84 million. For details, see "*Our Business - Strategies - Augmenting our Design and development capabilities and expanding manufacturing infrastructure*" on page 168. The purposes for which our Net Proceeds will be utilised have not been appraised by any independent entity and are based on our estimates and third-party quotations. These estimates are based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. 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 may differ from the current estimates.

Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for expansion programme on account of a variety of factors. Our capital expenditure plans are subject to a number of variables, some of which may be beyond our control, including the changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges.

We are yet to obtain certain approvals from regulatory authorities in relation to the setting up and operation of our proposed expansion. For details, see "*Government and Other Approvals–Approvals applied for but not received*" on page 314, respectively. We cannot assure you that we will be able to obtain the approvals from the regulatory authorities in a timely manner or at all and any delays in getting the required approvals could give rise to cost overruns and delays in our implementation schedules.

Further, there could be delays in upgrading and expanding the existing facilities as a result of, among other things, contractors' failing to perform, unforeseen engineering problems, disputes with workers, or force majeure events, any of which could give rise to cost overruns and delays in our implementation schedule.

If the expansion is subject to time and/or cost overruns, it could have an adverse effect on our business, results of operations, financial condition and growth prospects.

We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Offer - Details of the Objects of the Fresh Issue*" on page 89.

18. ***Availability and cost of import and acquisition of raw materials could adversely affect our business, financial condition, results of operations and prospects.***

Our operations are impacted by the availability and cost of import and acquisition of raw materials utilised in our production process. We purchase our raw materials from domestic as well as international markets and any change in cost and availability of such raw materials for any reason, including change in the approved suppliers, change in law or applicable governmental policies relating to imports, would adversely affect our business, financial condition, results of operations and prospects. In the fiscal years 2021, 2020 and 2019, we procured raw material amounting to 63.68%, 67.60% and 76.60% amounting to INR 430.71 million, INR 332.65 million and 457.60 million from our foreign suppliers.

Our raw material suppliers may fail to deliver products of acceptable quality and within stipulated schedules or at all. We may be required to replace a supplier if the products provided or supplied, do not meet our quality or performance standards. Further, increase in competition may lead to our competitors establishing exclusive arrangements with our suppliers due to which we may be unable to secure an adequate supply of raw materials or which may increase our overall cost of raw materials, which we may not be able to determine from our customers. There can be no assurance that Company will be able to procure alternate suppliers on acceptable/similar terms or at all.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, economic and political conditions, transportation and labour costs, disruption during transportation, labour unrest, natural disasters, import duties, tariffs, cumulative effect of any factors affecting all our suppliers and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs. Further, any volatility in fuel prices can also affect commodity prices worldwide, which in turn may significantly increase our raw material costs.

19. ***We have significant power, and fuel requirements and any disruption to our power sources could increase our production costs and adversely affect our results of operations.***

We require substantial power and fuel for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For Fiscals 2021, 2020 and 2019, our power, and fuel costs was ₹23.69 million, ₹25.23, million and ₹23.46 million, constituting 1.06%, 1.62%, and 1.79%, respectively, of our total revenue from operations. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

We source most of our electricity requirements for our manufacturing facilities from the Tamil Nadu State Electricity Board. If supply is not available for any reason, we will need to rely on captive generators, which may not be able to consistently meet our requirements. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

20. ***If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

We periodically track our progress against the terms and conditions as laid down in our customer agreements, identify any issues and take necessary corrective and preventive actions for monitoring compliance guaranteed service levels as per the required parameters. We have a dedicated resource management team involved in resource planning and workforce management that, on a regular basis, monitor the costs incurred for various works performed by us and provide feedback for corrective actions required in order to effectively meet the commitments in our customer agreements.

21. ***We design, develop and manufacture products and solutions that incorporate advanced technologies. Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex or involve developmental costs.***

We design, develop and manufacture technologically advanced products and solutions applied by our customers in a variety of environments. Problems and delays in development or delivery as a result of issues with respect to design, technology, concurrent engineering, licensing, labour, learning curve assumptions or raw materials could prevent us from achieving contractual requirements.

The business environment in many of our principal operating segments requires extensive design and development expenses. We devote substantial resources to our design and engineering functions and also make improvements in Design and Engineering, in particular, to create new products and solutions which are customised to meet customer expectations and end-user preferences and to also enhance our production processes and quality of our existing products and solutions , which we believe are factors crucial for our future growth and prospects. As on July 31, 2021, our Design and Engineering team comprise of 383 engineers and officers. Our ability to realize the anticipated benefits of our Design and Engineering capabilities depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability of supplier and internally-produced parts and materials, performance of suppliers and sub-contractors, hiring and training of qualified personnel, achieving cost and production efficiencies, identification of emerging technological trends in our target end markets, validation of technologies, level of customer interest in new technologies and products, and customer acceptance of our products and products that incorporate technologies we develop. In addition, due to the design complexity of our products, we may in the future experience delays in completing the development and introduction of new products.

22. ***Our ability to complete our projects in a timely manner and maintain quality standards is subject to performance of our sub-contractors.***

From time to time, we sub-contract certain activities or 'main works' to be undertaken for our projects to other parties depending on various factors, including, manpower availability and complexity required for execution of projects. Although our contractors are qualified, we do not have control over their day-to-day performance. We cannot ensure that there will be no delay in performance of duties by our sub-contractors, which may cause a delay in completion of our projects. We may also be exposed to risks relating to the quality of their services, equipment and supplies. In the event that our cost and work estimates are not in line with our budgets or there is an increase in the price of materials, the fixed price sub-contract may adversely affect our profit margins. Further, there is a risk that we may have disputes with our sub-contractors arising from, amongst other things, quality and timely execution of work performed by our sub- contractors, payments to be made to sub-contractors under our arrangement with them or our failure to extend existing work order to or issue a new work order to a sub-contractor under our arrangement with such sub-contractor. We cannot assure you that these disputes will be amicably resolved or will not culminate into arbitration, litigation or other dispute resolution proceedings.

23. ***Failure or disruption of our information and technology ("IT") and/ or enterprise resources planning systems may adversely affect our business, financial condition, results of operations and future prospects.***

The efficient operation of our business depends on our IT infrastructure and our enterprise resources planning systems established at our manufacturing facilities. Our IT infrastructure comprises of third-party solutions and applications maintained internally. Since we operate multiple platforms, the failure of our IT infrastructure and/ or our enterprise resources planning systems could disrupt our business and adversely affect our results of operation. In addition, our IT infrastructure and/or our enterprise resources planning systems are vulnerable to damage or interruption from, amongst others, natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss, other computer systems, internet telecommunications or data network failures. Any such interruption could adversely affect our business and results of operations.

While we have processes implemented for IT infrastructure management including patch management, anti-virus management and backup processes to protect sensitive and confidential business information from disaster, damage, theft, and system failure, we cannot assure you that such IT infrastructure management systems including data backup would be able to ensure sufficient safeguards to prevent significant disruption of our IT systems. For instance, our offsite backup for the month of January 2014 stopped due to some technical issues in the backup tape. The issue was resolved within a month. However, notwithstanding, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error) or our inability to access the back-up information critical for our business on a timely basis, may affect our ability to plan, track, record and analyse work / projects in progress, Design and Engineering improvements and revenue, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and future prospects.

24. ***Our business, results of operation and financial conditions could be materially and adversely affected if any fault of ours causes any accidents at our customers' units.***

The products we manufacture are complex, require technically advanced and costly equipment and involve hazardous materials. The components and systems we manufacture may involve risks, including breakdown, failure or substandard performance of equipment, improper installation or operation of equipment and industrial accidents. In addition, defects in or malfunctioning of our products could cause severe damage to property and death or serious injury to our customers' personnel, which could expose us to litigation and damages. Under most of our contracts, the warranty period is for a period of 12 to 36 months only for any manufacturing defects in the products.

Our operations expose us to potential liabilities for personal injury or death or property damage as a result of the failure or malfunction of manufacturing equipment or of any products that have been designed, manufactured or serviced by us. An accident caused by our fault or negligence during testing or delivery could also damage our reputation for quality products.

25. ***Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.***

Our Company is involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation. A summary of the proceedings involving our Company is provided below:

Type of Proceedings	**Number of cases**	**Amount # (₹ in million)**
Cases involving our Company		
Criminal proceedings	NIL	NIL
Actions by statutory or regulatory authorities	NIL	NIL
Claims related to direct and indirect taxes	6	28.52
Other pending material litigation proceedings	NIL	NIL
Total (A)	**6**	**28.52**

 # To the extent quantifiable

If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur significant expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition. For details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 310.

26. ***If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage or we may negatively impact the overall implementation of the programmes being worked on.***

We possess extensive technical knowledge about our products. We have gained such technical knowledge through our experiences, Design and Engineering improvements undertaken by us for various projects, over the years. Our technical knowledge is a significant independent asset. Our senior members in our hardware design and development, software development group and projects team technology have been with our Company for over 15 years and have ensured stability in our knowledge and process know-how. Most of the internal processes which have been documented over years of learning are maintained by senior management of our Company, thus ensuring confidentiality. While all our employees are subject to strict confidentiality, non-disclosure and non-compete obligations under the respective agreements entered with them, such technical knowledge is not protected by intellectual property rights such as patent registration or design registration. As a result, we cannot assure that our technical knowledge will remain confidential.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is a risk that certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the design and production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. We operate in sensitive areas and such leakage could adversely affect such critical programmes and our goodwill as well as future prospects with key agencies in the sector. Moreover, our employees may leave us and join other vendors manufacturing products similar to ours. Although we enter into non-disclosure and non-compete agreements with our employees, we cannot guarantee that we will be able to successfully enforce such agreements. While we enter into confidentiality and non-disclosure agreements with our suppliers and business partners, we cannot assure you that parties will not breach their confidentiality obligations under such arrangements. The potential damage from such breach of any confidentiality obligations is heightened 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 information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. 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.

27. ***We operate in a competitive business environment. Failure to compete effectively against our competitors and new entrants to the industry in any of our business segments may adversely affect our business, financial condition and results of operations.***

The manufacturing of products and solutions for defence and space applications is competitive, and it experiences rapid technological developments and changes in customer requirements. For further details on our competitors, see "*Our Business – Competition*" on page 185. Our ability to meet the qualification criteria in our various business areas is critical to being considered for any project. We compete on the basis of our ability to fulfil our contractual obligations including the quality of products and the timely delivery of the products. Additionally, while these are important considerations, price is a major factor in most tender / bid awards and our business is subject to intense price competition. Our competitors may have substantially greater financial, management, research and marketing resources than we have as a result of which they may be able to utilise their resources and economies of scale to develop improved products, divert sales away from us by winning broader contracts or hire our employees by offering more lucrative compensation packages. Our competitors may be able to provide our customers, including the GoI Entities, with different or greater capabilities or benefits than we can provide in areas such as technology, technical qualifications, post contract performance, price and availability of key professional personnel. In addition, larger diversified competitors serving as primary suppliers may be able to supply underlying products and services from affiliated entities or new joint ventures with private Indian companies, which would prevent us from competing for sub -contracting or licencing opportunities on these contracts. Our failure to compete effectively with respect to any of these or other factors could have a material adverse effect on our business, prospects, financial condition or operating results. In such a scenario, we may find difficulties in maintaining our position in the market. In tenders of large monetary value, the trend for the low quotations from competitors is common. Some of this costing is sometimes difficult to match.

Going forward and with the liberalisation of the Indian defence and space sector to allow private and/or foreign companies to participate in defence and space contracts, as the case may be, we will be required to participate in competitive bidding. The competitive bidding process entails managerial time to prepare bids and proposals for contracts and may require us to resort to price cuts in order to win contracts which may not be awarded to us or may be split with our competitors. Following an award, we may encounter significant expenses, delays, contract modifications, or even loss of such contract if our competitors protest or challenge contracts that are awarded to us. In addition, our customers may face budget constraints, availability of more affordable solutions, and reducing product and technology development cycles. To remain competitive, we must consistently provide products with superior performance and capability to our customers, advanced technology solutions and service at an affordable cost and with the agility that our customers require to satisfy their mission objectives. Our inability to successfully do so could have a material adverse effect on our business, prospects, financial condition and/ or operating results. Moreover, if we are not able to further develop our proximity to our customers and make our vendor-supplier ecosystem more efficient or as efficient as our competitors, there can be no assurance we will be able to grow or effectively compete in the industry.

There can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future. Further, most of our customers follow competitive bidding processes due to which we may not be able to effectively bid for future projects. Accordingly, our business, financial condition, results of operations and prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants in the industry.

28. ***Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.***

Our operations may be subject to cyber attacks and other security breaches. There is an established Business Continuity Plan in place which adheres to international standards based on the plan-do-check-act methodology, to operate procedurally during disasters and to achieve this objective a Disaster Recovery Site is identified in a different city with all back-ups to ensure seamless operations. This ensures sustenance of business operations during all types of disruptions and calamities such as cyber threats, threats to the physical security of our facilities and employees, and terrorist acts, as well as the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and threat preventions systems to which helps us block or flag access to sites associated with any malware, spyware, spam URLs etc., however we may experience similar security threats at customer sites that we operate and manage as a contractual requirement. Prior cyber-attacks directed at us have not had a material impact on our financial results, and we believe our threat detection and mitigation processes and procedures are adequate. The threats we face vary from attacks common to most industries to more advanced and persistent, organised adversaries who target us because we protect national security information. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, however, the impact of any future incident cannot be predicted. For instance, on July 13, 2017, we were a victim of a phishing attack wherein an email sent from spectraind.com to our purchase team was hacked by somebody from Nigeria.

Although we work cooperatively with our customers, suppliers and sub-contractors, to seek to minimise the impact of cyber threats, other security threats or business disruptions, we must rely on the safeguards put in place by these entities, which may affect the security of our information. These entities have varying levels of cyber security expertise and safeguards and their relationships with government contractors may increase the likelihood that they are targeted by the same cyber threats we face.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price.

29. ***The insurance coverage taken by us may not be adequate to protect against certain business risks and this may have an adverse effect on the business operations.***

Our operations are subject to risks inherent to the engineering and manufacturing industry, such as work accidents, storm, fire, earthquake, flood, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products. We maintain insurance coverage, including insurance in relation to standard fire and other special perils and burglary insurance. We also maintain coverage under a marine cargo policy insuring our products during transit. Our insurance coverage for net tangible assets for March 31, 2021 was ₹ 1,598.28 Million, which is 155% of our net tangible assets for that year.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. Additionally, there may be various other risks and losses for which we are not insured, either because such risks are uninsurable or not insurable on commercially acceptable terms. In addition, in the future, we may not be able to maintain insurance of all types which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows. There may also be certain types of risks (including but not limited to business disruptions) for which we are not covered. For instance, we do not have insurance policies that cover the losses incurred due to COVID - 19 pandemic, or any such instances.

Although we have obtained insurance for our employees as required by Indian laws and regulations, as well as our important properties and assets, our insurance may not be adequate to cover all potential liabilities. We cannot assure you that insurance will be generally available in the future or, if available, that the premiums will not increase or remain commercially justifiable. If we incur substantial liability and the insurance does not, or is insufficient to, cover the damages, our business, financial condition, results of operations and prospects may be materially adversely affected.

30. ***If additional stringent labour laws, involve additional compliance requirements or other industry standards in India become applicable to us, our business, profitability and results of operations may be adversely affected. Any labour disputes or unrests could lead to lost production, increased costs or delays which could lead to penalties.***

We are subject to a number of stringent labour legislation that protects the interests of workers and defines our duties and obligations towards them in the capacity of principal employers, including legislations that sets forth detailed procedures for employee removal and dispute resolution and impose financial obligations on us. We are also subject to state and local laws and regulations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Any organizational changes, including changes in salaries and wages and other employee benefits that are, or are perceived to be negative, could result in an increased attrition rate. Any further increase in minimum wage requirements or changes in labour regulations in India having a similar impact would increase our labour costs, which could adversely affect our business, results of operations, financial condition and profitability. For instance, the Indian Parliament has recently approved the Code on Social Security, 2020 (the "Code on Social Security") which would impact the contributions we make towards provident fund and gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be finalized, but the Company will carry out an evaluation of the impact of the Code on Social Security and reflect the same in our financial statements in the period in which the Code of Social Security becomes effective and the related rules are published.

We cannot assure you that there may not be incidences of labour unrest and absenteeism from work by some of our employees. Labour shortages could increase the cost of labour and hinder our productivity and ability to adhere to our delivery schedules for our projects, which would materially and adversely affect our business, financial condition, results of operations and prospects.

31. ***We appoint contract labours for carrying out certain operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition***

In order to retain flexibility and control costs, our Company has entered into contract with independent contractors who in turn engage some work force to enable some temporary augmentation of resources in certain operations of our Company. Although our Company does not engage such resources directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by independent contractors. Any requirement to fund their wage requirements may have some adverse impact on our results of operations and financial condition and we may also be subject to legal proceedings in this regard.

32. ***Our Promoters, certain Directors and Key Managerial Personnel are interested in our Company in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Our Promoters, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in our Company in addition to their normal remuneration or benefits and reimbursement of expenses. Our Promoters, certain Directors and Key Managerial Personnel are deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Our Directors are also interested to the extent of fees payable to them for attending meetings of our Board of Directors or committees thereof.

For further details, see "*Capital Structure*", "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 75, 222 and 205, respectively.

33. ***Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business and competitive position.***

We have no registered trademarks, including the trademark for our trade name or the corporate logo appearing on the cover page of this Draft Red Herring Prospectus. If we are unable to register our trademark for various reasons including our inability to remove objections to any trademark application, or if any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Further, if we do not maintain our brand name and identity or if we fail to provide high quality products on a timely basis, we may not be able to maintain our competitive edge in India and abroad. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad.

34. ***Our Registered Office and manufacturing facilities are located on leased premises. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.***

Our Registered Office and manufacturing facility is on a leasehold land. The lease is for 99 (ninety nine) years from SIPCOT. We have sales and marketing offices in Bangalore, Hyderabad, New Delhi and Trivandrum and all of them are on leased premises. For further details please see "*Our Business- Property*" on page 188.

The lease periods and rental amounts for these properties vary on the basis of their locations. We cannot assure you that we will be able to renew 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 for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, 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 and financial condition. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.

35. ***We have entered, and may continue to enter, into related party transactions which may not always enable us to achieve the most favourable terms.***

We have, in the ordinary course of our business, entered into transactions with certain related parties. We have in the past and may in the future purchase goods and samples from and sell goods to related parties.

We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For more information regarding our related party transactions, see "*Restated Financial Statements- Note 39- Related Party Disclosures*" on page 265.

36. ***We may be unable to detect, deter and prevent all instances of fraud or negligence or other misconduct committed by our employees, customers or other third parties, which may have a material adverse effect on our business, results of operations and financial condition.***

Many of our contracts involve projects that are critical to the operations of our customer's business. Further, as our operations are linked to the Indian defence and space sector, certain documents and information are confidential because of national security related concerns. Any instances of fraud, theft or other misconduct in our Company can be difficult to detect, deter and prevent, and could subject us to financial losses and harm our reputation. Although we have controls in place with respect to the handling of such cases, we may be unable to prevent, detect or deter all such instances of misconduct. Further, we may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and financial condition. See "*Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition*" on page 49.

37. ***We face foreign exchange risks, primarily in our export and procurement operations that could adversely affect our results of operations.***

We have foreign currency trade payables and receivables and are accordingly, exposed to foreign currency exchange risk. Changes in currency exchange rates may influence our results of operations. Depreciation of INR (Rupee) versus USD and EUR will result in lower revenues in Rupee terms, which could adversely affect our profitability. As and when outflows are incurred, the required foreign exchange is bought from market at the then prevailing exchange rate.

Our future capital expenditures, including raw materials, equipment and machinery, may be denominated in currencies other than Rupee. Therefore, declines in the value of the Rupee against the USD or other foreign currencies would increase the Rupee cost of servicing and repaying those borrowings and their value in our balance sheet. The exchange rates between Rupee and USD and between Rupee and EUR have changed substantially in recent years and may continue to fluctuate significantly in the future.

Accordingly, any decline in the value of the Rupee against the U.S. Dollar and Euro or any other foreign currency would increase the Rupee cost of such raw materials. Although we closely follow our exposure to foreign currencies in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

38. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution. Our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Offer*" beginning on page 88.

39. ***We may continue to undertake strategic investments and alliances, acquisitions and mergers, expansion into new product segments and into new geographies and exports in the future, which may be difficult to integrate and manage. These may expose us to uncertainties and risks, any of which could adversely affect our business, financial conditions and result of operations.***

We may continue to pursue strategic investments and alliances as a mode of expanding our operations. Going forward, we may undertake acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. There can be no assurance that we will be able to raise sufficient funds to finance such strategies for growth. Further, expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations, legal claims, past liabilities, regulatory probes or integration risks and we cannot assure you that such expansion or acquisitions will contribute to a significant increase in revenue or profitability.

40. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors and will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For further details, see "*Dividend Policy*" on page 225.

Additionally, the Finance Act, 2020 ("**Finance Act**") provides, amongst other things, a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. 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 from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

41. ***Our Company was incorporated in 1998 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.***

We are unable to trace some of our historical records, including the form filings made with the RoC, share transfer deeds and corresponding resolutions maintained by our Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace the following corporate records and regulatory filings of our Company:

(i) return of allotment filed with RoC, including the payment challans thereof, certain minutes of the meetings of the board and/or shareholders and regulatory forms with respect to allotments of equity shares made by the Company dated November 9, 1998, February 28, 1999, December 6, 2000, March 31, 2004 and March 29, 2006;
(ii) challans for the return of allotment filed with RoC and certain minutes of the meetings of the board and/or shareholders for the allotment dated May 12, 2004, March 29, 2007 and March 30, 2010;
(iii) notice of alteration of share capital filed with RoC with respect to the split of each equity share of the Company of face value of ₹ 100 each into 10 equity shares of the Company of ₹ 10 each dated December 6, 2000;
(iv) secretarial records in respect of the situation of and change in the registered office of the company dated November 1, 2000, such as intimation to the Registrar of Companies in Form 18, the payment challan thereof; and
(v) copies of share transfer forms, documents in relation to transmission of shares and minutes of the board and/or shareholders meeting in relation to the build of the equity shareholding of our Promoters with respect to all the transfer and transmission of equity shares of the Company

While certain information in relation to these allotments, changes in relation to the registered office and share transfers has been disclosed in the sections "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 75 and 198, respectively, in this Draft Red Herring Prospectus, based on the board resolutions, statutory registers of members and audited financial statements of our Company, and based upon the details provided in the search report dated September 19, 2021 prepared by K S Raguraam and Associates , Independent Practicing Company Secretary, and certified by their certificate dated September 19, 2021 we may not be able to furnish any further information other than as already disclosed in "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 75 and 198, respectively, or that the records mentioned above will be available in the future.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

42. ***Third party industry and statistical information in this Draft Red Herring Prospectus may be incomplete or unreliable.***

The information in the sections entitled "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 158, 108 and 274, respectively, includes information that is derived from the "*Defence and Space Market Report*" issued on September 16, 2021, by Frost & Sullivan. We commissioned this report for the purpose of confirming our understanding of the industry in connection with the Offer. Discussions of matters relating to India, its economy or the industries in which we operate in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. We make no representation or warranty, express or implied, as to the accuracy or completeness of this information. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere. We cannot provide any assurance that the third parties have used correct or sound methodology to prepare the information included in this Draft Red Herring Prospectus. For more details, see "*Industry Overview*" on page 108.

43. ***There may be significant independent press coverage about our Company and this Offer, and we caution you not to place reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information, and any statements that are inconsistent with the information contained in this Draft Red Herring Prospectus.***

There may be significant press coverage about our Company and this Offer, that may include financial projections, valuations and other forward-looking information, as well as statements that are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus. We do not accept any responsibility for the accuracy or completeness of such press articles, and we make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations, forward-looking information, or of any assumptions underlying such projections, valuations, forward-looking information or any statements are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus, included in or referred to by the media.

EXTERNAL RISK FACTORS

Risks relating to India

44. ***Our operations are dependent on the performance of the Indian economy and securities market.***

The growth in our business has been directly related to the growth in the Indian economy, including the growing household savings. There have been periods of slowdown in the economic growth of India or periods where inflation was high. Such economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall, which affects agricultural production. Any slowdown or reversal in the growth of the Indian economy could result in a reduction in wealth in the Indian economy that can be diverted to savings and investment, a reduced interest in investment in the securities market and reduced foreign investment.

Additionally, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any adverse revisions to India's sovereign debt ratings may also adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business, prospects, financial condition and results of operations and our ability to obtain refinancing, as well as the trading price of the Equity Shares.

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

The Indian economy and its 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 elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also 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.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

46. ***Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition 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. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity 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.

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

Our borrowing costs and our access to the capital markets depend significantly on the credit ratings of India. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s, and from BBB- with a “stable” outlook to BBB- with a “negative” outlook (Fitch) in June 2020; and from BBB with a “negative” outlook to BBB (low) with a “stable” outlook by DBRS in May 2021. India’s sovereign ratings from S&P is BBB-with a “stable” outlook. Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom’s exit from the European Union (“**Brexit**”), there remains significant uncertainty as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

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. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

49. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act, 2002 ("**Competition Act**"), or the Competition Act seeks to prevent business practices that have a material adverse effect on competition 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 a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for 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 in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect 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. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

50. ***If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, adverse changes in capital gains tax or tax on capital market transactions or sale of securities or any adverse change in taxation of insurance products or other financial products distributed by us, could affect investor returns or the acceptability of any particular financial product. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

For instance, under the current regulatory regime the companies can 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 for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect other benefits such as exemption for income earned by way of dividend from investments in units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

Further, the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the central and state governments into a largely unified rate structure. Any such future increases in the GST rates or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Due to COVID -19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

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

In addition, unfavourable changes in or 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 business or 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.

51. ***High levels of inflation in the Indian economy may shift the trend of savings and investments adversely.***

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. India has experienced some of the highest levels of inflation measured by consumer price index of any of the 34 member states of the Organisation for Economic Cooperation and Development ("**OECD**"), during the period from 2012 through 2014, according to the OECD. Although the Government has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. There can be no assurance that Indian inflation levels will not worsen in the future. A rise in inflation rates may adversely affect saving or investment patterns of clients, potentially affecting growth in the Indian economy and our results of operations.

52. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

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

53. ***A third party could be prevented from acquiring control of us post this Offer, 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 or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

54. ***Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. All of our Company's Directors and officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore, Hong Kong and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

Risks relating to the Equity Shares and this Offer

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

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

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

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by us in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by us in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 101 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running*

Lead Managers" on page 321. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, our financial performance and results 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.

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

The Offer Price of the Equity Shares will be determined by our Company, in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 101 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

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 long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to 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 listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

There is no certainty on the impact of any future amendments to the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. 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 provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. 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.

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

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

The Equity Shares will be listed on the Stock 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 entry, 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 Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid 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 Closing Date. There could be a failure or delay in 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.

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

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

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain 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. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. 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 354.

63. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, 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 Statement for Fiscals 2021, 2020 and 2019 have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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 Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

65. ***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 offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

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

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer (1)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which:	
Fresh Issue (1)	Up to [●] Equity Shares, aggregating up to ₹ 3000 million
Offer for Sale (2)	Up to 6,070,675 Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion(3)(4)	Not more than [●] Equity Shares
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
a) Available for allocation to Mutual Fund only (5% of the QIB Portion (excluding Anchor Investor Portion))	[●] Equity Shares
b) Balance for all QIBs (excluding Anchor Investors) including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion (5)	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	46,744,225 Equity Shares of ₹ 2 each
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 88 for information about the use of the proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Offer has been authorised by our Board of Directors and the Fresh Issue has been authorised by our Shareholders pursuant to the resolutions passed at their meetings dated July 16, 2021 and September 15,2021 respectively. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 12, 2021.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to applicable law*

(2) *Each of the Selling Shareholder, severally and not jointly, confirms that the respective portion of the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus, and are accordingly eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations. For more details, see "List of Selling Shareholders" beginning on page 19.*

(3) *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining 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 Offer Price. However, if 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 "Offer Procedure" on page 336.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion , 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 BRLMs and the Designated Stock Exchange, subject to applicable law. For details, see "Offer Structure" on page 333.*

(5) *Allocation to the Bidders in all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 336.*

For details, including in relation to grounds for rejection of Bids, see "*Offer Structure* "and "*Offer Procedure*" on pages 333 and 336, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 327.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 226 and 274.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2021 (Rs in Millions)	As at March 31, 2020 (Rs in Millions)	As at March 31, 2019 (Rs in Millions)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	292.08	278.21	294.21
(b) Intangible Assets	5.55	1.59	2.33
(c) Right of Use Assets	32.21	53.68	67.89
(d) Other Financial Assets	340.71	464.75	390.37
	670.55	**798.23**	**754.80**
Current assets			
(a) Inventories	737.45	794.14	866.86
(b) Financial Assets			
(i) Trade receivables	1,559.35	1,156.34	1,029.40
(ii) Cash and cash equivalents	88.06	15.11	3.12
(iii) Other Financial Assets	50.96	37.24	3.05
(c) Other current assets	177.34	152.57	117.04
	2,613.16	**2,155.40**	**2,019.47**
TOTAL	**3,283.71**	**2,953.63**	**2,774.27**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	17.00	17.00	17.00
(b) Other Equity	2,060.70	1,517.95	1,311.93
	2,077.70	**1,534.95**	**1,328.93**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	97.70	5.53	-
(ii) Other Financial Liabilities	24.35	38.46	59.29
(b) Provisions	85.15	56.38	47.78
(c) Deferred Tax Liability (Net)	8.13	7.60	9.30
(d) Other Non Current liabilities	273.68	143.24	251.89
	489.01	**251.21**	**368.26**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	226.74	598.58	581.55
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	2.37	5.45	13.80
(b) Total outstanding dues of creditors other than micro and small enterprises	117.58	167.13	144.81
(iii) Other Financial Liabilities	62.97	101.53	66.53
(b) Other current liabilities	246.41	224.70	247.72
(c) Provisions	9.59	14.85	14.39
(d) Current tax Liabilities	51.34	55.23	8.28
	717.00	**1,167.47**	**1,077.08**
TOTAL	**3,283.71**	**2,953.63**	**2,774.27**

RESTATED STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2021 (Rs in Millions)	For the year ended March 31, 2020 (Rs in Millions)	For the year ended March 31, 2019 (Rs in Millions)
I. Revenue from Contract with Customers	2,239.50	1,560.98	1,310.63
II. Other Income	26.00	40.94	14.46
III. Total Revenue	**2,265.50**	**1,601.92**	**1,325.09**
IV. Expenses:			
a) Cost of materials consumed	629.78	532.13	454.31
b) Changes in inventories of finished goods, work in progress and stock-in-trade	74.25	28.76	35.16
c) Employee benefits expenses	484.21	422.71	376.49
d) Finance cost	145.02	133.43	107.77
e) Depreciation / Amortization	55.52	54.78	58.57
f) Other expenses	131.38	145.82	189.20
Total Expenses	**1,520.16**	**1,317.63**	**1,221.50**
V. Profit before tax	**745.34**	**284.29**	**103.59**
VI. Tax expense:			
a) Income Tax	189.10	75.51	33.94
b) Tax pertaining to earlier years	-	-	0.81
c) Deferred Tax	0.53	(1.70)	(8.18)
VII. Profit(Loss)for the period	**555.71**	**210.48**	**77.02**
VIII. Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss			
in subsequent periods:			
Re-measurement Gain / (Loss) on Defined Benefit Obligations	(12.77)	(0.49)	(7.08)
Income tax on above	3.21	0.12	1.97
Other Comprehensive Income/(Loss) for the year	**(9.56)**	**(0.37)**	**(5.11)**
IX. Total Comprehensive Income for the year	**546.15**	**210.11**	**71.91**
X. Earnings per equity share			
Basic and diluted *(In INR)*	**12**	**5**	**2**

RESTATED STATEMENT OF CASH FLOW

Particulars	For the year ended March 31, 2021 (Rs in Millions)	For the year ended March 31, 2020 (Rs in Millions)	For the year ended March 31, 2019 (Rs in Millions)
A.Cash Flow From Operating Activities	**-**	**-**	**-**
Net Profit before tax	745.34	284.29	103.59
Adjustments for :			
Add : Depreciation	55.52	54.78	58.57
Add : Interest And Finance Charges	145.02	133.43	107.77
Less: Profit on sale of assets	(1.24)	(1.78)	-
Less: Interest Income	(22.21)	(25.64)	(14.46)
Operating Profit Before Working Capital Changes	**922.43**	**445.08**	**255.47**
Adjustments For Working Capital Movements :			
(Increase)/Decrease in Inventories	56.70	72.71	(107.80)
(Increase)/Decrease in Receivables	(403.01)	(126.94)	132.62
(Increase)/Decrease in Other Financial Assets	110.33	(108.57)	(214.71)
(Increase)/Decrease in Other Current Assets	(24.76)	(35.53)	(27.91)
Increase/(Decrease) in Trade Payables	(52.62)	13.96	(126.06)
Increase/(Decrease) in Other Financial Liabilities	(32.88)	24.94	(30.64)
Increase/(Decrease) in Other Current Liabilities	21.71	(23.02)	(28.10)
Increase/(Decrease) in Non Current Liabilities	130.44	(108.65)	107.26
Increase/(Decrease) in Provisions	10.73	8.57	5.98
Cash Generated From Operations	**739.07**	**162.55**	**(33.89)**
Direct Taxes (Paid) /adjusted	(189.79)	(28.41)	(11.07)
Net Cash flow From Operating Activities (A)	**549.28**	**134.14**	**(44.96)**
B.Cash Flow From Investing Activities	-	-	-
Purchase Of Property, Plant and Equipment (PPE) and Software	(56.83)	(14.47)	(10.20)
Investment in Fixed Deposit	-	-	-
Proceeds from sale of PPE	7.22	2.93	0.03
Interest Income on Deposits	22.21	25.64	14.46
Net Cash flow From Investing Activities (B)	**(27.40)**	**14.10**	**4.29**
C.Cash Flow From Financing Activities	-	-	-
Interest/Finance Charges on Borrowings	(145.02)	(133.43)	(107.77)
Proceeds From/(Repayment of)Long Term Borrowings (Net)	92.16	5.53	(19.74)
Proceeds From/(Repayment of)Short Term Borrowings (Net)	(371.84)	17.02	174.60
Dividend Paid	(3.40)	(4.09)	(4.09)
Lease Liability payment	(20.83)	(21.28)	(20.51)
Net Cash flow From Financing Activities (C)	**(448.93)**	**(136.25)**	**22.49**
Particulars	**For the year ended March 31, 2021 (Rs in Millions)**	**For the year ended March 31, 2020 (Rs in Millions)**	**For the year ended March 31, 2019 (Rs in Millions)**
Cash & Cash Equivalent At The Beginning Of The Year (Refer Note 7)	15.11	3.12	21.30
Cash & Cash Equivalent At The End Of The Year (Refer Note 7)	88.06	15.11	3.12
Net Increase/(Decrease) in Cash & Cash Equivalents	**72.95**	**11.99**	**(18.18)**

GENERAL INFORMATION

Our Company was incorporated as Indus Teqsite Private Limited on November 11, 1998, at Bangalore, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore. Subsequent to the merger with our Erstwhile Subsidiary, the name of our Company was changed to "Data Patterns (India) Private Limited" and a fresh certificate of incorporation dated August 4, 2021 was issued by the Registrar of Companies, Tamil Nadu. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on August 12, 2021 and the name of our Company was changed to Data Patterns (India) Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on September 13, 2021.

Corporate Identity Number: U72200TN1998PLC061236

Company Registration Number: 061236

Registered and Corporate Office:

Data Patterns (India) Limited
Plot H9, Fourth Main Road
SIPCOT IT Park
Siruseri
Chennai 603103
Tamil Nadu
Tel: +91 44 4741 4000

For details in relation to the change in the Registered Office of our Company, see "*History and Certain Corporate Matters - Changes in our Registered Office*" on page 198.

Address of the Registrar of Companies

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

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

Company Secretary and Compliance Officer

Manvi Bhasin
Data Patterns (India) Limited
Plot H9, Fourth Main Road
SIPCOT IT Park
Siruseri
Chennai 603103
Tamil Nadu
Tel: +91 8077439704
E-mail: manvi.bhasin@datapatterns.co.in

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises the following persons:

Name	Designation	DIN	Address
Srinivasagopalan Rangarajan	Managing Director	00643456	3-A, Akshaya Flats, 34 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu
Rekha Murthy Rangarajan	Whole-time Director	00647472	3-A, Akshaya Flats, 34 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu

Name	Designation	DIN	Address
Mathew Cyriac	Nominee Director	01903606	Flat number 1908, The Imperial, B.B. Nakashe Marg, A.C. Market, Tardeo, Tulsiwadi, Mumbai 400034, Maharashtra
Sabitha Rao	Independent Director	06908122	B-3, Shangrilla Apartments, Number-136 Karpagam Avenue, Raja Annamalaipuram, Chennai- 600028, Tamil Nadu
Vadlamani Venkata Rama Sastry	Independent Director	00027875	Number 957, 9th main, 3rd stage, 3rd Block, Bangalore North, Bangalore- 560079, Karnataka
Sowmyan Ramakrishnan	Independent Director	00005090	18, Floor 3, Plot number 448, 62B Gulmarg Laxmibai Jagmohandas Marg, Near Priyadarshini park, Malabar Hill, Mumbai- 400006, Maharashtra
Prasad Raghava Menon	Independent Director	00005078	264/A, Road number 12 M L A Colony, Banjara Hills, Hyderabad-500034, Telangana

For further details of our Board of Directors, see "*Our Management*" beginning on page 205.

Investor Grievances

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

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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 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 Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar, 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 Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in/intermediary/index.html, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and Regulation 25(8) of the SEBI ICDR Regulations.

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

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: datapatterns.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

IIFL Securities Limited
10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
E-mail: datapatterns.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Devendra Maydeo/ Nishita Mody
SEBI Registration No.: INM000010940

Legal Counsel to the Company as to Indian Law

J. Sagar Associates
Sandstone Crest
Sushant Lok Phase 1
Gurgaon 122 009, India
Tel: +91 124 439 0600

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

AZB & Partners
AZB House,
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: +91 22 6639 6880

Special Purpose International Legal Counsel to the Book Running Lead Managers

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Tel: +65 6538 0900

Statutory Auditor to our Company

R.G.N. Price & Company
Chartered Accountants
Number 861, Anna Salai
Simpsons Building
Chennai- 600002
Tel. No.: +91-44-28413633
Email: price@rgnprice.com
Peer Review Certificate Number: 011268
Firm Registration Number: 002785S

Changes in Statutory Auditors

Except as disclosed below, there has been no change in the Statutory Auditors of our Company during the last three years preceding the date of this Draft Red Herring Prospectus

Particulars	Date of change	Reason for change
R.G.N. Price & Company Chartered Accountants Number 861, Anna Salai Simpsons Building Chennai-600002 Tel. No.: +91-44-28413633 Email: price@rgnprice.com Peer Review Certificate Number: 011268 Firm Registration Number: 002785S	September 30, 2019	Re-appointment for a term of five years from the conclusion of the annual general meeting held on September 30, 2019

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India]
Tel: +91 22 4918 6200
E-mail: datapatterns.ipo@linkintine.co.in
Investor grievance e-mail: datapatterns.ipo@linkintine.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Syndicate Members

[●]

Bankers to the Offer

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank

[●]

Bankers to our Company

State Bank of India, Overseas Branch Chennai

86, Rajaji Salai, Chennai 600001
Telephone: +91 76098019
Contact Person: KN Pavan Kumar
Website: sbi.co.in
Email: rm6.04804@sbi.co.in

HDFC Bank Limited

115, RK Salai, Mylapore,
Chennai- 600004
Contact person: Vinoth Kumar V
Website: www.hdfcbank.com
Email: vinothkumar.vijaykumar@hdfcbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

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 and at such other websites 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 RIB 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, RIBs 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.

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. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of 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 Offer 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 eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at 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 www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Collecting Depository Participants

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

Experts

Our Company has received written consent dated September 19,2021 from R.G.N Price & Company, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 15, 2021 on our Restated Financial Statements; and (ii) their report dated September 19, 2021 on the Statement of 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.

Our Company has received written consent dated September 19, 2021 from B. Muniraja, Chartered Engineer, to include their name as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this DRHP, 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 with respect to the certificates issued by him in relation to the details of manufacturing facilities of our Company.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus

Appraising Entity

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

Credit Rating

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

IPO Grading

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of our Company including our operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	JM, IIFL	JM
2.	Drafting and approval of all statutory advertisement	JM, IIFL	JM
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	JM, IIFL	IIFL
4.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements.	JM, IIFL	IIFL
5.	Preparation of road-show presentation and frequently asked questions	JM, IIFL	IIFL
6.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	JM, IIFL	IIFL
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	JM, IIFL	JM
8.	Conduct non-institutional marketing of the Issue, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non - Institutional Investors.	JM, IIFL	IIFL

Sr. No.	Activity	Responsibility	Co-ordinator
9.	Conduct retail marketing of the Issue, which will cover, *inter alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material	JM, IIFL	JM
10.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM, IIFL	IIFL
11.	Managing the book and finalization of pricing in consultation with our Company	JM, IIFL	IIFL
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.	JM, IIFL	IIFL

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company, in consultation with the BRLMs, will be advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and Chennai edition of the Tamil 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/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 336.

All Bidders, except RIBs and Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the 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. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process 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 in the Offer.

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

For further details on the method and procedure for Bidding, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 327 and 336, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 336.

Underwriting Agreement

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

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions to closing, specified therein. 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 ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after determination of Offer 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 abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

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 Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL** (1)		
	78,750,000 Equity Shares of face value ₹ 2 each	157,500,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	46,744,225 Equity Shares of face value ₹ 2 each	93,488,450	-
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares aggregating to [●] million (2)	[●]	[●]
	which includes		
	Fresh Issue^ of up to [●] Equity Shares aggregating to ₹ 3,000 million (2)		
	Offer for Sale of up to 6,070,675 Equity Shares aggregating to ₹ [●] million (2) (3)		
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value ₹ 2 each*	[●]	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer *(as on the date of Draft Red Herring Prospectus)*		334,915,110.90
	After the Offer		[●]

* *To be included upon finalization of Offer Price.*

^Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 600 million, 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 BRLMs. 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.

(1)For details in relation to changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 199.

(2)The Offer has been authorized by our Board pursuant to the resolution passed at the board meeting dated July 16, 2021 and by our Shareholders pursuant to their resolution dated September 15, 2021

(3)Each Selling Shareholder, severally and not jointly, confirms that their respective portion of the Offered Shares have been held by such Selling Shareholders for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. Our Board has taken on record the approval of the Offer for Sale by the Selling Shareholders at its board meeting dated August 12, 2021. For details on the confirmation and authorization of each of the Selling Shareholders for their participation in the Offer of Sale, see "The List of Selling Shareholders" on page 19.

Notes to the Capital Structure

1. Share Capital History of our Company.

a. History of Equity Share capital

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

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
November 11, 1998*	20	100	100	Cash	Initial subscription to the MoA(1)	20	2,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
February 28, 1999*	1,480	100	100	Cash	Further issue(2)	1,500	150,000
Pursuant to Shareholders' resolution dated December 6, 2000, each equity share of the Company of face value of ₹ 100 each was split into 10 equity shares of the Company of ₹ 10 each, therefore 1,500 equity shares of the Company of ₹ 100 each were split into 15,000 equity shares of the Company of ₹ 10 each.*							
December 6, 2000*	900,000	10	N.A.	N.A.	Bonus issue(3)	915,000	9,150,000
March 31, 2004*	255,878	10	10	Cash	Share swap(4)	1,170,878	11,708,780
May 12, 2004*	28,500	10	20	Cash	Further issue (5)	1,199,378	11,993,780
March 29, 2006*	198,592	10	100	Cash	Conversion of redeemable optionally convertible cumulative preference shares (6)	1,397,970	13,979,700
March 29, 2007*	119,600	10	10	Cash	Allotment towards Employee Stock Purchase Scheme(7)	1,517,570	15,175,700
March 30, 2010*	100	10	10	Cash	Further issue (8)	1,517,670	15,176,700
June 29, 2012	182,120	10	1647.26	Cash	Further issue (9)	1,699,790	16,997,900
Pursuant to our Shareholders' resolution dated August 12, 2021, each full paid-up equity share of our Company of face value of ₹ 10 was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each. Therefore, 1,699,790 equity shares of our Company of face value of ₹ 10 each were sub-divided into 8,498,950 Equity Shares of our Company of face value of ₹ 2 each.							
August 12, 2021	33,995, 800	2	N.A.	N.A.	Bonus Issue(10)	42,494,750	84,989,500
September 3, 2021	4,249,475	2	N.A.	N.A.	Bonus Issue(11)	46,744,225	93,488,450
Total						**46,744,225**	**93,488,450**

***** *We have been unable to trace return of allotment filed with RoC, including the payment challans thereof, certain minutes of the meetings of the board and/or shareholders and regulatory forms with respect to certain allotments of equity shares made by the Company. We have included these details basis the search report issued by the Practising Company Secretary pursuant to their inspection and independent verification of the documents available or maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated September 19, 2021 prepared by K S Raghuraam and Associates, Independent Practising Company Secretary (Membership number: A21028), and certified by their certificate dated September 19, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors- Our Company was incorporated in 1998 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" on page 53.*

(1) *Srinivasagopalan Rangarajan was allotted 10 equity shares and Rekha Murthy Rangarajan was allotted 10 equity shares.*
(2) *Srinivasagopalan Rangarajan was allotted 740 equity shares and Rekha Murthy Rangarajan was allotted 740 equity shares.*
(3) *Srinivasagopalan Rangarajan was allotted 450,000 equity shares and Rekha Murthy Rangarajan was allotted 450,000 equity shares.*
(4) *Srinivasagopalan Rangarajan was allotted 174,800 equity shares, Rekha Murthy Rangarajan was allotted 45,438 equity shares,, Jayalakshmi was allotted 895 equity shares, GV Keshava Murthy was allotted 13,494 equity shares, G.K. Vasundhara was allotted 13,494 equity shares, Sudhir Nathan was allotted 1,790 equity shares, Kavitha Sudhir was allotted 1,377 equity shares and Parimala Palani was allotted 4,590 equity shares in consideration for the shares held by them in in our Erstwhile Subsidiary at a swap ratio of 1 share of the Erstwhile Subsidiary for approximately 4.589 equity shares of the Company pursuant to the decision taken in the meeting of the board of directors dated March 31, 2003.*
(5) *National Venture Fund for Software and Information Technology (a Trust created under the provisions of the Indian Trust Act, 1882) through its manager SIDBI Venture Company Limited was allotted 12,000 equity shares, SICOM Venture Capital Fund (a Trust created under the provisions of the Indian Trust Act, 1882)through its manager SICOM Capital Management Private Limited was allotted 12,000 equity shares, Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar) was allotted 2,500 Equity Shares, Shivanand Shankar Mankekar (Second Holder- Laxmi Shivanand Mankekar) was allotted 1,000 Equity Shares and Shivanand Shankar Mankekar (Second Holder-Kedar Shivanand Mankekar) was allotted 1,000 Equity Shares.*
(6) *National Venture Fund for Software and Information Technology (a Trust created under the provisions of the Indian Trust Act, 1882) through its manager SIDBI Venture Company Limited was allotted 76,714 equity shares, SICOM Venture Capital Fund (a Trust created under the provisions of the Indian Trust Act, 1882)through its manager SICOM Capital Management Private Limited was allotted 76,714 equity shares , Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar) was allotted 25,092 Equity Shares, Shivanand Shankar Mankekar (Second Holder- Laxmi Shivanand Mankekar) was allotted 10,036 Equity Shares and Shivanand Shankar Mankekar (Second Holder-Kedar Shivanand Mankekar) allotted 10,036 equity shares after the conversion of 147,595, 147,595, 49,499, 19,799 and 19,799 ROCCPS held by each of them, respectively.*
(7) *Indus Teqsite Employee Reward Trust was allotted 119,600 equity shares towards offer of shares to the eligible employees as per the employee stock purchase scheme adopted by our Board on March 29, 2007*
(8) *National Venture Fund for Software and Information Technology (a Trust created under the provisions of the Indian Trust Act, 1882) through its manager SIDBI Venture Company Limited was allotted 100 equity shares.*
(9) *Oman India Joint Investment Fund was allotted 182,120 equity shares.*

(10) *33,995,800 Equity Shares was allotted in the ratio of 4:1 (four Equity Shares for each Equity Share held by the Shareholders) to the Existing Shareholders.*
(11) *4,249,475 Equity Shares was allotted in the ratio of 1:10 (one Equity Shares for ten Equity Shares held by the Shareholders) to the Existing Shareholders.*

b. History of Preference Share capital

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

Date of allotment	Number of Redeemable Preference Shares allotted	Face value per Redeemable Preference Share (₹)	Issue price per Redeemable Preference Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Redeemable Preference Shares	Cumulative paid-up Redeemable Preference Share capital (₹)
May 12, 2004	384,300	100	100	Cash	Further issue *	384,300	38,430,000

** National Venture Fund for Software and Information Technology (a Trust created under the provisions of the Indian Trust Act, 1882) through its manager SIDBI Venture Company Limited was allotted 147,600 ROCCPS, SICOM Venture Capital Fund (a Trust created under the provisions of the Indian Trust Act, 1882)through its manager SICOM Capital Management Private Limited was allotted 147,600 ROCCPS, Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar) was allotted 49,500 ROCCPS, Shivanand Shankar Mankekar (Second Holder- Laxmi Shivanand Mankekar) was allotted 19,800 ROCCPS and Shivanand Shankar Mankekar (Second Holder- Kedar Shivanand Mankekar) was allotted 19,800 ROCCPS. On March 29, 2006, the redeemable preference shareholders surrendered their ROCCPS and continued to hold a nominal number of ROCCPS (National Venture Fund for Software and Information Technology (a Trust created under the provisions of the Indian Trust Act, 1882) through its manager SIDBI Venture Company Limited and SICOM Venture Capital Fund (a Trust created under the provisions of the Indian Trust Act, 1882)through its manager SICOM Capital Management held 5 ROCCPS each, while Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar), Shivanand Shankar Mankekar (Second Holder- Laxmi Shivanand Mankekar) and Shivanand Shankar Mankekar (Second Holder- Kedar Shivanand Mankekar held one ROCCPS each and this redemption was conditional on outstanding dues being collected within the stipulated time frame. Since the dues were collected by the Company, the ROCCPS got redeemed at par.*

c. Shares issued for consideration other than cash or out of revaluation of reserves

Except as detailed below, our Company has not issued any Equity Shares out of revaluation of reserves or for consideration other than cash since its incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment
March 31, 2004	255,878	10	10	Cash	Share swap

**Srinivasagopalan Rangarajan was allotted 174,800 equity shares, Rekha Murthy Rangarajan was allotted 45,438 equity shares,, Jayalakshmi was allotted 895 equity shares, GV Keshava Murthy was allotted 13,494 equity shares, G.K. Vasundhara was allotted 13,494 equity shares, Sudhir Nathan was allotted 1,790 equity shares, Kavitha Sudhir was allotted 1,377 equity shares and Parimala Palani was allotted 4,590 equity shares in consideration for the shares held by them in our Erstwhile Subsidiary at a swap ratio of 1 share of the Erstwhile Subsidiary for approximately 4.589 equity shares of the Company pursuant to the decision taken in the meeting of the board of directors dated March 31, 2004.*

d. Shares issued under any scheme of arrangement

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

e. Issue of Shares at a price lower than the Offer Price in preceding one year from date of the Draft Red Herring Prospectus

Our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Draft Red Herring Prospectus, at a price which may be lower than the Offer Price.

f. History of the share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 27,277,663 Equity Shares, which constitutes 58.36 % of the issued, subscribed and paid-up Equity Share capital of our Company.

g. Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital^	% of post-Offer capital
(A) Srinivasagopalan Rangarajan							
November 11, 1998	Subscription to MoA	10	Cash	100	100	0.00	[●]
February 28, 1999	Further issue	740	Cash	100	100	0.04	[●]
April 17, 2000	Transfer to M.S. Muralidharan	10	Cash	100	100	0.00	[●]
Pursuant to Shareholders' resolution dated December 6, 2000, each equity share of our Company of face value of ₹ 100 each was split into 10 equity shares of our Company of ₹ 10 each, therefore 740 equity shares of our Company of ₹ 100 each held by Srinivasagopalan Rangarajan were split into 7400 Equity Shares of the Company of ₹ 10 each.							
December 6, 2000	Bonus Issue	450,000	N.A.	10	N.A.	26.47	[●]
March 31, 2004	Transfer from M.S. Muralidharan*	100	Cash	10	10	0.01	[●]
March 31, 2004	Share swap	174,800	N.A.	10	Nil	10.28	[●]
June 26, 2011	Transfer from Ratnakar Bank Limited	3,696	Cash	10	680	0.22	[●]
June 26, 2011	Transfer to Rekha Murthy Rangarajan	60,054	Cash	10	679.20	3.53	[●]
June 27, 2011	Transfer from Small Industries Development Bank of India ("**SIDBI**") Trustee Company Limited	88,714	Cash	10	679.20	5.22	[●]
June 27, 2011	Transfer from SIDBI Limited	44,358	Cash	10	679.20	2.61	[●]
June 27, 2011	Transfer from IDBI Bank Limited	3,696	Cash	10	679.20	0.22	[●]
January 25, 2012	Transfer from SICOM Limited	36,964	Cash	10	746	2.17	[●]
March 26, 2012	Transfer from SIDBI Trustee Company Limited	100	Cash	10	20	0.01	[●]
June 29, 2012	Transfer to Oman Joint Investment Fund	91,713	Cash	10	1647.26	5.40	[●]
March 24, 2015	Transmission of shares from S. Jayalakshmi	895	N.A.	10	Nil	0.05	[●]
January 4, 2021	Transfer to employees	84,990	Cash	10	895	5.00	[●]
April 5, 2021	Transfer to employees	38,245	Cash	10	1,771	2.25	[●]
Pursuant to our Shareholders' resolution dated August 12, 2021, each full paid-up equity share of our Company of face value of ₹ 10 was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each. Therefore, 535,721 equity shares of our Company of face value of ₹ 10 each held by Srinivasagopalan Rangarajan, were sub-divided into 2,678,605 Equity Shares of our Company of face value of ₹ 2 each.							
August 12, 2021	Bonus Issue	10,714,420	N.A.	2	Nil	25.21	[●]
September 3, 2021	Bonus Issue	1,339,303	N.A.	2	Nil	2.87	[●]
Total		**14,732,328**				**31.52**	**[●]**
(B) Rekha Murthy Rangarajan							
November 11, 1998	Subscription to MoA	10	Cash	100	100	0.00	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital^	% of post-Offer capital
February 28, 1999	Further issue	740	Cash	100	100	0.04	[●]
Pursuant to Shareholders' resolution dated December 6, 2000, each equity share of our Company of face value of ₹ 100 each was split into 10 equity shares of our Company of ₹ 10 each, therefore 750 equity shares of our Company of ₹ 100 each held by Rekha Murthy Rangarajan were split into 7500 Equity Shares of the Company of ₹ 10 each.							
December 6, 2000	Bonus Issue	450,000	N.A.	10	Nil	26.47	[●]
March 31, 2004	Share swap	45,438	N.A.	10	Nil	2.67	[●]
June 26, 2011	Transfer from Srinivasagopalan Rangarajan	60,054	Cash	10	679.20	3.53	[●]
June 29, 2012	Transfer to Oman India Joint Investment Fund	60,054	Cash	10	1647.26	3.53	[●]
April 5, 2021	Transfer to employees	46,744	Cash	10	1,770	2.75	[●]
Pursuant to our Shareholders' resolution dated August 12, 2021, each full paid-up equity share of our Company of face value of ₹ 10 was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each. Therefore, 456,194 equity shares of our Company of face value of ₹ 10 each held by Rekha Murthy Rangarajan, were sub-divided into 2,280,970 Equity Shares of our Company of face value of ₹ 2 each.							
August 12, 2021	Bonus Issue	9,123,880	N.A.	2	Nil	21.47	[●]
September 3, 2021	Bonus Issue	1,140,485	N.A.	2	Nil	2.44	[●]
Total		**12,545,335**				**26.84**	

* *We have been unable to trace the copies of the share transfer forms and documents for the specified transfers and transmissions of shares as well as minutes of the board and/or shareholders meeting with respect to all the transfer and transmission of equity shares of our Company. We have included these details basis the search report issued by the Practising Company Secretary pursuant to their inspection and independent verification of the documents available or maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated September 19, 2021 prepared by KS Raghuraam and Associates, Independent Practising Company Secretary, and certified by their certificate dated September 19, 2021 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors- Our Company was incorporated in 1998 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" on page 53.*

^ *Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of our Company*

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

h. Shareholding of our Promoters and Promoter Group

Set forth below is the shareholding of our Promoters as on the date of this Draft Red Herring Prospectus.

S No.	Name of shareholder	Number of Equity Shares	% of the pre-Offer capital
(1) Promoters			
1.	Srinivasagopalan Rangarajan	14,732,328	31.52
2.	Rekha Murthy Rangarajan	12,545,335	26.84
Total (A)		**27,277,663**	**58.36**
(2) Promoter Group			
3.	G.K. Vasundhara	741,895	1.59
Total (B)		741,895	1.59
Total (A+B)		**28,019,558**	**59.95**

Except as disclosed above in the "Build-up of the shareholding of our Promoters in our Company" given on page 77, none of the members of the Promoter Group, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

2. ***Details of Promoters' contribution and lock-in***

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of eighteen months as minimum promoter's contribution from the date of Allotment ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table* below:

Name of Promoters	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares	Date of transaction when fully paid up	Nature of allotment	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**						**[●]**	**[●]**	**[●]**

** To be updated prior to filing of the Prospectus with the RoC*

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets and have not been issued against Equity Shares which are otherwise ineligible for computation of Minimum Promoter's Contribution, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

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

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

(d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge; and

(e) All the Equity Shares held by our Promoters are held in dematerialised form as on the date of this Draft Red Herring Prospectus.

a. Details of Equity Shares locked-in for six months

In addition to the Minimum Promoter's Contribution, which will be locked in for eighteen months as specified above, the entire pre-Offer Equity Share capital held by persons (including those Equity Shares held by our Promoters in excess of the Promoter's contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations.

b. ***Lock-in of Equity Shares Allotted to Anchor Investors***

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

c. ***Other lock-in requirements:***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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 to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be transferred to and amongst the members of our Promoter Group or to any new promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

d. ***Recording on non-transferability of Equity Shares locked-in***

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.

3. **Shareholding Pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoters and Promoter Group**	3	28,019,558	-	-	28,019,558	59.95%	28,019,558	-	28,019,558	59.95%	-	-	-		12,521,025	26.79	28,019,558
(B)	**Public**	252	12,728,045	-	-	12,728,045	27.22%	12,728,045	-	12,728,045	27.22%	-	-	-		-	-	12,728,045
(C)	**Non Promoter-Non Public**	1	5,996,622	-	-	5,996,622	12.83%	5,996,622	-	5,996,622	12.83%	-	-	-		-	-	5,996,622
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
	Total	**256**	**46,744,225**	**-**	**-**	**46,744,225**	**100.00%**	**46,744,225**	**-**	**46,744,225**	**100.00%**	**-**	**-**	**-**				**46,744,225**

4. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

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

Sl. No.	Name	No. of Equity Shares	% of pre-Offer capital^	% of post-Offer capital
	Director(s)			
1.	Srinivasagopalan Rangarajan	14,732,328	31.52	[●]
2.	Rekha Murthy Rangarajan	12,545,335	26.84	[●]
	Total	27,277,663	58.36	[●]
	Key Managerial Personnel (other than Executive Director)			
3.	Vijay Ananth K	1,556,885	3.33	[●]
4.	Desinguraja Parthasarathy	1,598,107	3.42	[●]
5.	Thomas Mathuram Susikaran	568,480	1.22	[●]
6.	Nandaki Devi R	55,000	0.12	[●]
7.	Venkata Subramanian V	672,403	1.44	[●]
	Total	**4,450,875**	**9.53**	[●]

^Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of our Company

6. **Details of equity shareholding of the major equity Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has 256 shareholders.

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

S.No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares	% of Equity Share capital
1.	Srinivasagopalan Rangarajan	14,732,328	31.52
2.	Rekha Murthy Rangarajan	12,545,335	26.84
3.	G.K. Vasundhara	741,895	1.59
4.	Florintree Capital Partners LLP	5,996,622	12.83
5.	Desinguraja Parthasarathy	1,598,107	3.42
6.	Vijay Ananth	1,556,885	3.33
7.	Thirunavukkarasu T S	765,683	1.64
8.	Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar)	758,780	1.62
9.	Thomas Mathuram Susikaran	568,480	1.22
10.	Venkata Subramanian V	672,403	1.44
11.	K. Sundara Raghavan	1,246,932	2.67
12.	Kuppuswamy G	554,730	1.19
	Total	**41,738,181**	**89.31**

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

S.No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares	% of Equity Share capital
1.	Srinivasagopalan Rangarajan	14,732,328	31.52
2.	Rekha Murthy Rangarajan	12,545,335	26.84
3.	G.K. Vasundhara	741,895	1.59
4.	Florintree Capital Partners LLP	5,996,622	12.83
5.	Desinguraja Parthasarathy	1,598,107	3.42
6.	Vijay Ananth	1,556,885	3.33
7.	Thirunavukkarasu T S	765,683	1.64
8.	Laxmi Shivanand Mankekar (Second Holder- Shivanand Shankar Mankekar)	758,780	1.62
9.	Thomas Mathuram Susikaran	568,480	1.22
10.	Venkata Subramanian V	672,403	1.44
11.	K. Sundara Raghavan	1,246,932	2.67
12.	Kuppuswamy G	554,730	1.19
	Total	**41,738,181**	**89.31**

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

Sl. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares	% of Equity Share capital^
1.	Srinivasagopalan Rangarajan	658,956	38.77
2.	Rekha Murthy Rangarajan	502,938	29.59
3.	Oman India Joint Investment Fund	333,887	19.64
4.	G.K. Vasundhara	26,978	1.59
5.	Laxmi Shivanand Mankekar	27,592	1.62
	Total	**1,550,351**	**91.21**

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

Sl. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares	% of Equity Share capital^
1.	Srinivasagopalan Rangarajan	658,956	38.77
2.	Rekha Murthy Rangarajan	502,938	29.59
3.	Oman India Joint Investment Fund	333,887	19.64
4.	Indus Teqsite Employee Reward Trust	119,600	7.04
5.	G.K. Vasundhara	26,978	1.59
6.	Laxmi Shivanand Mankekar	27,592	1.62
	Total	**1,669,951**	**98.25**

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

S. No.	Name	Financing Entity*	Nature of transaction	No of Shares
1.	Venkata Subramanian V	Mr. Srinivasagopalan Rangarajan and Ms. Rekha Murthy Rangarajan	Purchase	16,799
2.	Thomas Mathuram Susikaran		Purchase	12,550
3.	Kuppuswamy G.		Purchase	12,550
4.	Thirunavukkarasu T S		Purchase	8,040
5.	Swaminathan A		Purchase	4,150
6.	Muni Prasad K V		Purchase	2,000

S. No.	Name	Financing Entity*	Nature of transaction	No of Shares
7.	Vimal. R		Purchase	1,800
8.	Soundara Pandiyan		Purchase	1,800
9.	Ramakrishnan B		Purchase	1,800
10.	Mariappan S		Purchase	1,800
11.	Ramesh M		Purchase	1,800
12.	Senthil Kumar J		Purchase	1,000
13.	Vinodh Kumar D.		Purchase	900
14.	Karthick R		Purchase	750
15.	Navin X. Raja		Purchase	750
16.	Baskar S		Purchase	750
17.	A.P Sooriamala		Purchase	600
18.	Kaleel Ahmed A.		Purchase	500
19.	Stalin Koshy K		Purchase	500
20.	Syed Shah		Purchase	400
21.	Rajendra Kumar R		Purchase	350
22.	Andal N		Purchase	300
23.	Kathiresan R		Purchase	300
24.	S Raja		Purchase	250
25.	Rajesh Kumar T		Purchase	250
26.	Jagathalapratap E		Purchase	250
27.	Saravanakumar P		Purchase	250
28.	Karthikeyan M		Purchase	250
29.	Sathishkumar		Purchase	250
30.	Saravanan K R		Purchase	250
31.	Kailasam M		Purchase	250
32.	Sriramakrishnan V		Purchase	250
33.	Jagannathan J		Purchase	250
34.	Srikanth C		Purchase	250
35.	Gamaliel Moses Immanuel		Purchase	250
36.	Gurumoorthy R		Purchase	250
37.	Jagat Bhusan Panda		Purchase	250
38.	Kingshuk Mitra		Purchase	250
39.	Rajesh D		Purchase	250
40.	Rajasekar P S		Purchase	250
41.	Arun Kumar M		Purchase	250
42.	Sugumar K		Purchase	250
43.	Ramesh V N		Purchase	250
44.	Ramanathan.S		Purchase	250
45.	S.Palanichamy		Purchase	200
46.	Lakshmanan S		Purchase	200
47.	Senthil kumar S		Purchase	200
48.	Veerapathiran A		Purchase	200
49.	Yuvaraj J.		Purchase	200
50.	Satheesh Kumar K.V.		Purchase	200
51.	Kumar H		Purchase	200
52.	Revathy K P		Purchase	200
53.	Rajasekaran V		Purchase	200
54.	Prithivi Rajan M		Purchase	200

S. No.	Name	Financing Entity*	Nature of transaction	No of Shares
55.	Mangalakumar M		Purchase	200
56.	Chandrasekar G J		Purchase	200
57.	Kalanidhi G		Purchase	200
58.	Viswanadham.E.K		Purchase	200
59.	Lakshmi Narayanan PR		Purchase	200
60.	Elaya Sekaraja		Purchase	200
61.	R Rangarajan (ITS)		Purchase	150
62.	Vijay Kumar Raja T		Purchase	150
63.	Tamilselvan P		Purchase	150
64.	Kalidass K		Purchase	150
65.	Sathiaseelan T		Purchase	150
66.	Raja R		Purchase	150
67.	Anitha Mani		Purchase	150
68.	Arunkumar M		Purchase	150
69.	Jayanthi D		Purchase	150
70.	Gifton Samuel D		Purchase	150
71.	Dhayanandhan R		Purchase	150
72.	Pravinkumar S		Purchase	150
73.	Arumugam S		Purchase	150
74.	Kanchana R		Purchase	150
75.	Palanisamy M		Purchase	150
76.	Linto Thomas		Purchase	150
77.	Shanmugam S		Purchase	150
78.	Harish Babu G K		Purchase	150
79.	Vishnu B		Purchase	150
80.	Thinesh M		Purchase	150
81.	Shankar K S		Purchase	150
82.	Sasikumar D		Purchase	150
83.	Suriya R		Purchase	150
84.	Madhusudhan D		Purchase	150
85.	Mahendran V		Purchase	150
86.	Parthiban A		Purchase	150
87.	Thiruraj G		Purchase	150
88.	Loganathan N		Purchase	150
89.	Selvam P		Purchase	150
Total				**84,989**

**The shares financed have been purchased on April 5, 2021 for a consideration of ₹ 1,770 per Equity Share.*

8. Our Company, Promoters, Directors, and the BRLMs have not entered into any buy-back arrangement or any other similar arrangements for the purchase of Equity Shares.

9. Except as disclosed in this Draft Red Herring Prospectus, our Promoters, other members of our Promoter Group, our Directors or their relatives have not purchased or sold any securities of our Company during the six months prior to the date of filing this Draft Red Herring Prospectus.

10. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

11. As on the date of this Draft Red Herring Prospectus, our Company does not have any active employee stock option plan.

12. No person connected with the Offer, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

13. Except for the 12,521,025 Equity Shares of Srinivasagopalan Rangarajan aggregating to 26.79% of the paid-up capital of our Company, pledged with State Bank of India for the credit facilities sanctioned to our Company sanction letter bearing number SBI/OSB/ AMT VI/2020-21/ITPL/122 dated January 11, 2021, none of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

14. 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.

15. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

16. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

17. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

19. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by our Promoters and members of our Promoter Group.

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

21. Except as disclosed in "*Capital Structure – Share capital history of our Company – History of Equity Share capital*" on page 75, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 3,000 million by our Company and an Offer for Sale of up to 6,070,675 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders

Offer for Sale

The Selling Shareholders will be entitled to their respective portions of the proceeds of the Offer for Sale after deducting their respective proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, please see *"Objects of the Offer -Offer Expenses"* on page 98.

Fresh Issue

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

(₹ in million)

Particulars	Amount
Gross proceeds from the Fresh Issue(1)	3,000.00
(Less) Offer related expenses in relation to the Fresh Issue(2)	[●]
Net Proceeds	[●]

(1) *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from respective Object of the Fresh Issue, for which the Pre-IPO proceeds were used, 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.*

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

Our Company proposes to utilise the net proceeds of the Fresh Issue, *i.e.*, gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue ("**Net Proceeds**") towards funding the following objects:

1. Prepayment or repayment of all, or a portion, of certain outstanding borrowings availed by our Company;
2. Funding working capital requirements of our Company;
3. Upgrading and expanding our existing facilities at Chennai; and
4. General corporate purposes

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

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India.

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 million)

S. No.	Particulars	Amount which will be financed from Net Proceeds(1)	Estimated Utilisation of Net Proceeds		
			Fiscal 2022	Fiscal 2023	Fiscal 2024
1.	Prepayment or repayment of all, or a portion of, certain outstanding borrowings availed by our Company;	542.57	542.57	-	-
2.	Funding working capital requirements of our Company	951.91	-	667.00	284.91
3.	Upgrading and expanding our existing facilities at Chennai	626.84	470.13	156.71	-
4.	General corporate purposes (1)	[●]	[●]	[●]	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.*

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 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, interest rate fluctuations and other external factors, 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 Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ 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 – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 52 of this Draft Red Herring Prospectus.

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 to fund any such shortfalls.

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.

Details of the Objects of the Fresh Issue

1. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company

Our Company proposes to utilise ₹ 542.57 million towards funding prepayment or repayment of all or a portion of its outstanding borrowing.

Our Company has entered into financing arrangements with various banks and financial institutions for its operations in the ordinary course of its business. For details of our outstanding borrowings, see "*Financial Indebtedness*" on page 308. Our Company proposes to utilise an estimated amount of up to ₹ 542.57 million from the Net Proceeds towards pre-payment or scheduled repayment of all or a portion of such loans and credit facilities availed by our Company. We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The following table provides details of loans and facilities availed by our Company as at August 31, 2021, out of which we propose to pre-pay or repay, in part either all or a portion of the below mentioned loans and/or facilities, up to an amount aggregating to ₹ 542.57 million from the Net Proceeds:

Sr. No.	Name of the lender	Nature of borrowing	Purpose	Amount sanctioned (in ₹ million)	Principal amount outstanding as on August 31, 2021 (in ₹ million)	Interest Rate (% p.a.)	Repayment schedule	Pre-payment conditions/penalty
1.	State Bank of India	Working capital	General Corporate Purpose	265.00	253.43	11% (MCLR + 4.05%)	On demand	NIL and 2% of Prepayment amount pertaining to loan with sanction amount of Rs. 20 million
2.	State Bank of India	Government Guaranteed Covid Loan	Augment networking capital, meeting operating liabilities and restart operations after lockdown	50.40	50.40	7.4% (EBLR+0.75%)	36 months from completion of moratorium period	NIL and 2% of Prepayment amount pertaining to loan with sanction amount of Rs. 21.60 million.
3.	Axis Bank	Working capital	General Corporate Purpose	86.00	84.73	11.75% (Repo rate +7.75%)	On Demand	2% on entire working capital limit
4.	IDBI Bank	Working capital	General Corporate Purpose	60.00	55.27	10.25 % (MCLR + 4.3%) 11.05% (RLLR + 3.35%) 11.05	On Demand	NIL
5.	HDFC Bank#	Working capital	General Corporate Purpose	100.00	49.19	7.60% and 9.25%	1 year from December, 2020 On Demand for loan with sanction amount of Rs. 50 million.	Rate applicable as on date of such repayments.
6.	HDFC Bank#	Capital expenditure	Capital expenditure	360.00	49.55	9.25%	60 months from completion of moratorium period	Rate applicable as on date of such repayments.
	Total			921.40	542.57			

** The amount outstanding as of August 31, 2021 has been certified by R.G.N Price & Co., Chartered Accountant, our Statutory Auditors by way of their certificate dated September 19, 2021. Further, our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed.*
 # Loans availed by our Erstwhile Subsidiary. Pursuant to the Scheme, these facilities have been included in the indebtedness of our Company.

The selection of borrowings proposed to be repaid/pre-paid shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to repay or prepay the borrowings and time taken to fulfil or obtain waivers for fulfilment of such conditions, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any repayment or prepayment penalties and the quantum thereof, (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding, the remaining tenor of the loan and the due date for making payment of a loan, and (vi) payment of additional interest, prepayment penalty or premium, if any, and other related costs. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net Proceeds. Payment of such prepayment penalty, if any, shall be made out of the Net Proceeds.

Further, the amounts outstanding under working capital facilities are dependent on several factors and may vary with the business cycle and could include interim repayments and drawdown. Given the nature of these borrowings and terms of repayment, aggregate outstanding amounts may vary from time to time. In the event sanctioned amounts under the working capital facilities were to increase and be drawn down, prior to filing the Red Herring Prospectus with the RoC, we may revise our utilisation of the Net Proceeds towards repayment of such further amounts under the working capital facilities, as mentioned above, subject to compliance with the SEBI ICDR Regulations, Companies Act and other applicable laws. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Offer, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us.

For the purposes of the Offer, our Company has intimated and has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, change in management, amendment to the Articles of Association of our Company, etc.

Further, in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our statutory auditors vide their certificate dated September 19, 2021 has confirmed the utilization of loans that are proposed to be repaid for the purposes availed, our Company has obtained the requisite certificate.

2. Funding working capital requirements of our Company

Our Company proposes to utilise ₹ 951.91 million towards funding its working capital requirements.

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks and financial institutions. Our Company requires additional working capital for funding future growth requirements of our Company and for other corporate purposes. Specifically, we are in the process of upgrading and expanding our manufacturing facility, as well as addition of capability of handling large and heavy equipment. In light of the above, our Company will require incremental working capital.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2019, March 31, 2020 and March 31, 2021 and the source of funding, derived from the Restated Financial Statements, as certified by R.G.N Price & Co, Chartered Accountants through their report dated September 15, 2021, are provided in the table below:

(₹ in million)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(A)	**Current Assets#**			
	Inventories	737.45	794.14	866.86
	Trade receivables	1,559.35	1,156.34	1,029.40
	Other financial and current assets	228.29	189.82	120.09
	Total Current assets (A)	**2,525.09**	**2,140.30**	**2,016.35**
(B)	**Current Liabilities**			
	Trade Payables	119.95	172.58	158.61
	Advances from customers	191.31	187.74	185.67

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Other financial and current liabilities	179.00	208.57	151.26
	Total Current Liabilities (B)	**490.26**	**568.89**	**495.54**
	Net Working Capital Requirements (A-B)	**2,034.83**	**1,571.41**	**1,520.81**
(C)	**Funding pattern**			
	Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	226.74	598.58	581.55
	Internal Accruals/ Equity	1,808.09	972.83	939.26
	Total Means of Finance	**2,034.83**	**1,571.40**	**1,520.81**

 # Cash and cash equivalents have not been considered as part of the current assets in the computation of net working capital requirements.
Note: Pursuant to the report dated September 19, 2021, issued by Sanjeev Shah & Associates, Chartered Accountants.

For further details, please refer to "*Other Financial Information*" on page 271

On the basis of the existing and estimated working capital requirement of our Company, and assumptions for such working capital requirements, our Board pursuant to its resolution dated July 16, 2021 has approved the projected working capital requirements for Financial Years 2022, 2023, and 2024. The details of our Company's projected working capital requirements for the Financial Years 2022, 2023 and 2024, and the proposed funding of such working capital requirements are set forth in the table below:

(₹ in million)

S. No.	Particulars	Estimated as at		
		March 31, 2022	**March 31, 2023**	**March 31, 2024**
(A)	**Current Assets***			
	Inventories	923.61	1,198.90	1,193.67
	Trade receivables	1,968.23	2,463.98	2,905.29
	Other financial and current assets	220.90	220.90	220.90
	Total Current assets (A)	**3,112.74**	**3,883.78**	**4,319.86**
(B)	**Current Liabilities#**			
	Trade Payables	173.18	239.78	265.26
	Advances from customers	408.45	238.06	247.67
	Other financial and current liabilities	454.64	584.96	701.96
	Total Current Liabilities (B)	**1,036.27**	**1,062.80**	**1,214.89**
	Net working capital requirements (A-B)	2,076.47	2,820.98	3,104.97
(C)	**Funding pattern**			
	Borrowings from banks, financial institution and non-banking financial companies (including bill discounting) or internal accruals	2,076.47	2,153.98	2,153.06
	Proceeds from the Offer		667.00	951.91
	Total Means of Finance	**2,076.47**	**2,820.98**	**3,104.97**

** Cash and cash equivalents have not been considered as part of the current assets in the computation of estimated net working capital requirements*
 # Current maturities of long-term debt have not been considered as part of the current liabilities in the computation of estimated net working capital requirements

Note: Pursuant to the report dated September 19, 2021, issued by Sanjeev Shah & Associates, Chartered Accountants.
Please note our Statutory Auditors have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to it.

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) considered and is derived from the Restated Financial Statements for Financial Years 2019, 2020, and 2021. Further, we have also provided estimates holding levels (days) for Financial Years 2022, 2023 and 2024:

Days (Basis of revenue from contract with customers)	Fiscal 2019	Fiscal 2020 (Actual)	Fiscal 2021 (Actual)	Fiscal 2022 (Projected)	Fiscal 2023 (Projected)	Fiscal 2024 (Projected)
Inventories	241	186	120	105	104	87
Trade receivables	287	270	254	224	213	213
Other financial and current assets	33	44	37	25	19	16
Trade Payables	44	40	20	20	21	19
Advances from customers	52	44	31	46	21	18
Other financial and current liabilities	42	49	29	52	51	51
Net working capital days	**424**	**367**	**332**	**236**	**244**	**228**

Note: Pursuant to the report dated September 19, 2021, issued by Sanjeev Shah & Associates, Chartered Accountants.

Key assumptions for working capital requirements

S. No.	Particulars	Assumptions
Current Assets		
1	Inventories	With the scale up in the production-based contracts in order book and revenue, the inventory holding period levels will progressively come down. Inventories have been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.
2	Trade Receivables	The receivables days has been consistently trending down over the past three years. The trend is likely to continue going forward owing to higher production-based contracts in revenues. Trade receivable levels been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.
3	Other financial and Current assets	This primarily comprises of Prepaid expenses, advance to suppliers, balances with Statutory authorities, interest accrued but not due etc. Other financial and current assets have been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.
Current Liabilities		
1	Trade Payables	Trade Payables cycle are expected to remain in line with the FY21 end levels at around 20 days. Trade Payable levels have been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.
2	Advances from Customers	As the company's order book expands, the customer advances are expected to moderate and hence expected to go down going forward. Advances from Customers have been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.
3	Other current liabilities and Provisions	This primarily comprises of Statutory payments dues, Provision for income tax, Payable to employees, short term provisions etc. Other financial and current liabilities have been maintained in line with the projected business activity for the Fiscals 2022, 2023 and 2024.

Note: Pursuant to the report dated September 19, 2021, issued by Sanjeev Shah & Associates, Chartered Accountants.

3. Upgrading and expanding our existing facilities at Chennai

Our Company proposes to utilise ₹ 626.84 million towards funding upgrading and expanding its existing facility in Chennai.

Our manufacturing facility consists of 100,000 square feet factory built on 5.75 acres of land in Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in aerospace and defence applications. Our facility includes an EMS line, clean rooms, board, box and rack level integration capability and environmental testing making us self-sufficient in our requirement of high quality and high complexity production. In house functional testing for all our products is carried out, usually using internally developed automatic testing equipment. For further details, see section "*Our Business – Manufacturing Infrastructure*"

Pursuant to increase in our order book, we intend to expand this facility. Our total order book amount for fiscal 2019, fiscal 2020 and fiscal 2021 are ₹ 1,815.08 million, ₹ 5,855.45 million and ₹ 4,979.87 million, respectively. The Board by its resolution dated September 3, 2021 set out its proposal to enhance our offerings in the aerospace and defence electronics space, especially in complex technology-based products which will require the expansion of our current facility. We are also in the process of upgrading and expanding our facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems, satellite integration facility. For further details on our expansion strategy, see section "*Our Business – Continue expansion of product portfolio with complex technology-based products*."

Accordingly, we intend to use the Net Proceeds allocated for this Object as set out below:

(₹ in million)

S. No.	Expense category	Estimated cost
1.	Plant and Equipment	215.64
2.	Building Infrastructure	369.08
3.	IT Infrastructure	42.12
4.	Total	**626.84**

(i) Plant and equipment

Our Company intends to utilize ₹ 215.64 million from the Net Proceeds for the purchase of machinery and equipment at this manufacturing facility. We have placed orders for an aggregate amount of ₹ 147.36 million for the purchase of new and upgraded machineries and have paid ₹ 43.93 million in advances from internal accruals and remaining amount of ₹ 103.44 million for such orders shall be paid from the Net Proceeds. Further, we are yet to place orders for such machineries and equipment for an aggregate amount of ₹ 112.21 million. Accordingly, we are yet to place orders for 52.03% of the total estimated cost in relation to the purchase of plant and equipment.

Details of machinery and equipment for which orders have been placed and to be placed:

Orders placed

The total value of orders placed is ₹147.36 million. Our Company has made payments towards advance and partial delivery of ₹ 43.93 million. Accordingly, balance amount of ₹ 103.44 million is proposed to be paid from the Net Proceeds. The details appear hereunder:

S. No.	Machinery description	Purchase Order#	Date of purchase order	Estimated date of supply*	Name of the vendor	Quantity	Purchase order value	Currency	Purchase order value# *(in ₹ million)*
1.	Power supply	DP/CAP/51/20-21	February 22, 2021	October 2021 and February 2022	We Components Pte Ltd	4	65,664.00	USD	4.88
2.	RF Test Equipments	DP/CAP/55/20-21	March 1, 2021	October 2021 and February 2022	Keysight Technologies Singapore (Sales) Pte Ltd	21	1,010,712.00	USD	75.06
3.	RF Test Equipments	DP/CAP/56/20-21	March 1, 2021	February 2022	Rohde and Schwarz India Private Limited	5	24,858,582.00	INR	24.86
4.	ESS Chamber 1400 Litre + 250 Litres (Package Offer)	DP/CAP/38/20-21	December 21, 2020	October 15, 2021	Angelantoni Test Technologies S.R. – Italy	1	99,000.00	EUR	8.65
5.	Dehumidification Kit	DP/IMP/10/20-21	January 21, 2021	October 15, 2021	Angelantoni Test Technologies S.R. – Italy	1	4,100.00	EUR	4.88
6.	RF Test Equipments	DP/CAP/27/21-22	August 10, 2021	October 15, 2021	Keysight Technologies Singapore (Sales) Pte Ltd	1	44,999.00	USD	75.06
7.	RF Test Equipment	DP/CAP/18/21-22	July 15, 2021	February 2022	Rohde And Schwarz India Private Limited	1	14,104,923.95	INR	24.86
8.	3D X-Ray Machine	DP/CAP/35/21-22	August 18, 2021	November 15, 2021	Inetest Technologies India Private Limited	1	217,000.00	USD	8.65
	Total (in ₹ million)#								**103.44**

***** *Based on certificate issued by our Company dated September 19, 2021.*
#Currency Conversion Rate for purchase orders/ quotations in foreign currency: For 1 USD – Rs. 74.28, For 1 EUR Rs. – 87.40 as on August 17, 2021(Source: www.rbi.org.in)

Orders to be placed

We are yet to place orders for such machineries and equipment for an aggregate amount of ₹ 112.21 million and no payments have been made towards these item. The requisite details appear hereunder:

S. No.	Machinery specifications and description	Name of the vendor	Date of quotation	Amounts (₹ *in million)*
1.	Near Field Probe Set	Tektronics	September 20, 2021	0.53
2.	Oscilloscope with probe	Rhodes and Schwarz	June 9, 2021	5.37
3.	Oscilloscope	Rhodes and Schwarz	June 9, 2021	1.49
4.	Current Probe	Rhodes and Schwarz	June 9, 2021	0.24
5.	Function Generator	Keysight Technologies India Private Limited	April 27, 2021	1.94#
6.	Micro Ohm Meter	HIOKI Tangent test Technologies	July 29,2021	0.12
7.	Multimeter	Keysight Technologies India Private Limited	April 27, 2021	0.35#
8.	Multimeter	Shah Infotech	May 18, 2021	0.30
9.	Clamp meter	Fluke Corporation / Shah Infotech	September 22, 2020	0.02
10.	Vibration Shaker	Adams Technologies Private Limited	September 23, 2020	17.92#
11.	Thermal Chamber	Southern Scientific Lab Instruments	October 15, 2020	1.60
12.	EMI-EMC	Rhodes and Schwarz	July 22, 2021	35.00
13.	REFLOW	Edgetech Automation Private Limited	August 10, 2021	20.00#
14.	Assembly Tools Accessories and PDN Accessories*	As per Requirement	-	24.99
15.	Oscilloscope with probe	Keysight Technologies India Private Limited	April 27, 2021	2.30#
	TOTAL			**112.21**

***** *These requirements are routine for manufacturing and testing. The estimate has been made by management based on email quotes.*
 # #Currency Conversion Rate for quotations in foreign currency: For 1 USD – Rs. 74.28, For 1 EUR Rs. – 87.40 as on August 17, 2021(Source: www.rbi.org.in)

These quotations have a validity period typically of 180 days. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

With respect to the remaining equipment, 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 or at the same costs. The quantity of equipment 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 plant and machinery may differ from the current estimates.

Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed 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 intend to utilise a portion of the Net Proceeds for our capital expenditure requirements and such funding requirements have not been appraised by any independent agency.*"

(ii) Building infrastructure

The key aspects of this expense includes, among other, civil works, raw material costs and electricity supply installation. Electricity supply installation includes expenses to obtain connection from local power distribution companies, diesel generators, water supply installation, fire safety installations and life safety measures including setting up fire hydrants and fire extinguishers as stipulated by the government norms and safety and security measure.

Orders placed

We have placed orders for building infrastructure for an aggregate amount of ₹ 295.92 million and no payments have been made towards these item. The detailed break-down of these estimated costs for building infrastructure is as below:

S. No	Supplier Name	Material or service provided	PO.NO	PO DATE	Amounts (₹ in million)
1.	United Consultants	Structural Design consultant	DP/SER/71/20-21	November 4, 2020	1.26
2.	Balaji Electro Controls Private Limited	Power distribution panel	DP/CAP/25/20-21	November 4, 2020	1.19
3.	Balaji Electro Controls Private Limited	Power distribution panel	DP/SER/70/20-21	November 4, 2020	0.19
4.	Z Plus Project Management Solutions	Costing estimation and quantity surveying charges	DP/SER/82/20-21	November 17, 2020	0.15
5.	Mukund and Associates	Plumbing consulting	DP/SER/80/20-21	November 17, 2020	0.45
6.	K2 Cranes and Components Private Limited	Supply of Cranes	DP/CAP/65/20-21	March 31, 2021	6.61
7.	Kone Elevator India Private Limited	Supply of Lift	DP/CAP/8/21-22	June 2, 2021	3.05
8.	Mhetras Design	Architect	Agreement	February 1, 2021	9.09
9.	Astra Electricals	Electrical supplies	DP/CAP/19/21-22 & DP/SER/36/21-22	July 26, 2021 July 23, 2021	18.42
10.	Enmac Systems Private Limited - New Block	Air-conditioning	DP/CAP/20/21-22	July 23, 2021	18.80
11.	Enmac Systems Private Limited - Refurbishment	Air-conditioning	DP/SER/35/21-22	July 24, 2021	3.51
12.	Enmac Systems Private Limited	Air-conditioning	IT-FAC/SER/31/21-22	July 19, 2021	0.05
13.	L N tech Enviro Services Private Limited	STP and WTP upgrade	IT-FAC/SER/28/21-22	July 19, 2021	1.18
14.	Balaji Electro Controls Private Limited	Power Distribution Panel	DP/CAP/29/21-22	August 14, 2021	6.37
15.	Equipment and Spares Engineering (India) Private Limited	Supply of Compressor	DP/CAP/40/21-22	September 1, 2021	0.55
16.	Ocean Lifespaces India Private Limited - Civil and road works	Building construction contract	DP/SCM/OCE/VS/001	March 24, 2021	221.36
17.	Lighting technologies	Electrical supply	DP/CAP/28/21-22	August 11, 2021	3.24
	Total				**295.92**

Orders to be placed

We are yet to place orders for building infrastructure for an aggregate amount of ₹ 73.16 million and no payments have been made towards these item. The detailed break-down of these estimated costs for building infrastructure is as below:

S. No	Supplier Name	Material required	Quotation Date	Amounts (₹ in million)
1.	Enmac Systems Private Limited – VRF System and PAC Equipments and Lowside works	VRF and Air Conditioning	-	15.97
2.	Ocean Lifespaces India Private Limited - Interiors	Building Interior	-	35.00
3.	Astra Electricals	Fire hydrant	March 12,2021	9.38

S. No	Supplier Name	Material required	Quotation Date	Amounts (₹ in million)
4.	Merrit Techno Industries LLP and IFB Industries Limited	Cafeteria Equipment	July 10, 2021and September 6, 2021	1.76
5.	Lighting Technologies	Lighting	July 22, 2021	3.24
6.	Essem Systems & Services	UPS and accessories	August 26, 2021	3.24
7.	Powerica Limited	Generator	August 25, 2021	4.11
8.	Equipments and Spares Engineering (I) India Private Limited	Compressor	August 3, 2021,	0.47
	Total			**73.16**

Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

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 building infrastructure may differ from the current estimates.

(iii) IT Infrastructure

The key aspects of this expense, *inter alia*, includes the costs for purchasing and installing information technology equipment such as servers, desktops, laptops, printers, CCTV and purchasing software licenses.

Orders to be placed

We are yet to place orders for IT infrastructure for an aggregate amount of ₹ 42.12 million and no payments have been made towards these item. The detailed break-down of these estimated costs for building infrastructure is as below:

S. No	Supplier Name	Product service provided	Quotation Date	Amounts (₹ in million)
1.	Dell Technologies	Workstations or VDI	August 2, 2021	8.36
2.	Dell Technologies	Desktops or VDI	September 9, 2021	16,94
3.	Dell Technologies & MDS Pacific	Windows 10	August 23, 2021	11.20
4.	Softcell	Antivirus	March 12,2021	1.40
5.	Pitney Bowes India Private Limited	Shredder	February 2, 2021	0.20
6.	Simon Peripherals Private Limited	Dehumidifier	September 20, 2021	0.10
7.	Big Circuit Technologies	Surveillance system	March 12, 2021	0.40
8.	Progility Technologies India Private Limited	Surveillance Camera	July 21, 2021	0.80
9.	Matrix Security Solutions	Access Control Panels	February 1, 2021	0.92
10.	Univa Technologies Pte Limited	EPDM	September 20, 2021	1.20
11.	Online Instruments India Private Limited	Projectors	August 19, 2021	0.60
	Total			**42.12**

Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

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 IT infrastructure may differ from the current estimates.

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, research and development, acquiring fixed assets, meeting any expense (including capital expenditure requirements) including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. 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. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company, or for any investment in the equity markets.

Bridge Financing Facilities

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

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include listing fees, fees payable to the BRLMs and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses will be shared, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as may be mutually agreed amongst them and in accordance with applicable law. All fees and expenses in relation to the Offer payable by the Selling Shareholders shall be directly deducted from the Offer Proceeds to the extent of their Offered Shares and the balance amount shall be paid to the Selling Shareholders, upon successful completion of the Offer, in accordance with applicable laws. If the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne proportionately by our Company and the Selling Shareholders. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

The break-up for the estimated Offer expenses are set forth below:

Activity	Estimated expenses [(1)] (in ₹ million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs [(2)(3)(4)(5)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses.	[●]	[●]	[●]
(ii) Printing and stationery expenses	[●]	[●]	[●]
(iii) Advertising and marketing expenses	[●]	[●]	[●]
(iv) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

(3) No additional uploading/processing charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Applications Forms directly procured by them.

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

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

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

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

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

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

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

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

Monitoring Utilization of Funds

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations for monitoring the utilisation of the Net Proceeds. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Financial Years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any.

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

Variation in Objects

In accordance with the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, the Companies Act and the SEBI ICDR Regulations.

Appraising agency

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

Other confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, the Directors, Key Managerial Personnel, except in the normal course of business and in compliance with applicable law.

There are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price of the Price Band. Investors should also see "Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 158, 34, 226 and 274, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Indigenous integrated and strategic defence and aerospace electronics solutions provider which is well positioned to benefit from the Make in India opportunity
- Innovation focussed business model
- Sound order book across product categories supplying to marquee customers in the defence and aerospace industry
- Modern certified manufacturing facility of international standards
- Consistent track record of profitable growth due to a scalable business model
- Experienced management team and skilled workforce.

For details, see "Our Business –Our Strengths" on page 161.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "Financial Statements" on page 226. Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. PRE-ISSUE BASIC AND DILUTED EARNING PER SHARE ("EPS"):

Financial Year	Basic EPS (in Rs)	Diluted EPS (in Rs)	Weight
2021	11.89	11.89	3
2020	4.50	4.50	2
2019	1.65	1.65	1
Weighted Average	**7.72**	**7.72**	

Notes:

(a) 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.
(b) The figures disclosed above are based on the Restated Financial Statements of our Company.
(c) The face value of each Equity Share is ₹ 2 each.
(d) Earnings per Share (₹) = Profit attributable to equity shareholders for the year/Weighted Average No. of equity shares at the end of the period/year.
(e) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

2. WEIGHTED AVERAGE RETURN ON NET WORTH ("RoNW"):

As per the Restated Financial Statements:

Period ended	RoNW (%)	Weight
March 31, 2021	26.79%	3
March 31, 2020	13.74%	2
March 31, 2019	5.81%	1
Weighted Average	**18.94%**	

Note: Return on Net Worth ratio: Total comprehensive income for the year attributable to owners of the company divided by the Equity attributable to the owners of the Company at the end of the year.

3. NET ASSET VALUE ("NAV") PER EQUITY SHARE (Face value of Rs. 2):

Net asset value per equity share of our Company as on March 31, 2021 as per the Restated Financial Statements was Rs. 44.38.

Note: Net Asset Value per equity share represents total equity attributable to the owners of the Company as at the end of the Financial Year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.

4. COMPARISON WITH INDUSTRY PEERS

Name of the Company	Face Value (Rs.)	Closing price (Rs.) on September 14, 2021*	Revenue from operations for Fiscal 2021 (Rs. In million)	Basic EPS (Rs.)	Diluted EPS (Rs.)	P/E Ratio	RoNW	NAV per equity share (Rs.)	NW (Rs. In million)	No. of shares	PAT (Rs. In million)
MTAR Technologies Ltd	10	1,419.60	2,464.32	16.99	16.99	83.56	9.66%	154.99	4,767.57	30,759,591	460.66
Astra Microwave Products Ltd	2	170.75	6,409.12	3.33	3.33	51.28	5.15%	64.51	5,605.15	86,611,675	288.52
Centum Electronics Ltd	10	464.5	8,174.30	13.31	13.31	34.90	4.73%	197.65	2,546.70	12,884,841	120.39
Bharat Electronics Ltd	1	202.45	141,086.90	8.62	8.62	23.49	19.43%	44.36	108,078.90	2,436,592,943	20,997.60

Source: *All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report of the company for the year ended March 31, 2021.*
Source for our Company: *Based on the Restated Financial Statements for the year ended March 31, 2021*
Notes:
(1) P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 14, 2021, divided by the Basic EPS
(2) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth
(3) Net worth has been computed as sum of paid-up share capital and other equity
(4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market 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", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 34, 158, 274 and 226, respectively, to have a more informed view.

The trading price of Equity Shares could decline due to factors mentioned in "Risk Factors" on page 34 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Date: September 19, 2021

To,

The Board of Directors
Data Patterns (India) Limited
Block 2, Ground Floor,
Plot H9, Fourth Main Road,
SIPCOT IT Park, Siruseri, Chennai 603 103
Tamil Nadu, India
(the "Company")

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg
Prabhadevi,
Mumbai 400 025
Maharashtra, India

IIFL Securities Limited
10th Floor, IIFL Centre
Kamala Mills, Senapati Bapat Marg
Lower Parel (West)
Mumbai- 400 013
Maharashtra, India

(collectively, with any other book running lead managers that may be appointed in connection with the Offer, the "Book Running Lead Managers" or "BRLMs")

Re: Proposed initial public offer of equity shares of face value of ₹ 2 each (the "Equity Shares") of the "Company" and such offer, the "Offer".

We, R.G.N.Price & Co., Chartered Accountants (Firm Registration Number: 002785S), Statutory Auditor of the Company, have been requested by the Company to report that the enclosed statement in the Annexure, states the possible special tax benefits, available to the Company and its shareholders, under the Income Tax Act, 1961, Income tax Rules, 1962 including amendments made by the Finance Act, 2020 and the Taxation Laws (Amendment) Act, 2020 ("Direct tax laws") and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 and Foreign Trade Policy, as amended from time to time, the rules and regulations, circulars and notifications issued there under presently in force in India ("Indirect tax laws"), as on the date of this certificate.

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

We confirm that the company does not have any subsidiary as at March 31,2021 and at the date of this certificate, either incorporated in India or abroad, of the Company, in terms of the Regulation 16, Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“ICDR Regulations”)

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor advising the investor to invest in the Offer based on this statement.

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

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

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

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus Red Herring Prospectus and Prospectus of the Company (collectively, “Offer Documents”), and in any other material used in connection with the Offer.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We have conducted our examination in accordance with the ‘Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

This certificate is for information and for inclusion (in part or full) in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the BRLM and the legal advisors appointed by the Company and the BRLM in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Tamil Nadu at Chennai (“RoC”), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the BRLM and in accordance with applicable law.

We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority in connection with the contents of the Offer Document, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Offer Document.

We confirm that we will immediately communicate any changes in writing in the above information to the BRLM until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us until the Equity Shares commence trading on the relevant stock exchanges, the BRLM and the legal advisors, can assume that there is no change to the above information pursuant to the Offer.

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

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the statement. This statement has been prepared solely in connection with the proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

For R.G.N. Price & Co.
Chartered Accountants
FR No. 002785S

K. Venkatakrishnan
Partner
M.No. 208591
UDIN: 21208591AAAAIX7948

ANNEXURE

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the IT Act')

1. **Special tax benefits available to the Company under the IT Act**
   For the purpose of the Offer, there are no special tax benefits available to the Company.

2. **Special tax benefits available to the Shareholders under the IT Act**
   For the purpose of the Offer, there are no special tax benefits available to the shareholders of the Company.

Notes:

a. 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.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.

d. This statement 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 consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. **Special indirect tax benefits available to the Company.**
   For the purpose of the Offer, there are no special indirect tax benefits available to the Company.

2. **Special indirect tax benefits available to the shareholders**
   For the purpose of the Offer, there are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c. This statement 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 consequences of his/her investment in the shares of the Company.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from the industry research report on "Defense and Space Industry Report" prepared and released by Frost & Sullivan dated September 16, 2021 ("**F&S Report**") which has been commissioned by and paid for by us.Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

For the disclaimers associated with the F&S Report, see "Certain Conventions, Presentation of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 26.

Macroeconomic Outlook

Global economy

The global economy is expected to bounce back with a growth of 5.6% in 2021, 4.4% in 2022, and 3.3 % in the medium term. However, the recovery remains unequal with advanced economies making a faster comeback due faster vaccine rollout. Most advanced economies are expected to regain pre-pandemic per capita income by 2022, however only one-third of emerging market and developing economies ("**EMDEs**") are expected to do so.

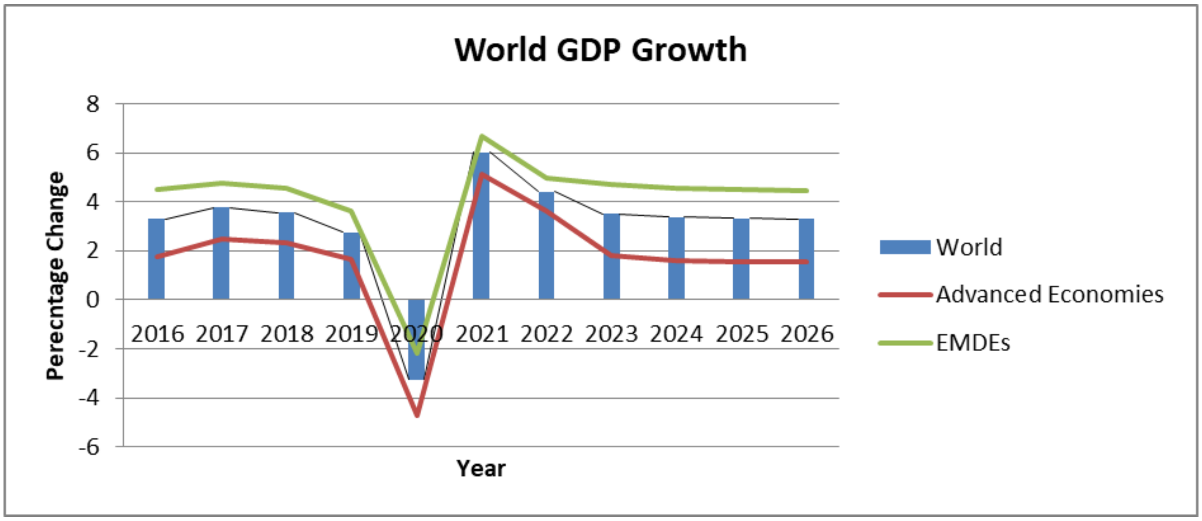
World Bank released the Global Economic Prospect report in Jun 2021 forecasting a 5.6% increase in the global GDP in 2021, 4.4% in 2022 and 3.3% in the medium term.

The growth could be higher than projected if there is greater global cooperation on vaccines which prevents renewed waves of infection and lockdowns. An early control of the health crisis would also lead to a faster than-expected release of excess savings by households, higher confidence, and more front-loaded investment spending by firms.

However, currently it is estimated that the risks to downside are more pronounced due possibility of additional COVID waves and a stressed financial situation due high EMDE debt. Other than the pandemic related reasons, other downside risks are lower than estimated effect of the family support package in US, and a faster tightening of monetary policy in face of persistent and rising inflation.

Many countries have provided large-scale macroeconomic support to alleviate the economic blow, which has contributed to lifetime highs in most financial markets. Central banks in advanced economies have cut policy rates and taken other far-reaching steps to provide liquidity and to maintain investor confidence. In many EMDEs, central banks have also eased monetary policy. The fiscal policy support that has been announced already far exceeds that enacted during the 2008-09 global financial crisis. The global growth for the world, the advanced economies and EMDEs at constant prices is set out in the table below:

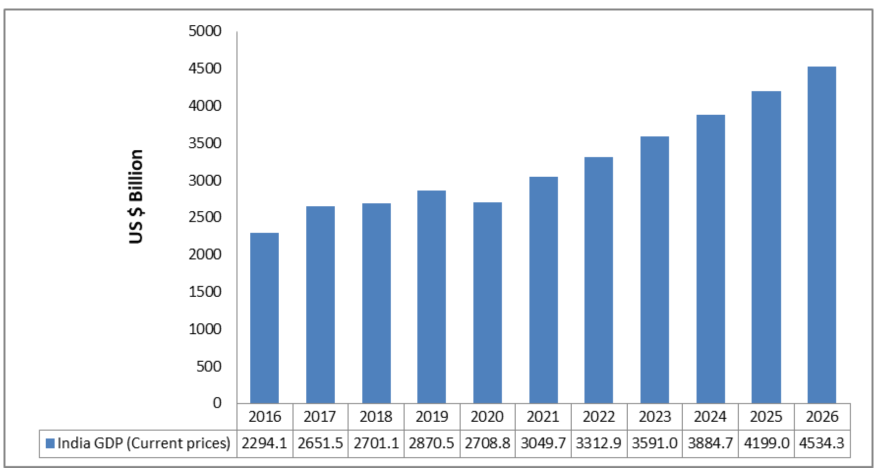
World GDP Growth



Indian Economy

RBI has projected a growth rate of 10.5% for Fiscal 2022. However, World Bank and IMF forecast GDP growth at 8.3% and 9.5% respectively. The variations arise from differing estimates impact of the second COVID wave. The economy is expected to grow at 7% in Fiscal 2023, and at 6% to 6.5% in the medium term.

India GDP calendar year ("CY") 2016-26, as reported by the Indian Monetary Fund ("IMF")



Note: The years are in CY; date from 2016-2020 is actual. Data for 2021-2026 is projection of estimated growth trajectory.

India has made rapid progress in its economy since the 2000s, which resulted in reducing absolute poverty. It is estimated that more than 90 million people were lifted out of extreme poverty in the period CY 2011-2015.

Indian economy grew at CAGR of 6.6% between 2012 and 2020 which was the highest growth globally, however it had started to slow down in the later years recording a growth of only 4.0 % in 2020. The slow growth was largely attributable to weakness in the financial sector and lower growth in private consumption. The woes were compounded by COVID when the implementation of lockdown in Mar 2020 (one of the most stringent lockdowns in the world), brought the economy to a near halt with rapid decline of both demand and supply. Consequently, there was a contraction of -23.9% in Q1 2020, and -7.5% in Q2 2020. The gradual opening of the economy towards the end of 2020 resulted in modest growth of 0.5% in Q3 and 1.6% in

Q4 of 2020. For the full Fiscal 2021, contraction was pegged at -7.3%.

The drastic second wave of COVID led to another series of state level lockdowns, and as a result the consensus estimate of GDP growth of around 10% in Fiscal 2022 was reduced by approximately -1 % by most economic agencies. RBI had also reduced the GDP growth forecast from 10.5% to 9.5 % for Fiscal 2022 post the second wave, but then reverted to earlier estimate of 10.5% in indicating that it does not expect the second wave to materially affect the growth rate due the localised nature of lockdowns.

The actual effect of the second wave can only be discerned in the time to come; currently the growth forecast for Fiscal 2022 varies between 8.3% as projected by World Bank, and 10.5% as projected by RBI; IMF revised the Fiscal 2022 forecast to 9.5%. The variations in forecasts are largely due to the difference in estimated impact of the second wave of COVID-19.

For Fiscal 2023, the economy is expected to register a growth of approximately 7% and settling down to 6 to 6.5% in the medium term. The forecasts are based on the estimated effect of second wave, and as of now do not take into account a serious disruption by a possible third wave of infections. A high caseload in the third wave with another series of lockdowns could materially affect growth.

Impact of COVID 19 on Defence and Space Industry

The defence and space industry are strategic sectors and are resilient to economic impacts. They are largely affected by geo-political situation, political stance and national strategic plans.

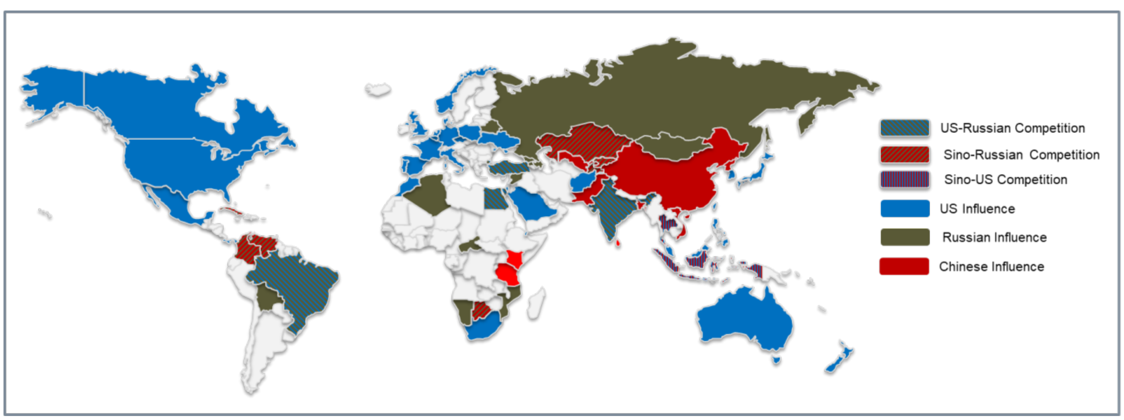
Taking due account of the economic forecasts, Frost and Sullivan reiterates that the economic growth is not the pre-dominant factor which affects strategic sectors such as Defence and Space.

Geopolitics

The Global Context

China’s expanding military, newfound Russian assertiveness and a receding United States are driving the formation of new power centres; the scenario remains escalatory which is expected to keep defence preparedness and spending at the forefront.

Global Power Influences



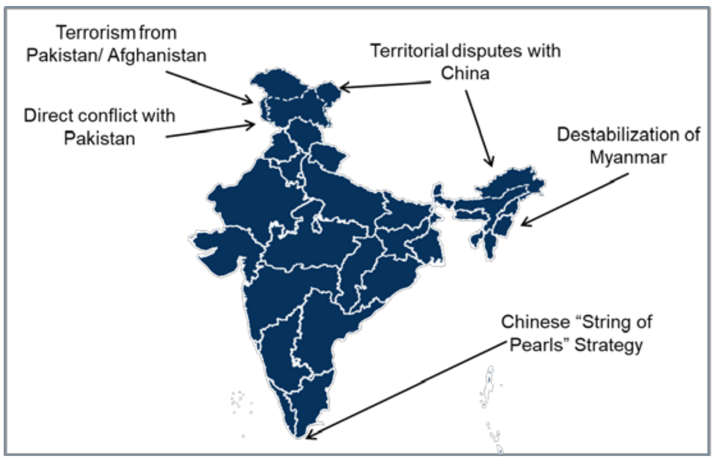
The geopolitics of the world continues to be governed by a contracting sphere of influence associated with Western powers and the increasing geopolitical assertiveness of Russia and China. China’s military modernisation has taken new hues over the last decade with a reformed focus on technological superiority and expanding expeditionary operations. The US Congressional Research Service report released on July 1, 2021, cites that the People’s Liberation Army Navy (“**PLAN**”) is on track to have 425 warships by 2030. The PLAN already holds numerical superiority over the United States as far as naval forces are concerned. While Chinese island-building activities in the South China Sea is contested by other stakeholders to the conflict, these stakeholders are also economically dependent on China and therefore are not willing to risk aggression at the cost of economic linkages. The Chinese Belt & Road Initiative, though ostensibly led by economic ambitions, have undertones of power projection and is seen by major countries as a risk in the current power calculus. China is also not shying away from open aggression, if necessary, as evidenced by the skirmishes with India in the Pangong Lake area. China's clamping down of freedoms in Hong Kong and its encirclement of Taiwan are viewed by the West as potential threats, and the region is considered a dangerous flashpoint.

The Indian Geopolitical Context

The Indian subcontinent's security situation remains in a very precarious state, with China's openness to confrontation on the rise and no abatement of terrorism from Pakistan. The tense geopolitical uncertainty will require increased defence preparedness

Territorial issues and a history of conflict spanning six wars have made India's borders with Pakistan and China some of the most dangerous flashpoints in existence today. The presence of such adversaries underscores the mandate for India to build up of credible, technology-driven military deterrence on both fronts.

The Security Situation in India



India's most pressing problems continue to be terrorism from Pakistan and a potential flare up with China. The taking over of Afghanistan by Taliban will further add to the security problems, with likely increase in terrorist's attack and cross- border infiltration. It is pertinent to note here that both China and Pakistan back the Taliban regime and are mulling a strategy to recognise the government.

The calendar year 2020 witnessed the most violent clash between India and China in decades with both sides sustaining casualties. A stalemate followed for the most part, however de-escalation was later agreed to with Chinese and Indian troops on the southern and northern shores of Pangong Tso disengaging in unison. Competing claims on territory along the Line of Actual Control still remain and therefore the region continues to be unstable. China's One Belt One Road ("**OBOR**"), though ostensibly a trade initiative potentially has elements to encircle India and erode its regional superiority. China has forged close links with India's neighbours such as Sri Lanka, Nepal and Myanmar through a combination of investment and loans. An increasing Chinese economic presence in these countries could mask or lead to Chinese intelligence or military activities, for example the Hambantota Port in Sri Lanka, financed through Chinese investments, could potentially be used as resupply points for Chinese warships and submarines as the PLAN pursues its plan to field a true blue-water naval force.

A permanent solution to the Jammu & Kashmir issue is unlikely and relations with Pakistan will continue to remain strained. Despite repeated commitments to peace talks by the leaders of India and Pakistan, attacks on the Indian Territory by terrorist organizations such as Lashkar-e-Toiba ("**LeT**") and Jaish-e-Mohammed ("**JeM**") continue. As Western powers such as the US have broken away from providing military supplies to Pakistan; China and Turkey have stepped in to fill the void. Further a resurgent Taliban, supported by China/ Pakistan, could have serious security implications for India.

DEFENCE TRENDS

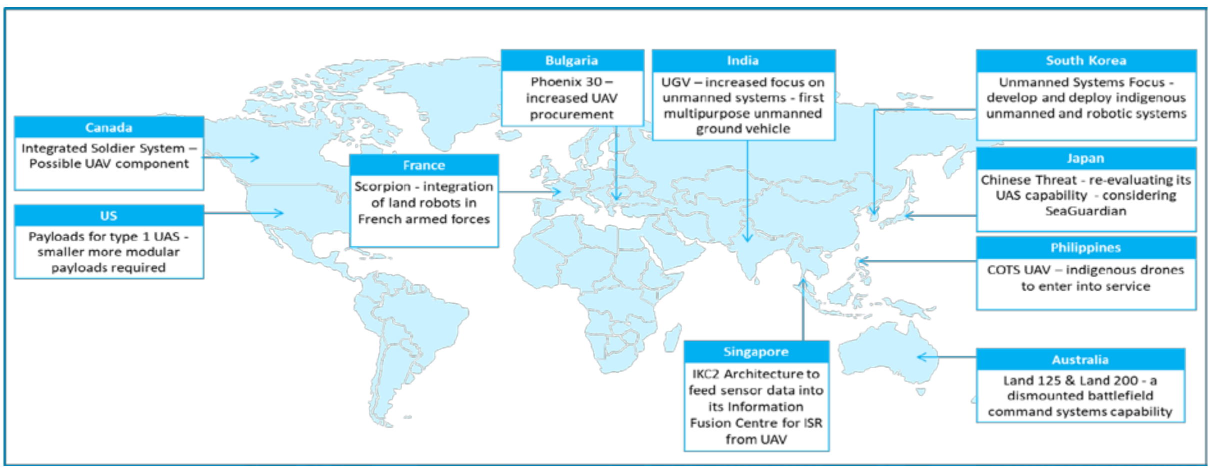
Unmanned systems proliferation, an increasing focus on C4ISR and electronic warfare ("**EW**"), military commercial off the shelf equipment, and militarisation of space is driving the battlefield. Companies like Data Patterns which have an exclusive portfolio catering to the above segments will have significant opportunities in the future.

Proliferation of Unmanned Solutions

Unmanned solutions used to be restricted to major superpowers only; now these solutions are becoming the new norm in warfare.

Unmanned solutions are quickly becoming an operational norm in the land, sea and air domains. Several countries are in the process of modernizing their armed forces by improving the capability of their dismounted soldiers with improved situational awareness through a widespread adoption of unmanned solutions for a range of missions – including ISR, search and destroy and dedicated EW. Countries such as Turkey and Philippines have successfully demonstrated the use of Unmanned Aerial Solutions ("**UAS**") for strike missions recently.

Unmanned Solution Adoption by Countries



The Indian Armed Forces is also expanding its armed inventory and is currently considering the acquisition of the General Atomics MQ-9 Predator UAS. However, over time India will have to develop capable in-house unmanned solutions in order to procure more capability at lower cost.

Unmanned vehicles are becoming increasingly electronics dense and several companies in the Indian defence sector are well placed to cater to related emerging requirements for sub-systems. This trend is expected to heavily influence the Indian Armed Forces' procurement dynamics and drive opportunities for tier 1, tier 2 and tier 3 Indian defence companies as procurement, especially for smaller and tactical Unmanned Aerial Systems, becomes more inward-focused.

New Standards in C4ISR and Network Centric Warfare ("NCW")

Decision making in warfare, both at tactical and strategic levels, are increasingly being driven by information, high speed data transfer and network effects.

Effective C3, supported by a reliable network composed of distributed ISR assets is a capability multiplier for military operations. Such technology was previously an asset of mostly advanced Western militaries; however, currently many smaller nations and developing countries are focused on expanding C4ISR and NCW capabilities. Solutions, which used to be exclusive to advanced nations such as the US, are becoming ubiquitous today especially in countries such as Turkey, India, and Saudi Arabia. C4ISR and NCW are prime drivers of future networked soldier programmes underway in France, Germany, Singapore, Malaysia etc.

In India, the progress towards an integrated battlefield network has been slow and currently put in the backburner because of lack of funds. However, C4ISR upgrades have been happening in batches – through procurement of foreign equipment such as software defined radios from Israel and also procurement of ISR equipment such as radar solutions from Indian indigenous companies such Data Patterns. Moving forward, especially after 2025 when India would have brought down equipment obsolescence in the forces, a more rapid adoption of C4ISR and network equipment can be expected. The majority of these requirements will be met through the indigenous industry, as Indian companies currently have the capability to build bespoke C4ISR solutions for the Indian Armed Forces.

Advances in Electronic Warfare

As global forces become increasingly networked, spectrum-denial is taking more importance as a high reward capability that can blind and overwhelm the enemy's operations.

Threat levels stand elevated today because adversaries have much better missile guidance and EW technology than a decade back. Expanding Russian and Chinese Electronic Warfare capabilities are a concern to several nations in Eastern Europe and South Asia. Both nations have demonstrated GPS jamming capabilities over the past few years. Russian jamming capabilities was a key concern to Western powers during the Syrian conflict as bespoke solutions were in place to jam GPS signals or spoof Position Navigation and Timing ("**PNT**") markers. Norway has also been at the receiving end of Russian GPS jamming. Similarly, India is concerned about China's expanding spectrum warfare capabilities. Russia and China both are also focusing on improving their space-based jamming capabilities.

As most EW and Electronic Counter Measures ("**ECM**") solutions need to be built bespoke to an operator's specifications and requirements to improve effectiveness, Indian defence stakeholders are turning more towards the indigenous industry. Indian defence component manufactures are embedded in the supply chains of Israeli and European defence majors that manufacture EW solutions. Moving forward, as the role of Indian Defence Public Sector Units ("**DPSUs**") shift towards platform development and system integration, even more opportunities in the domain are expected to go to the Indian private defence industry.

Commercial Off the Shelf ("COTS") as a New Norm

Commercial Off the Shelf Components are fast becoming the building blocks of defence equipment, replacing bespoke components. The advantages of faster upgrades, plug and play and lower cost as a result of extensive COTS use are being recognized by major powers globally.

In India, a new version of the procurement manual of DRDO has been unveiled featuring simplified procedures for involvement of the private sector in various research and development projects. Measures include exemption of bid security and performance security of up to Rs 10 lakh (approximately USD 15000) and not having negotiations for COTS items/services. There is a continuous requirement of COTS equipment available globally including manufactured indigenously for surveillance and communication besides solutions towards soldier protection and various security related platforms.

New Frontiers – Space & Cyber

The space and cyber domains are being weaponised rapidly, both for ISR and offensive operations. As militaries pursue digitisation aggressively, their susceptibility to cyber-attacks also increases. Budgets towards cyber resiliency and space-based weapon systems are on the rise.

As digitisation increases around the world, state and non-state actors are utilising the technology to spread their influence and presence, as well as wage cyber warfare, thereby opening up a new front. Cyber-proofing is emerging as a key mandated requirement among most advanced militaries. The advent of Internet of Things (“**IoT**”) has opened new avenues of infiltration, such as through networked household devices. The following trends will continue and become more prevalent:

1. A shift in attack methodology from data theft to data manipulation
2. Continuing lack of security skills in the workplace, making companies increasingly likely targets
3. AI, which will allow for a greater range and variety of attacks
4. Targeting of consumer devices through the IoT.
5. Supply chain attacks as a means of getting to larger companies

MoDs are continually investing in cyber security measures and adding cyber security requirements to technological developments to meet this growing threat. An example is the French 2019 new Military Cyber Strategy, with the commander of cyber defence (“**COMCYBER**”) being the head of the French MoD’s cyber security.

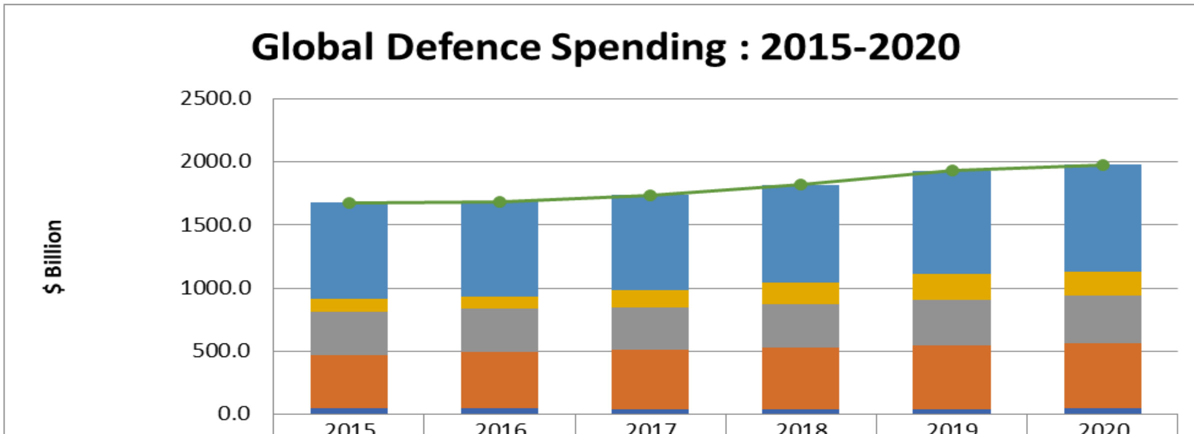
DEFENCE SPENDING

Global Defence Spending

The global defence expenditure is expected to grow to $ 2031 billion by 2025 due increased geo-political uncertainty even though countries face economic pressures due to COVID 19 disruption.

The global defence spending rose to $ 1981 billion in 2020 representing an increase of 2.6% over 2019 spending. The increase represents that the countries chose to spend more on defence even when they faced severe economic contraction due the COVID impact. As noted below, the global defence expenditure has been steadily increasing in the last 5 years at a CAGR of approximately 3.6%. As seen later, in this section the increase has been primarily due to the increased geo-political tension due Russian annexation of Crimea in 2014, followed by the aggressive actions of China in the wake of pandemic.

Global Defence Spending CY 2015-2020



	2015	2016	2017	2018	2019	2020
North America	760.6	757.2	756.3	778.5	817.5	849.3
Middle East	107.3	89.3	133.0	173.3	202.1	192.0
Europe	335.9	348.3	339.4	345.5	363.4	377.8
Asia & Oceania	428.2	448.6	469.7	484.1	506.2	518.9
Africa	44.0	42.6	41.5	40.5	40.9	43.0
Total	1675.9	1686.0	1739.8	1822.0	1930.0	1981.0

*Note: The figures are based on current USD 2019. Figures for Middle East (“**ME**”) are estimates as noted by SIPRI. The years are calendar years.*

The largest defence spender, US, is estimated to have spent $ 778 billion in 2020 which was an increase of 4.4 % over 2019. China, the second largest spender, is estimated to have spent $252 billion representing an increase of 1.4 % over 2019, while India was the third largest spender accounting for $ 72.9 billion with an increase of 2.1% over 2019.

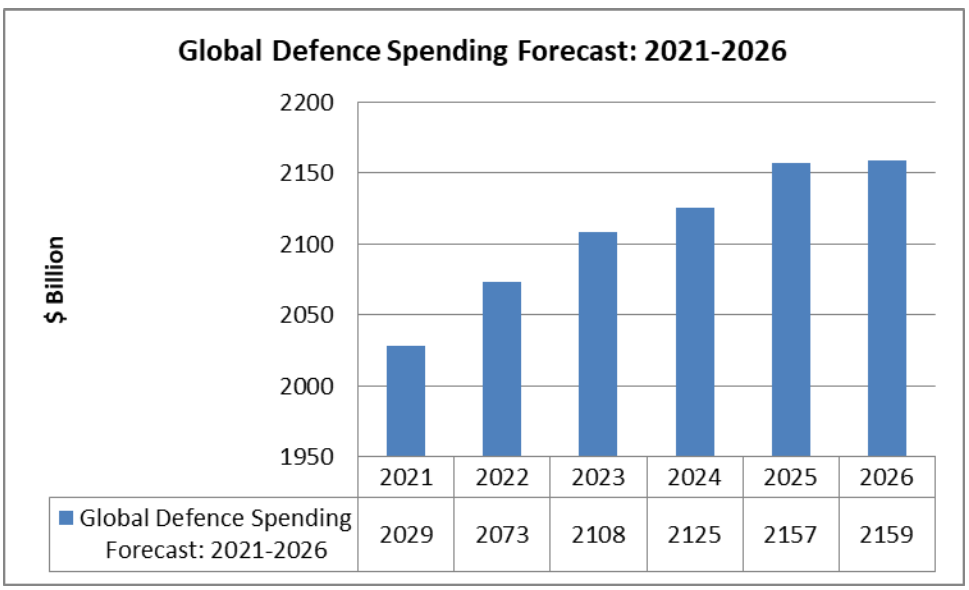
Other notable facets of defence spending in 2020 are:

- The top 5 spenders; US, China, India, Russia and UK accounted for 62% of the global defence spending. All five countries increased their spending by 1.9% to 4.4% over 2019.
- The top 15 spenders accounted for 81% of the total global spend; all the countries in this group increased their defence expenditure over 2019 except Saudi Arabia and Brazil which reduced defence spending.
- In 2020, military expenditure increased by 5.4% in Africa, 4% in Europe, 3.9% in Americas, and 2.5 % in Asia and Oceania. ME was the only region which registered a drop of 6.5%.
- Military expenditure in Africa was estimated at $43.2 billion in 2020, Algeria, Morocco, and South Africa were the top three spenders in the region.
- Americas spend a cumulative $ 855 billion in 2020 on defence representing an increase of 3.9% over 2019 US, Canada, and Brazil are the top three spenders in the region.
- In addition to China and India, Japan ($49.1 billion), South Korea ($45.7 billion) and Australia ($27.5 billion) were the largest military spenders in the Asia and Oceania region. The region has shown an uptrend since due rise of China as a global economic and military power which in turn has influenced the spend by other countries.
- Military spending in Europe was $378 billion; UK, Germany and France were the highest spenders in the region.

The combined spend of the countries in ME was $ 143 billion. While the actual spending decreased, the military burden (military spending as percentage of GDP) increased due to the economic impact of COVID. The top three largest spenders in the region are Saudi Arabia, Israel, and Turkey.

Frost & Sullivan estimates that the defence expenditure will continue to rise in the medium term at a rate of 1.5% amounting to $ 2130B in 2026, largely influenced by the top 15 spenders even though some areas/ countries from the rest of the world may see a reduction in defence spending.

Global Defence Spending Forecast: 2021-2026



Note: Forecast for period 2021- 2026 is based on Frost & Sullivan model in constant USD 2019 prices

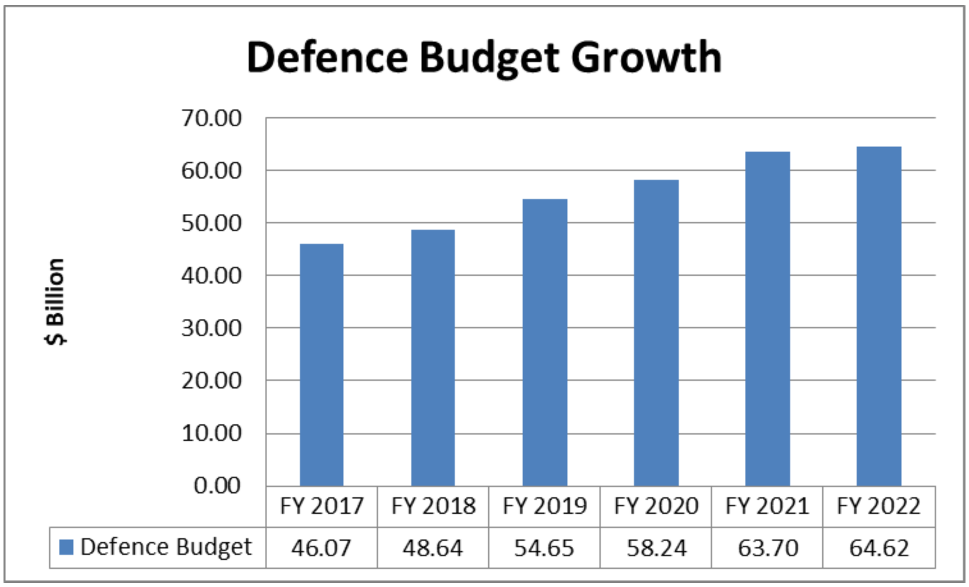
The projected rise is based on an assessment of global GDP projections, and on assumption of continued political tension for next two years followed by a gradual easing of relationships. Any flare up in geo-political uncertainty due rise in tensions between US – China, India – China, India – Pakistan, Russia – NATO, Israel – Palestine, and re-emergence of Taliban at global theatre following the current situation in Afghanistan would likely result in significant upsides to the forecast.

Indian Defence Budget Brief and Forecast

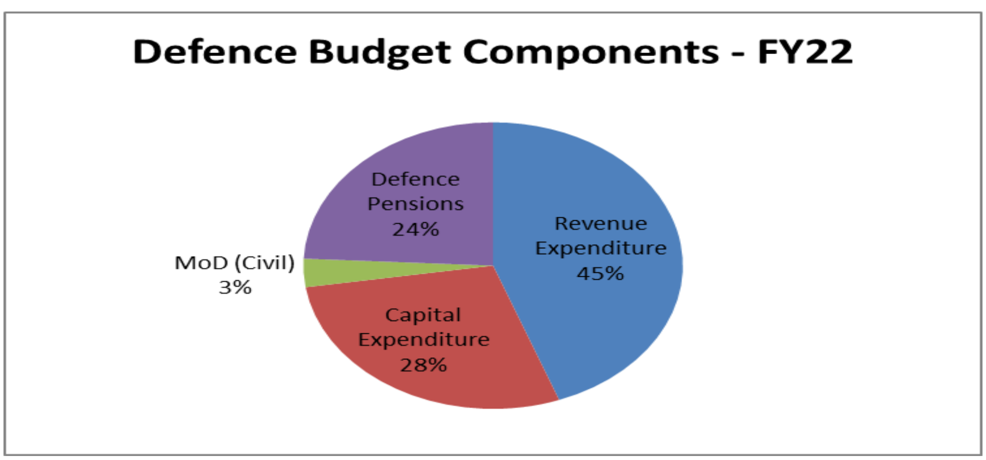
There is a structural shift in the defence budget with increased allocation for modernisation funds, and approval of non-relapsable fund. The fund available to the defence industry participants during Fiscal 2022 to Fiscal 2031 is estimated at $ 339 billion.

The Indian defence budget has been growing at the rate of 7% in the past 5 years as below:

Defence Budget Growth Fiscals 2017-2022



The defence budget has 4 main components: MoD (Civil), Defence Services Revenue, Capital Outlay on Defence Services, and Defence Pensions, and not all of it is available to the defence industry participants. Examination of the allocation for different code heads for defence budget of Fiscal 2022 ($ 64.62 B), and their description is as below:



Defence Budget Components Description

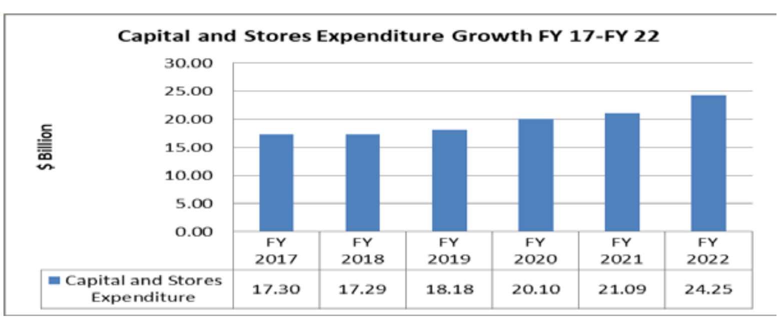
Code Head	Description	Analysis
Revenue Expenditure	Defence Services Revenue comprises revenue expenditure of all the 3 services, in addition to expenditure of Ordnance factories, and Research and Development ("**R&D**"). The major heads are pay and allowances of serving personnel, transportation, works, stores, special projects, repairs and refits, and miscellaneous expenditure.	• The revenue component amounted to $28.65 billion / 44% of the total allocation in Fiscal 2022. • Most of this budget is not directly available for defence industry participants with the exception of stores, repairs, and special projects. • The total amount available to defence industry participants is $ 6 B in the current year
Capital Expenditure	The Capital Outlay on Defence Services encompasses all the acquisitions expenditure of the three services in addition to the capital acquisition of ordnance factories, R&D, DGAQA (Director General Quality Audit) and prototype development under the Make procedures.	• The allocated capital expenditure amounted to $18.25 billion / 28 %. in the defence budget Fiscal 2022
MoD (Civil)	MoD (Civil) deals with the expenditure of the civilian personnel in defence services.	The allocation is not available to the defence industry, and amounted to $2.06 B / 3% in Fiscal 2022 budget
Defence Pensions	Defence Pensions is allotted for pension and allowances of retired personnel	• This allocation is not relevant to the market, amounting to $15.66 billion / 25% in Fiscal 2022 budget • Various measures are being deliberated to reduce the defence pension outgo which includes increasing the retirement age of the officers and Personnel Below Officers Rank. The move is likely to affect 50,000 personnel and reduce the pension outgo in the medium term

An examination of the defence budget components in the above table shows that the amount available to the defence industry participants for Fiscal 2022 Budget is $ 24.25 billion.

Frost and Sullivan would like to highlight that the allocation directly benefiting the industry is more relevant for the purpose of this report as compared to the total defence budget which includes salaries, pensions and miscellaneous expenditure.

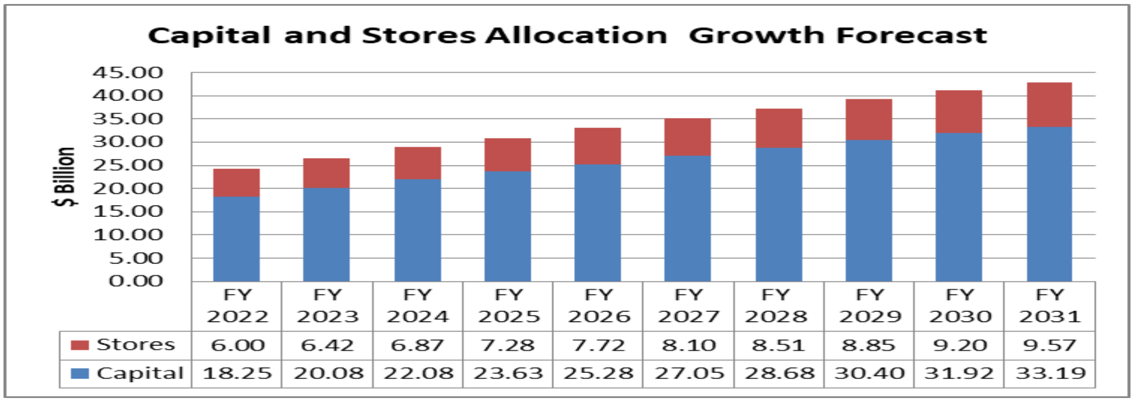
Analysis of past trends shows that the total allocation which directly benefits the industry has grown at rate of 7%. The growth rate in the period between Fiscal 2017 to Fiscal 2019 was significantly below the average growth rate as a ballooning salary and pension bill consumed a larger portion of the total allocation. In contrast, the growth rate in Fiscal 2020 and Fiscal 2021 has been 10.5% and 4.9% respectively, while the increase in Fiscal 2022 is a staggering 14.9%. Additionally, Fiscal 2021 was characterized by an overspend of 18.6 % above the budgeted capital allocation on back of the emergency purchases following the face off with China.

Capital and Stores Expenditure Growth: Fiscal 2016 – Fiscal 2022



The cumulative amount available during the forecast period would be $ 339 billion.

Capital and Stores Allocation Growth Forecast



Salient features of the forecast are as below:

- Although the Indian Army is the largest service, the IAF and IN will share 70.0% of the total capital acquisition budget, with the Indian Army's share at 30.0%. This is due to lower equipment cost and the slower pace of modernisation in the Indian army.
- Aircraft and aero engines make up 32% of the total cumulative opportunity, with big-ticket acquisitions on the cards. India is set to induct about 200 fighters in addition to ISR, AEW, rotary, and unmanned assets.
- The naval fleet, which includes the induction of IAC 2 and submarines under Project 75 I (the Indian Navy's acquisition of new diesel electric submarines, with Air Independent Propulsion), would form the next major component at 13%.
- Weapons and defence electronics will see a major uptick in acquisition, as the Indian forces look to upgrade their operational engagement and network-centric capabilities

INDIA DEFENCE MODERNISATION PROGRAMMES

Delays in modernisation caused a major reduction in offensive capabilities of the Indian forces. Considering the escalating geopolitical scenario in the Indian subcontinent, process improvement and industry push mechanisms to accelerate defence procurements is expected. Most modernisation programmes are either totally indigenous or are planned to have a large indigenous component which will drive the indigenous growth. DRDO is the research and development agency which develops the indigenous programmes. Companies like Data Patterns which supplies to DRDO for the developmental programmes gain a competitive advantage it becomes the preferred (and often sole source) supplier as the programme shifts to production stage.

Indian Air Force Programmes

IAF Programmes	Description	Effect on Private Industry
Advanced Medium Combat Aircraft ("**AMCA**")	• The HAL AMCA is a programme to develop a fifth-generation fighter aircraft. DRDO will be the design agency, and a private industry participant is also expected to be roped in at the early stages of the programme. Inclusion of a private industry participant marks a fairly significant shift compared to earlier programme. A total of 4 prototypes are planned, staring with the first flight in 2024-2025. • This is the only 5th generation aircraft programme in which India is involved since the withdrawal from the	AMCA is planned to be a joint venture with private sector. The inclusion of private industry at an early stage is a shift from the earlier model where product design and manufacturing were entirely handled by DPSUs. The shift is expected to benefit the entire supply chain constituents who become a part of the programme. Further, participation in futuristic programmes such as AMCA will increase the domestic industry capability.

IAF Programmes	Description	Effect on Private Industry
	Indo-Russian Fifth Generation Fighter Aircraft ("**FGFA**") programme.	
Tejas Mk I A Light Combat Aircraft ("**LCA**")	• The Cabinet Committee on Security ("**CCS**") cleared the purchase of 83 LCA MK I A ("**LCA-Tejas**") in a deal worth ₹480,000 million(approximately $7 billion) from the state-run Hindustan Aeronautics Limited ("**HAL**"). This is the biggest-ever contract awarded to HAL or any other DPSU till date. • The order consists of 73 fighters and 10 trainers in the next 5 years. The MK 1 A includes upgrades to the Fire Control Radar, EW system, and overall has 40 modifications over and above LCA MK I. This is in addition to initial order of 40 LCA Tejas MK I that am under delivery.	Private industry players which are a part of Tejas supply chain will also have a higher probability of being a part of future upgrades. For e.g., companies like Apollo Microsystems and Data Patterns are likely to benefit from the programme. Data Patterns is in the process of getting its next gen Radar Warning Receiver ("**RWR**") approved which could then become a part of the LCA, and other upgrade programmes such as SU-30 MKI
Medium Multi-Role Combat Aircraft Global RFI	• India has also issued an RFI for procuring 110 fighter aircraft, a programme which is often dubbed as MMRCA 2. Six global aviation majors having responded to the RFI for the programme. • The six firms involved in bidding for the contract are Boeing (F 18 and F 15), Dassault (Rafale), Lockheed Martin (F 21), Saab (Gripen), Eurofighter (Typhoon), and Russia United Aircraft (MiG-35).	• The opportunity impact on Indian private industry will be significant as the programme is slated for Make in India. Indigenous companies like Data Patterns, TATA, and L&T are likely to have significant revenue opportunities in the programme
LCA Variant	• After the current acquisition of 83 MK 1 a, there are further plans of inducting around 80 LCA Mark II. • The specifications of LCA Mark II have not yet been declared.	• Increased revenue opportunities for the private industry as future variants will have higher indigenous content, and companies including Data Patterns as mentioned earlier will have a first mover advantage
MiG -29 and SU-30 MKI	• After the face off with China, India declared an emergency purchase of 21 MiG -29 and 12 SU-30 MKI from Russia. The MiG -29 are the existing airframes with Russia and the same will be upgraded to meet the same specifications of the current MiG 29 inventory. The SU-30 MKI order is to augments the loss of aircraft which India has suffered in the past due accidents and incidents.	• Initial impact for private industry will be low; however increased opportunities in future as aircraft fall due for Maintenance Repair and Overhaul ("**MRO**") since it is carried out in India. Future upgrade programmes of SU-30MKI will likely involve players from defence electronics such as Paras Defence and Space Ltd and Data Patterns.
Refueller Aircraft	• The latest RFI for 6 tanker aircraft was issued in 2018, with Airbus (A 330 MRTT), Boeing (KC-46), and Ilyushin (IL-78) responding to it. • Not much progress has been made after issuance of the RFI. A lack of funds has been cited as the reason by different sources. The programme cost for 6 aircraft is likely to be $2 billion.	Neutral as the deal is likely to be sourced completely from foreign OEMs
AEW&C Aircraft	• The IAF currently operates IL 76 equipped with Phalcon radar and DRDO Netra aircraft, which uses ERJ 145 as the base platform. The total inventory of around 6 aircraft is woefully short of IAF's requirement. • In December 2020, the DRDO was cleared to modify 6 A320 from the national Indian carrier fleet for AEW role. The planned AEW equipment will be an advancement of the existing Netra radar. The programme cost is expected to be $1.5 billion.	• The expansion of AEW aircraft programme will benefit a host of supply chain constituents such as Data Patterns which is a supplier of RWR for AEWC on a single vendor basis.
Trainer Aircraft	• The IAF is also looking to induct 106 HTT 40 aircraft (to be manufactured by HAL), which is a turbo prop aircraft and is set to supplement the existing Pilatus PC 7 Mk II.	• Indian private industry will benefit from in house manufacture especially the companies dealing in avionics such as Data Patterns and L&T.

IAF Programmes	Description	Effect on Private Industry
	• The aircraft has not yet achieved certification, although it is expected to be certified soon. The total acquisition cost is likely to be $1.1 billion. • Fresh acquisition of lead in fighters (current inventory–Hawk) is expected at the end of the decade.	
Transport Aircraft	• The C 295 programme, a joint Tata and Airbus effort, is envisaged to manufacture 56 aircraft in India at a cost of $2 billion. • Additionally, the AN-32 modernisation programme will also be a part of the IAF's plans during the period. • The later part of the decade is likely to see an initiation of a new programme to acquire medium aircraft for phased replacement of An-32.	• Besides Tata, which is the JV partner, supply chain constituents like Dynamatic Technologies (manufacturing) and Data Patterns (electronics) are likely to benefit from the programme. in India

Indian Navy Programmes

IN Programmes	Description	Effect on Private Industry
Aircraft Carrier Programme	• The refitted and modernised former Russian ICBM Admiral Gorshkov, commissioned as INS Vikramaditya, is the sole aircraft carrier engaged in flying operations with MiG 29K fixed wing fighter. The modernisation has added a new dimension to the capabilities of the Indian Navy. • The construction of a 37,500 tonne Indigenous Aircraft Carrier ("**IAC-1**") is underway and set to be commissioned as INS Vikrant. INS Vikrant will have a combination of 30 aircraft, which includes MiG-29K fighters and AEW helicopters (e.g., Kamov Ka-31).	INS Vikrant is the first carrier which has been built indigenously and has benefited the entire supply chain. The likely commissioning of IAC 2 will have an even higher indigenous component, including defence electronics which will benefit the public sector shipbuilding units and private industry like L&T.
Projects 17 & 17A	• Mazgaon Dock Shipbuilders Limited ("**MDL**") has commissioned 4 ships of Project 17 stealth frigates that are capable of carrying 2 advanced multi-role helicopters. • The 7 stealth frigates with advanced features and technology upgrades are a part of the Project 17A programme.	The Indian navy programmes have achieved a significant level of indigenisation and manufacturing by DPSUs. This bodes well for the entire defence industry associated with the naval programmes
Projects 15A & 15B	• Project 15A involves the construction of additional Delhi-class guided missile destroyers that have stealth and advanced features. • Project 15 B involves similar calls of ships and will be constructed by MDL.	
Project 1135.6-Talwar Class	• INS Tej, Tarkash, and Trikand were commissioned as Talwar Class stealth frigates with the replacement of Klub missiles with the BrahMos system.	
Project 28 ASW Corvettes	• GRSE, Kolkata has indigenously designed and built 4 stealth Anti-Submarine Warfare ("**ASW**") corvettes with minimised radar profiles for stealth capability.	
Carrier Borne Multi Role Fighters	• The 4th generation MiG-29k is now the flagship fighter of the air wing of INS Vikramaditya. Initially, MiG-29K and the naval version of the Tejas were considered for the air wing of the under-construction IAC-1, Vikrant. However, the Indian Navy has begun the search for a Multi-	Neutral impact as the deal is slated for direct buying from foreign OEMS

IN Programmes	Description	Effect on Private Industry
	Role Carrier Borne Fighter ("**MRCBF**") for IAC-1. • Global manufacturers have responded to the RFI put out by the Indian Navy, answering questions on technical parameters, level of indigenisation and ToT agreements. Dassault, SAAB, MiG, Boeing, and Lockheed Martin were some of the manufacturers that have been served with the RFI to equip IAC-1, Vikrant, and IAC-2. • The aircraft under consideration are Rafale M, F/A-18 Super Hornet, and MiG-29K are twin jet engines, and Gripen is a single engine option.	
Maritime Patrol and Recon	• Boeing's Poseidon P-8I, Long Range Maritime Reconnaissance and Anti-Submarine Warfare Aircraft ("**LRMR & ASW**") has been inducted. • With an inventory of 12 P-8I aircraft, the Indian Navy is considering the possibility of acquiring 12 additional aircraft. • The gap between surveillance and reconnaissance has been separated into Medium Range Maritime Reconnaissance ("**MRMR**") and Short-Range Maritime Reconnaissance ("**SRMR**").	Neutral impact as the additional acquisitions is likely to be sourced from foreign OEMs
Naval Utility Helicopters	• The Indian Navy is looking at replacing its Chetak helicopters for operation from decks and shore-based support for smaller ships. • Under the Strategic Partnership Model, the procurement of 111 NUH, in a contract worth $3.2billion, was signed by the Defence Acquisitions Council. • An RFP is expected to be issued shortly to OEMs for 16 helicopters in flyaway condition, with the remaining 95 to be manufactured by an Indian manufacturer in a strategic partnership with the OEM. The helicopters considered are: Eurocopter AS565 Panther, Sikorsky S-76B, and a naval version of AgustaWestland AW109 Koala.	This programme is slated under the Strategic Partnership model in which a foreign OEM will transfer technology for manufacturing in India. The successful fruition will lead to a significant increase in capability of the indigenous industry; not only the major participants but also the entire supply chain.
Mines Counter Measures Vessels ("**MCMVs**")	• Under the Strategic Partnership model, Goa Shipyard Ltd ("**GSL**") is constructing 8 MCMVs. This could be followed by the construction of similar additional vessels.	Indian Navy requires at least 24 such vessels for its operational requirement.
Shallow Water ASW Crafts	• Induction of 16 shallow water ASW crafts has been processed, and the ships will be built indigenously.	The Indian defence shipbuilding is undergoing a transformation with a remarkable increase in capability and programme fulfilment. Indigenous shipbuilding would also increase opportunities in C4ISR systems, heavy engineering, and EW which will benefit companies like Data Patterns, Astra Microwave, L&T, and Paras Defence and Space Ltd
Amphibious Capability	• The Indian Navy, to augment its amphibious capability, has inducted the Landing Platform Dock ("**LPD**"), with 5 landing ship tanks and a sealift capability of more than 3,500 troops. • Multi-role landing platform docks are being considered with private shipyards, such as L&T and Reliance Naval and Engineering Ltd., in the running for the contract.	
Fleet Support Ships	• The Indian Navy has exercised the option for one follow-on ship offered in the 2008 order for fleet tankers from the Italian shipbuilder Fincantieri. • The government has also approved the induction of 5 fleet support ships.	

Indian Army Programmes

IA Programmes	Description	Effect on Private Industry
Infantry Modernisation	• The Army began the process of acquiring 700,000 rifles, 44,000 LMGs, and 44,600 Carbines in 2017. • An assault rifle built by Ishapore was rejected, as it failed during user trials. A contract was signed by the MoD with Sig Sauer for the purchase of 72,400 SIG 716 assault rifles, of which the Army would receive 66,400 units, the Navy 2,000, and the IAF 4,000. • The AK 203 rifle made by Kalashnikov (Russia) and the OFB (India), a JV, is the main rifle of the Indian Army. They are made at a factory in Amethi. Carbines and the LMGs will also probably build in the same factory. • The OFB has produced a lightweight bullet proof jacket that will be provided to the Indian Army, which has a requirement of 186,000 units. • India and Israel signed a deal for Spike missiles in 2019. The purchase included 12 launchers and 210 missiles that were successful during test fires.	The army has suffered from critical shortages, and the same is being made good with a mix of foreign and domestic suppliers. The corporatisation of Ordnance Factory Board will have a positive effect on its capability of meeting the requirements with trickledown effect on the supply chain constituents
Network-centric Warfare	• Phase 1 of Shakti Artillery, Combat, Command and Control Systems ("**ACCCS**") is completed, with 40% of artillery units equipped with advanced networks. • Tactical Command Control Communication and Information ("**Tac C3I**") systems and Battlefield Surveillance System ("**BSS**") are in the final test phase. EWS, Electronic Signals Intelligence ("**ELINT**"), and Air Defence Control and Reporting System ("**ADC&RS**") are in the process of development. Bharat Electronics Limited ("**BEL**") and the Defence and Research Lab at the Centre for AI and Robotics ("**CAIR**") are developing these systems, and it will take 3-to-4 years to for induction of these systems. • The Indian Army also continues to acquire other required elements such as UAVs, weapon locating radars, thermal image intensifiers, night vision systems, and Long-Range Reconnaissance and Observation System ("**LORROS**").	• The C3I and Air Defence systems will require a multitude of surveillance and tracking radars which will benefit players like Data Patterns, L&T and, Tata
Armour, Artillery and Air Defence	• The Armoured Corps and Mechanised Infantry deployed in the mountains need reinforcement. Roads have been upgraded so that the T-72 tank, and the BMP-2 can be deployed in Ladakh. There is a need to procure a light tank for mechanised forces. A prototype based on the BAE System Combat Vehicle 90 is being evaluated by the DRDO. • India has a total of 2,011 T-90 tanks armouring 40 regiments; 6 regiments are being raised for high-altitude conditions. • T-72 tanks are being upgraded with night vision devices. The indigenous Arjun tank, heavier than the T-90, has a 120 mm gun that can fire APFSDS, HEAT, High Explosive and HESH and the LAHAT missile, which is a semi active laser homing missile with an 8 km range. • Arjun Mk II is undergoing trials with about 75	• A wide range of equipment acquisition programmes spanning combat vehicles, tanks, artillery guns, and missiles are being pursued to upgrade the IA operational capability. • The programmes would include significant components of electronics, COMINT and SIGINT. • Significant benefits are envisaged for companies like Data Patterns and Astra Microwave which have products in the required categories

IA Programmes	Description	Effect on Private Industry
	modifications. • With 700 BMP-1s in active service, an upgrade is planned for 1,600 BMP-2s with a more powerful 350 HP engine. • In 2019, the 155 mm Dhanush, Howitzer M-777, and the 155 mm self-propelled Vajra were inducted. The long-range Pinaka missile could be inducted in 2022 with user trials underway. • Trials for Precision Guided Munitions are being undertaken for artillery upgrades. The Hypersonic BrahMos missile is expected to be inducted by 2022. • The Army Air Defence is awaiting the induction of VShorad Igla S-24 missiles. • Development trials for the Quick Reaction Surface-to-Air Missile ("**QRSAM**") have been successful and will be offered for user trials in late 2021.	

INDIGENOUS INDUSTRY GROWTH DRIVERS

Indian Defence Industry Antecedents

The Indian Defence industry is at an inflexion point, with the increased private sector participation being the way forward.

India's defence industry has come a long way since it embarked on a mission of self-sufficiency in the 1950s. The initial model was designed with enhancing the production of low technology weapons in mind, with production and manufacture being led by DPSUs. During the early years, as defence spending and R&D capability was low, major military programmes were executed with help from foreign OEMs. The wars with China and Pakistan in the 1960s catalysed a change in defence policy and increased expenditure in defence procurement. India continued to rely on foreign support; however, the onus shifted towards licensed production – especially of more technologically advanced platforms. In the 1980s and 1990s, the Indian government wanted to bolster self-reliance and embarked on programmes led by the DRDO such as the Light Combat Aircraft programme and the Integrated Guided Missile Development programme. A joint venture, which became BrahMos, was also set up between India and Russia to develop and produce advanced cruise missiles. This model of "joint venture led development" was pursued in other ventures such as the Long-Range Surface to Air Missile ("**LRSAM**") programme, initialised between DRDO and Israel Aerospace Industries ("**IAI**").

Stage 1

1. Low technology dispersion
2. Low R&D budgets
3. Some assembly under license

Stage 2

1. Increased budgets post wars in the 1960s
2. Licensed production – Mig 21, T-72 etc.
3. Relationship driven technological progress (limited)

Stage 3

1. DRDO and DPSU led indigenous platform development
2. Joint venture led development – BrahMos, FGFA, LRSAM

Stage 4

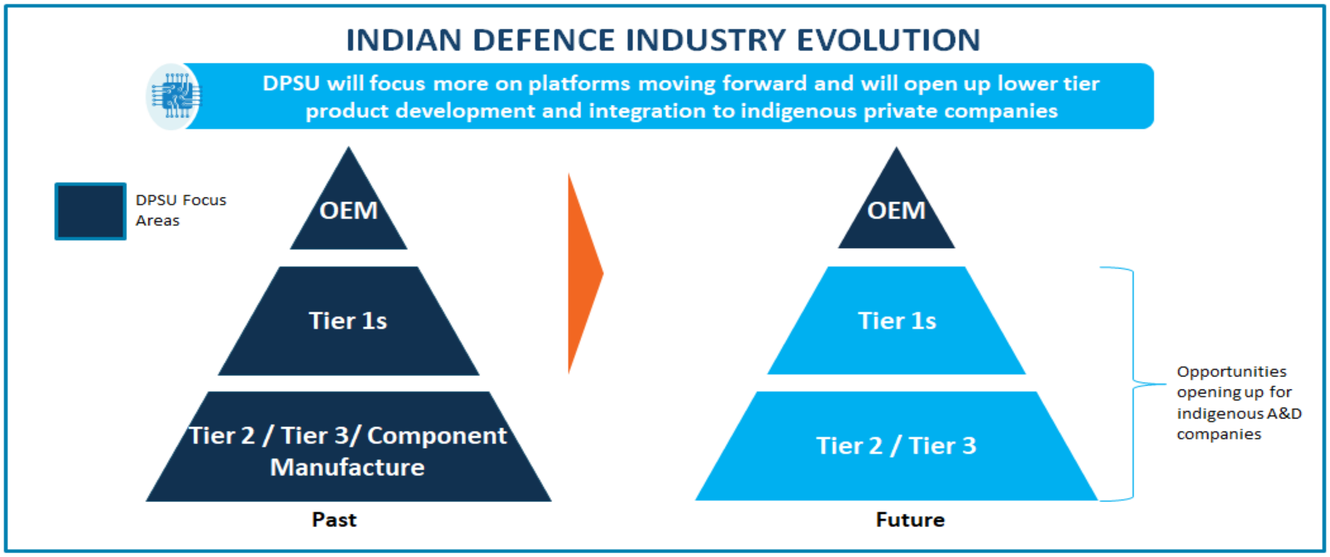
1. Private sector opened up for defence production
2. Offset mandates, FDI and increased emphasis on technology transfer
3. Changes in Defence Procurement Policy but limited impact

Stage 5

1. Private sector led defence production
2. Policy changes more conducive to catalyse private participation
3. Constant iterative changes

The evolution of private defence industry has also been aided by the shift of DPSU stance from being present in the entire supply chain to focusing on integration and assembly as shown in the figure below.

The Indian Defence Industry Evolution – 1950 to Current

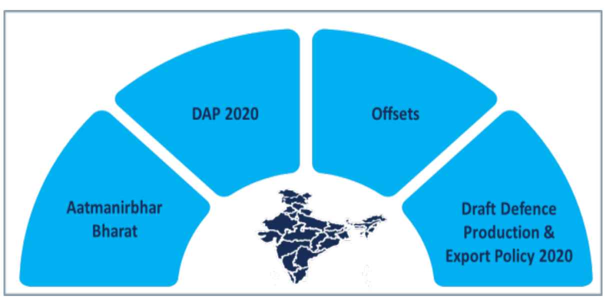


Drivers

The government's latest policies seek to build greater self-reliance in Indian defence R&D and manufacturing through a combination of the Aatmanirbhrar Bharat mission, DAP 2020, Offsets and the upcoming Defence Production and Exports Policy.

The Indian government's approach to promoting more indigenous industry inclusion has been becoming more calibrated in the last few years. The drivers used are indicated in Figure 21. Whilst the onus has been on increasing prioritisation for Indian company led procurement mechanisms, several other policies have also been initiated to simplify entry into the defence sector and devolving more freedoms in avenues such as export selection to Indian companies.

Indigenous Defence Industry Drivers



Aatmanirbhar Bharat

Aatmanirbhar Bharat envisions promoting policies and regulations that leads to self-sustainment in key areas on industry, including defence, through a wide raft of new measures including a Defence Production and Export Policy and import protection. The major measures under the ambit of Aatmanirbhrar Bharat in defence are as follows:

1. Negative Import List – In order to incentivise domestic production and limit imports, the Defence Ministry has banned the import of 209 defence related equipment/ components. Services can only source the listed equipment from Indian vendors. Equipment covered includes segments such as electronic warfare, sensors, radars, Unmanned Aerial Systems etc.

2. Budget Allocations – An outlay of $ 9.48 billion has been earmarked for domestic procurement in Fiscal 2021-2022 in order to mitigate procurement delays stemming from non-availability of capital.

3. Corporatisation of Ordnance Factory Board ("**OFBs**") – The government aims to corporatize OFBs in a bid to improve production efficiency and transparency. There are 41 ordnance factories in India, which source components from Tier 2 and Tier 3 suppliers.

4. Foreign Development Investment ("**FDI**") – The FDI limit under the automatic route has been increased form current 49% to 74%. The increase will encourage foreign manufacturers to invest in India with confidence as they will have a controlling stake in a joint venture.

Defence Acquisition Policy 2020 ("DAP 2020")

The DAP 2020 focuses on improving indigenous manufacturing by streamlining procurement processes and on introducing "innovation" oriented clauses to further prototype development in India. Other new measures include incentivising foreign OEMs and service providers to set up their own manufacturing/ MRO facilities and a specialised category for "leasing" of equipment which could potentially speed up capability acquisition. A brief of the acquisition categories in the DAP 2020 is presented in the table below.

Capital Acquisition Categories in the Defence Acquisition Policy 2020

Category	Brief	Benefit to Indigenous Industry
Buy (Indian-IDDM) [Priority 1]	Procurement of products from an Indian vendor that have been indigenously designed developed and manufactured with a minimum of 50% Indigenous Content ("**IC**") on cost basis of the total contract value.	First priority given to Indian vendors with indigenous design.
Buy (Indian) [Priority 2]	Procurement of products from an Indian vendor meeting one of the two conditions: products that have been indigenously designed, developed and manufactured with a minimum of 50% IC; Or products, which may not have been designed and developed indigenously but having 60% IC.	Advantage for Indian vendors who may use a foreign design, if they meet the IC requirements on cost.
Buy and Make (Indian) [Priority 3]	Procurement of equipment in Fully Formed ("**FF**") state in quantities as considered necessary, from an Indian vendor engaged in a tie-up with a foreign OEM, followed by indigenous production in a phased manner involving Transfer of Technology ("**ToT**") of critical technologies. This category mandates a minimum of 50% IC in the "Make" component.	Indian vendor remains in lead; incentive for foreign OEMs to have a JV with Indian companies while facilitating Transfer of Technology.
Buy (Global-Manufacture in India) [Priority 4]	Outright purchase of equipment from foreign vendor with a minimum of 50% IC on cost basis of the total contract value which can be achieved in the manufacturing of either the entire equipment or spares/assemblies/sub-assemblies/MRO facility for the entire life cycle support of the equipment, through its subsidiary in India.).	Incentive for foreign vendor to facilitate Indian entity for manufacturing; however, without ToT.
Buy (Global) [Priority 5]	Purchase of equipment from foreign or Indian vendors. An Indian Vendor participating in this category would be required to meet minimum 30% IC, failing which offset discharge is mandatory. Foreign vendors will also need to discharge offsets in all Buy (Global) cases more than $ 267.88 million other than Single Vendor Cases ("**SVC**") being progressed based on Inter-governmental Agreements ("**IGAs**") including FMS.	Incentive to meet at least 30% IC in equipment which is not being manufactured in India

Category	Brief	Benefit to Indigenous Industry
Strategic Partnership Model	Acquisitions under the Strategic Partnership model refer to participation of private Indian firms and foreign OEM in Make in India in defence and play the role of a System Integrator by building an extensive eco-system comprising development partners, specialised vendors and suppliers, in particular, those from the MSME sector. Strategic Partnerships will seek to enhance indigenous defence manufacturing capabilities through the private sector over and above the existing production base.	Development of Indian defence manufacturing eco-system.
Make and Innovation	This category consists of three Make sub segments – 1. Make 1 (Government Funded) – the government will provide funding to the tune of 70% of the cost for prototype development, capped at ₹ 2,500 million to the developing agency 2. Make 2 (Industry funded) – In this category, any funding for design, development and innovation has to be borne by the Indian vendor. 3. Make 3 – Equipment under this category do not have to be designed and developed in India but can be manufactured in India – this category is useful for replenishing inventory or for product support. Under the Innovation category, there are three programmes for the procurement of innovative indigenous solutions – • Innovations for Defence Excellence (“**iDEX**”) – Projects of low capital investment but high innovation will be pursued from start-ups and MSME under this category. The final product will be procured through the Buy IDDM mechanism. • Technology Development Fund Scheme (“**TDF**”) – Projects will be similar to iDEX, but funding will be routed through DRDO. The scheme is envisaged for improving private-public partnership. • Indigenous Development by Services through Internal Organisations – Prototype development will be done by internal R&D agencies of various services. This emulates the internal R&D model pursued by the US which has several capable high technology R&D institutions, such as the Army Research Lab (“**ARL**”), working on bespoke requirements of the US Army.	Funding can be secured for prototyping in case of Make 1, entailing less development risk for the Indian industry stakeholder. Innovation schemes will channel funding to innovative defence and security-oriented start-ups and MSME.

The top 3 capital acquisition categories – Buy (IDDM), Buy (Indian) and Buy and Make (Indian) emphasize on Indian company led defence modernisation with an IC category of at least 50%. Moving forward several high value tenders are expected to fall into these categories, giving both private Indian defence primes and sub-system suppliers ample opportunities in increasing revenue and technology base.

Defence Offsets

Though India has extensively pursued defence offsets through an official policy in 2005, the earlier policies did not concentrate on technology and R&D capability dispersion from foreign to Indian defence companies. The Defence Acquisition Policy 2020 aims to redress such deficiencies by shifting the focus away from “components” to “technology investments” and “export of platforms”. Avenues for expanding offsets have been expanded in the DAP 2020, giving foreign entities direct credit in transferring critical technologies to the Indian industry. Though certain critical technologies such as hypersonic flight related technology, electromagnetic rail guns etc. has been reserved only for DPSUs and DRDO, the vast majority of technologies used in defence equipment are now open to private players.

Defence Production and Export Policy 2020 (Draft)

The Defence Production and Export Policy is another ambitious step towards Aatmanirbhrar Bharat and aims to achieve an industry turnover of $ 25 Billion, including exports of $ 5 Billion by 2025, doubling the size of India's aerospace and defence industry in a timespan of five years.

Rising Defence Exports

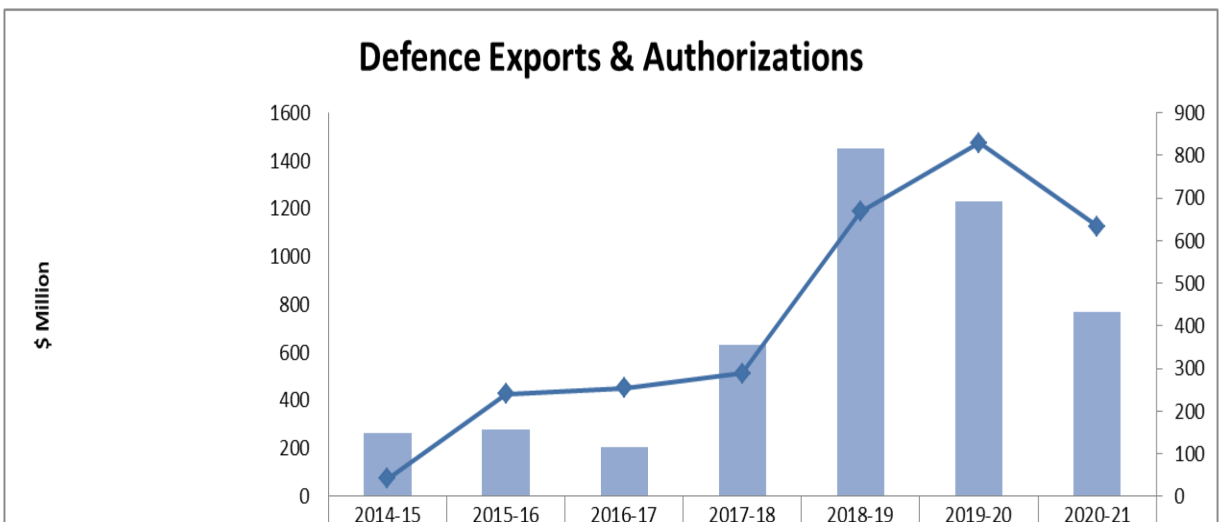
The Indian defence exports are likely to grow at a fast rate due easing of export restrictions and policy changes. This is also being compounded by rising prowess of the Indian defence suppliers. The Indian defence exports are now dominated by the private sector as compared to defence public sector units and are expected to drive revenue opportunities Companies in niche products such as Data Patterns are well positioned to capture the growth in exports.

India continues to be the among the top 5 importers of armed equipment in the period 2016-2020 as per SIPRI report; "Trends in International Arms Transfer" released in 2021. However, it is heartening to note that its share of the global arm imports dropped from 14% in 2011-2015 to 9% in 2016-2020, a drop of 33%. This is a clear indicator of the fruition of efforts to promote the capability and sourcing from domestic defence industry.

While India continues to remain a net importer, the country also figured in the top 25 exporters in the same list for the first time in 2019. India was ranked as # 23 in 2019, and # 24 in 2020 (the drop is attributable to manufacturing disruptions due a stringent lockdown) in the overall list of arms exporters. The share of India in global defence exports was pegged at 0.2% for the period of CY2016-2020 as compared to 0.1 % in the period CY 2011-2015; up by 288%.

The defence exports from Fiscal 2015 to Fiscal 2021 are shown below:

Indian Defence Export Growth



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Exports ($ Million)	262.3	278.24	205.68	632.7	1452.16	1231.89	771.76
Export Authorizations (Units)	42	241	254	288	668	829	633

Indian defence exports crossed the $ 1 billion mark in 2018-2019. There was a dip in the exports in 2020-2021 largely attributable to supply chain and manufacturing disruptions which have eased now.

A few years back, India's export customers were only small economies such as Seychelles, Suriname, Myanmar, Sri Lanka etc. Now, exports stand more diversified both in terms of product and their markets.

Global & Defence Electronics Market

Global Defence Electronics Market

At present there are over 150 active conflicts ongoing in different regions primarily over the last decade. This has meant that the complexity and diversity of the conflict has evolved, forcing armed forces across the globe to revisit their force structure, concept of operations and invest in evolving technologies. As operators are exploring hybrid warfare and multi domain operations, increasing investment in defence electronics will ramp up towards the later part of the decade.

Defence electronics will have to evolve to enable more complex and dynamic operations that provide operators with force multiplier capabilities. Globally defence electronics procurement is going to become a core component for defence procurement as the amount of electronics that are fitted onto platforms continues to grow. Over the last decade the defence electronics component has consumed a larger share of the value of the platforms overall value as defence capabilities evolution continues through evolution of the electronics systems and embedded software rather than the platform itself. Aircrafts have seen a large adoption of new optronics systems, communication systems and battle management systems that exploit the new multi domain concept of operations. Naval platforms have been increasingly adopting new electronic warfare, radar, command and control systems as platforms have been required to undertake multi-role operations. The increase in defence electronics spending is a symptom of a wider shift in battle engagement philosophy from combat mass – where having numerical superiority was key towards a smaller number of capable platforms supported by sophisticated defence electronics systems.

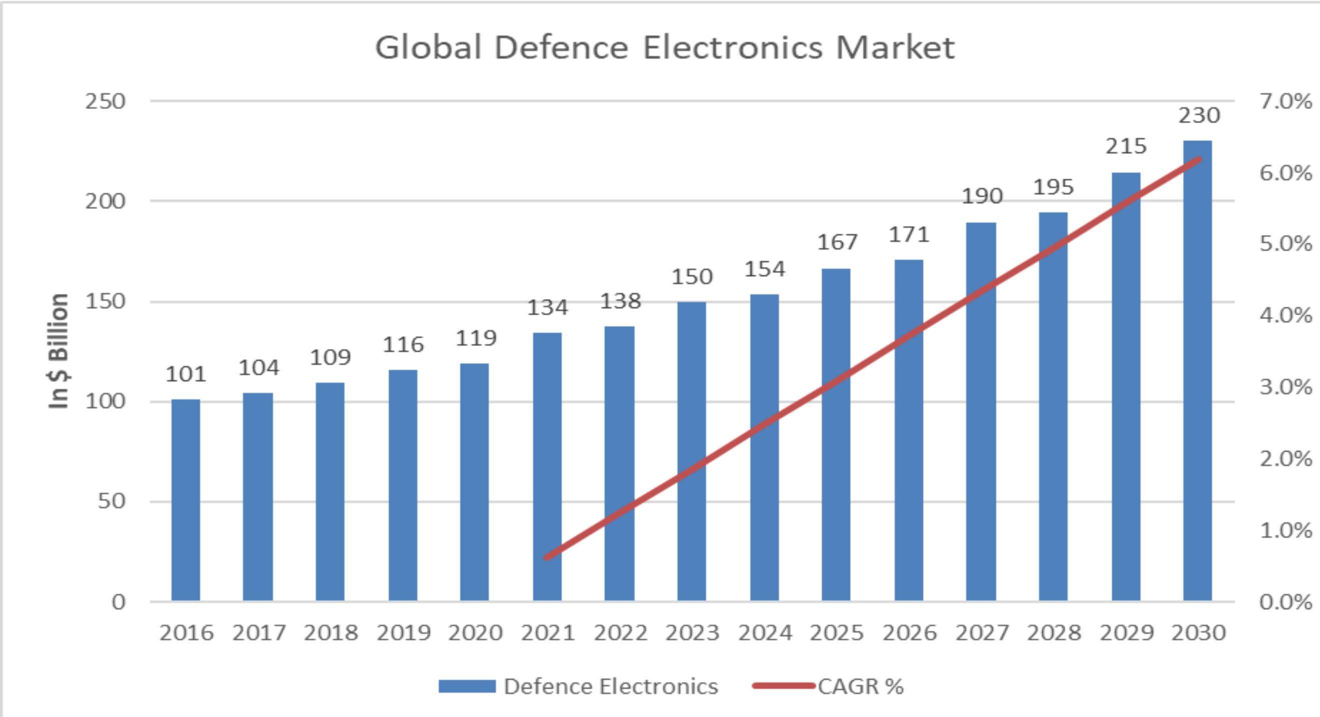
The following technology areas will have significant impact on the defence electronics market and dictate demand:

1. Machine Learning and AI
2. Software Defined Systems
3. Open Architectures
4. Convergence of RF systems
5. Edge Computing

Platform recapitalisation will drive the global defence electronics market for the immediate future. New platform procurements such as the Next generation future air combat systems (FCAS and Tempest) will see an increase in the number of defence electronics content used compared to legacy platforms. Upgrades to existing aircraft fleets, with the use of new AESA radars, electronic warfare, ISR systems. Naval and land systems are also experiencing higher investment in defence electronics, with renewed focus on electronic warfare, self-protection systems, etc.

As platforms have become more complex, the defence electronics component of the platform acquisition cost is expected to rise from 30% to 45%. As such the global defence electronics market was worth approximately $ 550 billion from 2016-2020 growing at a CAGR of 4.1% during the period and is expected to be worth approximately $ 1.74 trillion from 2021-2030 with a CAGR of 6.2%.

Global Defence Electronics Market



Note: 2016-2020 is the actual market size. 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during 2021-2030.

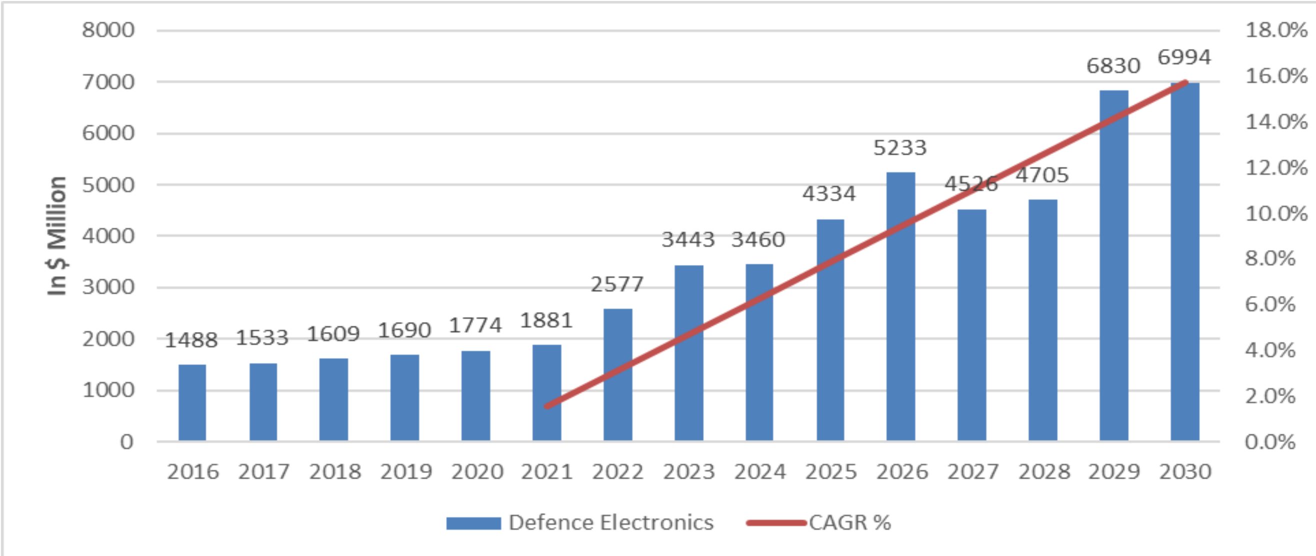
Indian Defence Electronics Market

Defence Electronics

The Indian Defence Electronics segment will witness large scale indigenization efforts over the next decade leading to improved manufacturing and quality standards. This will further increase the presence of Indian components in global supply chains which are already being used in Israeli UAS and European combat aircrafts. At present Defence Electronics make up only 25-35% of the cost of platforms used by the Indian armed forces, which is expected to increase in the future. However, at present over 60% of the electronic components used are supplied by foreign OEM's. As indigenisation efforts continue, future procurement will see a large portion of defence electronics sourced locally, and as such platform recapitalization programmes across all three forces such as new combat aircraft acquisition, submarine building and T-72 replacement will be key contributors to future market valuation of this product segment.

The Defence Electronics market was cumulatively worth approximately $ 8.09 billion from 2016-2020 and grew at a CAGR of 4.5% during the period. At present the market is evaluated to be worth approximately $ 1.88 billion in 2021 and is expected to grow to approximately $ 6.99 billion in 2030 with a cumulative market opportunity for this segment in the order of approximately $ 43.98 billion and a CAGR of 15.71% during the period.

India Defence Electronics Market



Note: Figures for CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

The segment will exhibit growth until 2026, driven mainly by the programmes listed:

Programmes Driving Indian Defence Electronics Market

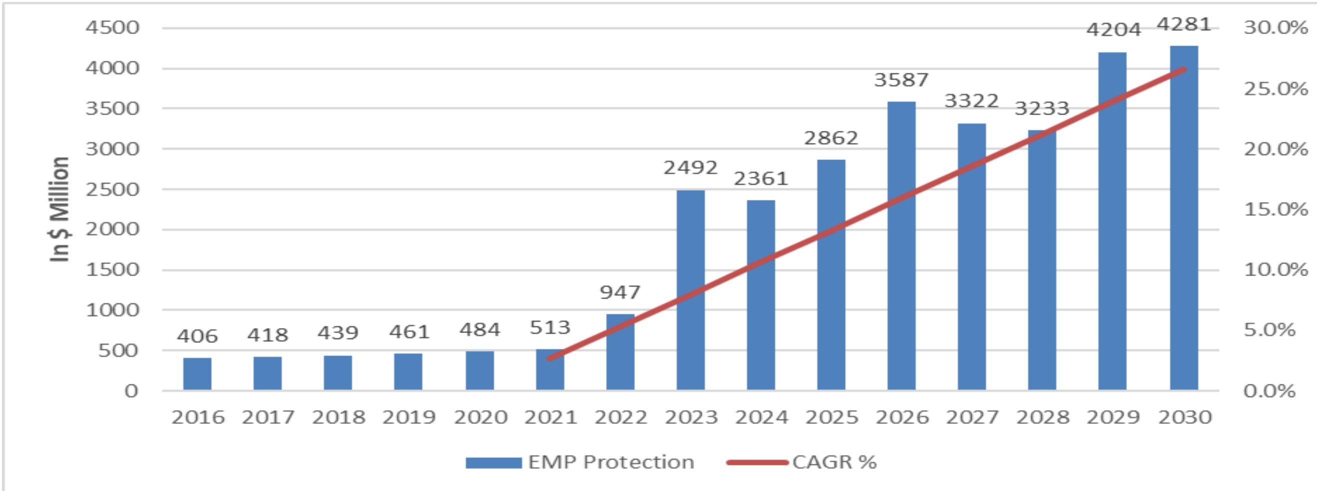
Programme Name	Defence Electronics Opportunities
UAS procurement by the IAF	$ 1.43 billion
Rotary Wing Procurement by the IAF and Indian Navy	$ 1.88 billion
IFV/ APC Procurements by the Indian Army	$ 3.61 billion
Command and Control/ Tactical Communications Modernization	$ 5.09 billion
Combat Aircraft Procurement by the IAF and Indian Navy	$ 7.9 billion

As programmes come to a conclusion such as UAS, Naval Helicopters and transport aircraft and upgrade programmes for Offshore Patrol Vessels, a dip in the projection is expected in the 2027-2028 timeframe. However, an immediate rebound is expected as modernization requirements for IAF's ISR and Combat aircraft and extensive C3 and tactical communication-oriented modernization get underway.

EMP Protection

The EMP Protection market was cumulatively worth approximately $ 2.21 billion from 2016-2020 and grew at a CAGR of 5.5% during the period. The EMP Protection segment will grow from approximately $ 513 million in 2021 to approximately $ 4.3 billion in 2030 at a CAGR of 26.6% during the period. The total market valuation for EMP Protection equipment during this time frame is forecasted to be $ 27.8 billion.

India EMP Protection Market



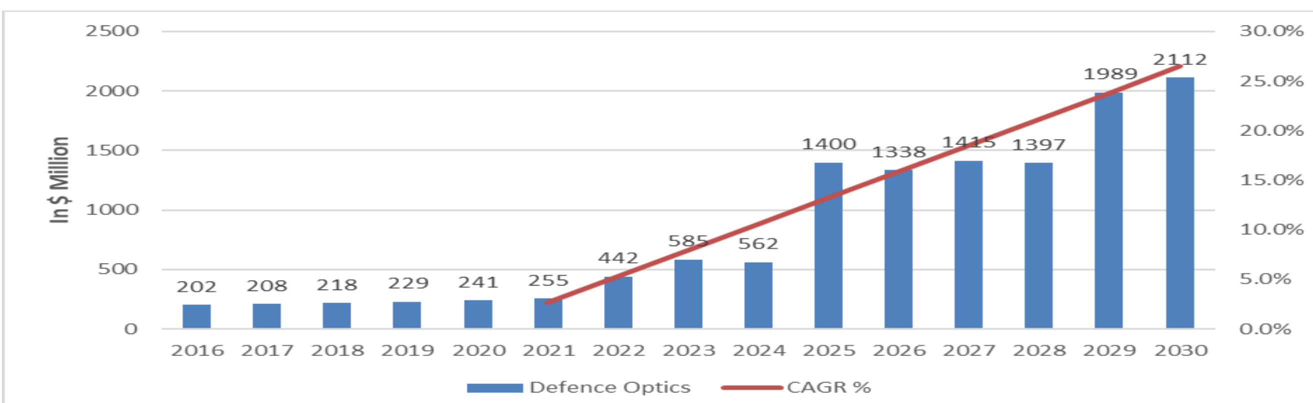
Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

As greater emphasis is placed on hardening of forward Command and Control infrastructure bases and platforms from Chinese attacks, EMP protection will be more closely integrated in future platform designs resulting in greater investment in the segment.

Defence Optics

The Defence Optics market was cumulatively worth approximately $ 1.09 billion from 2016-2020 and grew at a CAGR of 4.5% during the period. The Defence Optics market will be driven by major procurement of airborne combat and ISR capability requirements along with land forces modernization. The Naval contribution to this segment will be limited in comparison to the Air Forces and Land Forces. The market is expected to be worth approximately $ 255 million in 2021 and grow to approximately $ 2.1 billion in 2030 with a cumulative opportunity of approximately $11.49 billion at a CAGR of 26.5%.

India Defence Optics Market



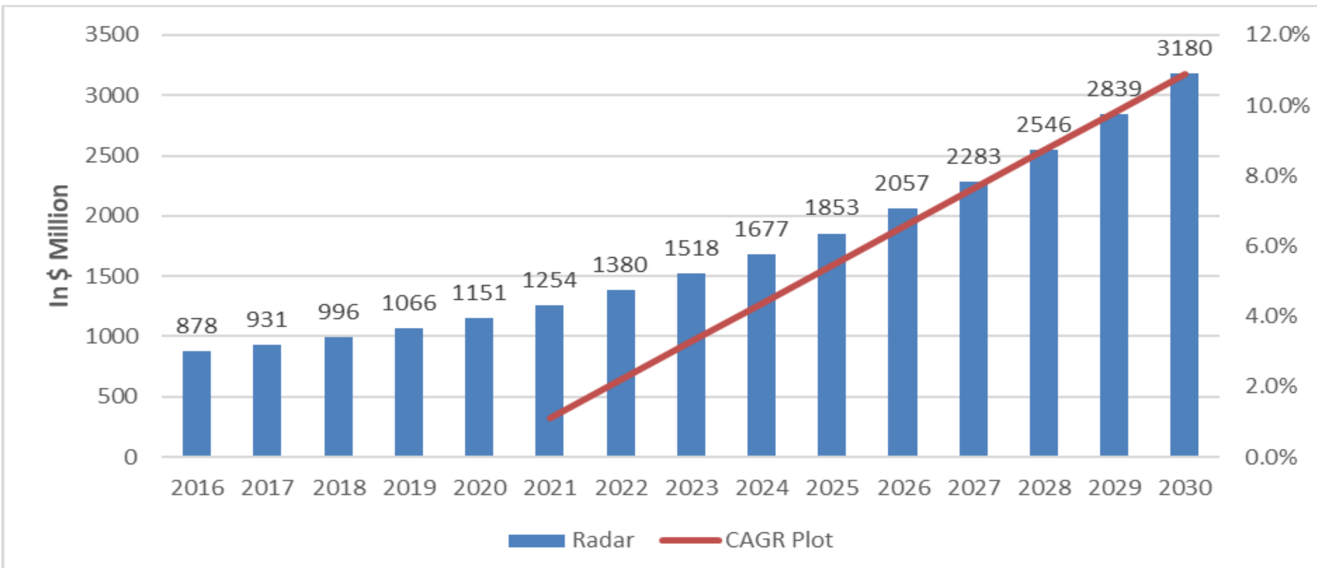
Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

New procurement of electro optic payloads for the Navy's future Multi Role Helicopters, targeting systems for next generation combat aircraft for the IAF and night fighting capability for the older BMP-2 and new IFV's will drive a surge in the defence optics market. A further acquisition spree is expected in 2028 as several platforms in the IAF especially ISR ones ill need to have mid-life upgrades. Similar mid-life upgrades are expected for the Navy's patrol vessel fleets and MBT's of the Indian Army, requiring new imaging equipment.

Military Radar Market

The military radar r market was cumulatively worth approximately $ 5.02 billion from 2016-2020 and grew at a CAGR of 7% during the period. The Radar market is estimated to be worth approximately $ 1.25 billion in 2021 made up of radars for ground, naval and radars for airfield. India has approximately 14.5 thousand kilometres of land borders to monitor of which approximately seven thousand kilometres is critical. With a naval fleet size of 133 platforms, they represent a significant opportunity for radar modernization and upgrades in the future. The market is expected to grow to approximately $ 3.18 billion in 2030 with a CAGR of 10.9% and a total market opportunity of approximately $ 20.59 billion.

Military Radar Market



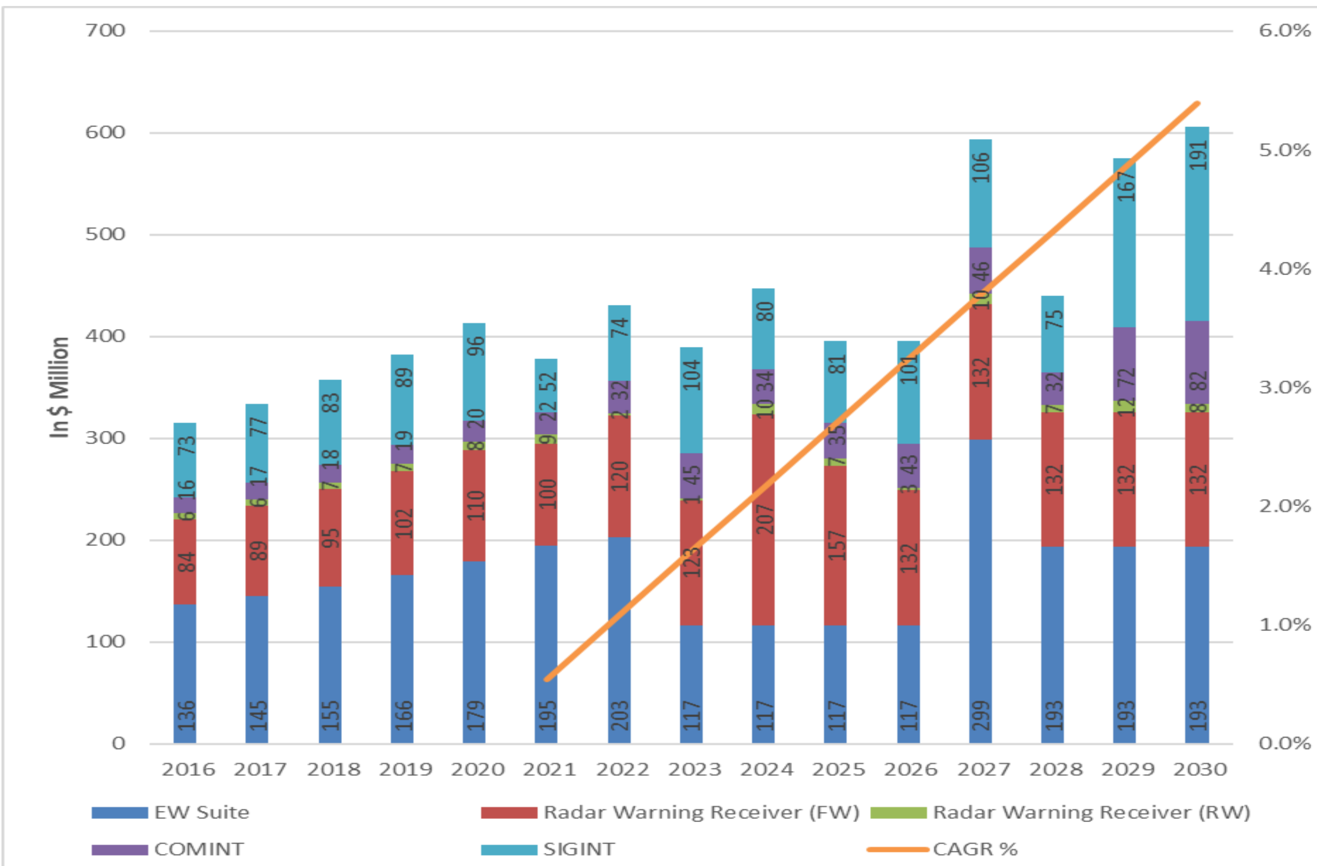
Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

New procurements for precision approach radars are expected to modernise airfield, with radars older than 20 years expected to be gradually phased out over the next decade. Data Patterns already having sold Precision approach radars, wind profile radars and Doppler weather radars to the Indian government has positioned themselves for success for future programmes in the next decade having the technological and delivery capability for success. Data Patterns won the Array Group Receiver Unit ("**AGRU**") as part of the Arudhra - Medium Power Radar programme. Data Patterns will supply approximately 55 units of AGRU/ Arudhra radar. RFP for 18 Ashwini - Low Level Transportable Radar ("**LLTR**") are expected from Air Force next year. The 18 radars are expected to cost around $ 270 million, with IA has requesting budgetary quotes from Data Patterns, Astra Microwave and BEL. The development of new-generation missiles with high-end technologies is a major threat to strategic locations and platforms, such as military airbases and ships. Some of these new developments include nuclear-capable ballistic missiles and high-speed cruise missiles. New radar procurements will be required to counter evolving threats and thus have features such as multiple-bands, AESA radars, etc. Naval vessel upgrades such as the Talwar-class frigates, procurement of additional Shivalik-class frigates and replacement of the Godavari-class will drive radar procurements. Data Patterns has delivered airborne surveillance radar (all of the hardware) for helicopters and fixed wing aircrafts to LRDE on a single vendor basis. LRDE is expected to flight test this radar in the next few months. This will be offered for Navy's Dornier upgrade and as buyer nominated equipment for the new helicopter programmes.

Airborne EW

The Airborne EW was cumulatively worth approximately $ 1.8 billion from 2016-2020 and grew at a CAGR of 7% during the period. The Airborne EW market is expected to be worth approximately $ 378 million in 2021 and grow to approximately $ 606 million in 2030 at a CAGR of 5.4% driven by modernization of platforms such as the IAF's requirement for 200+ single engine fighters, acquisition of the HAL Tejas, Dassault Rafale, procurement of A330's and C-295 and future procurement of the HAL AMCA. Modernization of existing platforms will also contribute towards this market evaluation. Indian companies that have existing RWR, COMINT, ELINT and EW systems like Data Patterns are well positioned to capture the opportunity having already built systems in partnership with DRDO. For e.g., Data Patterns' next gen RWR meets the requirements for the LCA MK IA and is under testing.

India Airborne EW Market



Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

With an increased focus on EW systems, they are undergoing a modernization phase due to the emergence of Next Generation Jammers and AESA that is being explored for EW equipment. These technologies allow generating complex jamming waveforms, in addition to being modular to be installed on platforms as per the operational requirements. There is also a shift towards integrated EW solutions with advanced signal processing and miniaturisation with complex and powerful digital wideband receivers that are able to instantaneously process GHz of signals in complex spectrum environments. The market will also be drive by an increasing need for a distributed, adaptable network Electronic Warfare capability to facilitate the integration of several EW technologies on both manned and unmanned aircrafts. This will enable a complete horizontal integration of multiple payloads, leading to increased situational awareness.

Torpedoes

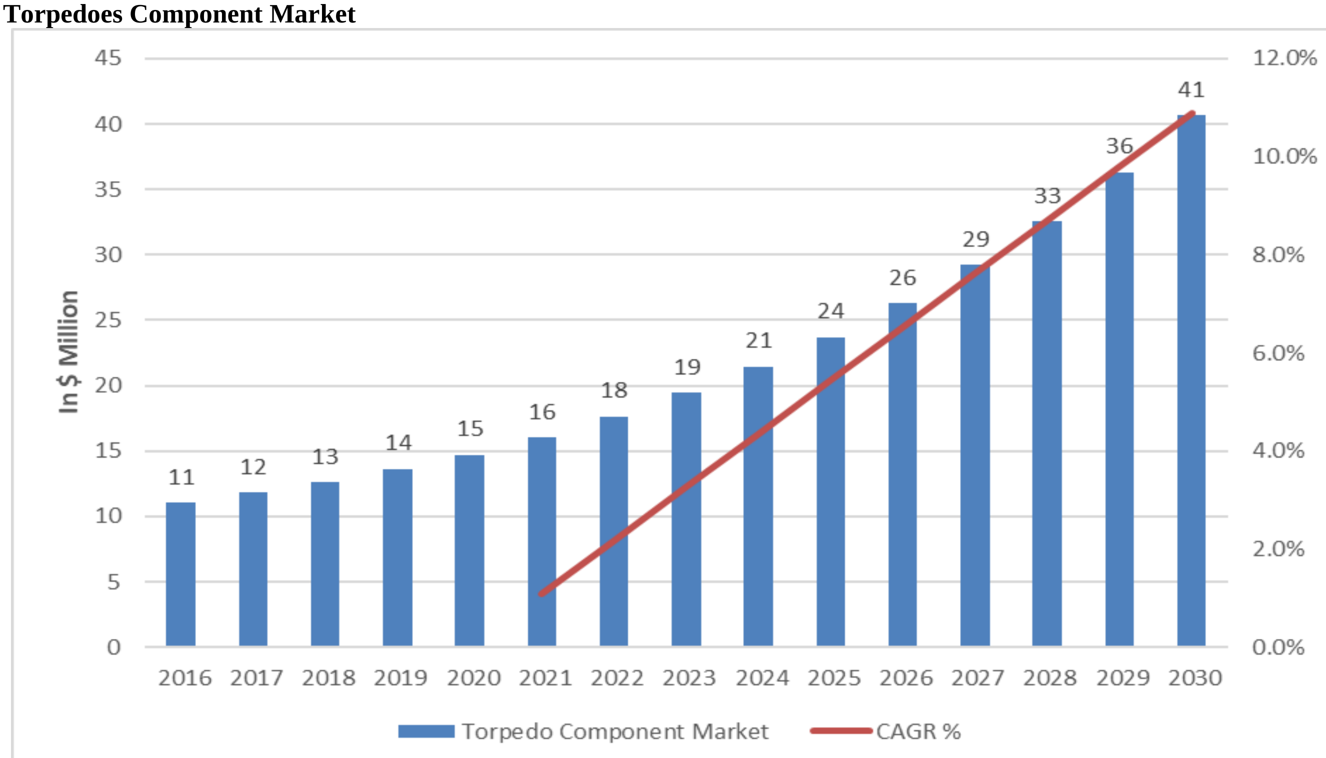
The Indian Defence Electronics market for torpedoes is primarily being driven by replenishment of existing arsenals and procurement of new naval platforms such as:

Programmes Driving Torpedoes Sensor Market

Programme Name	Torpedo Opportunities
Arihant – Class submarine	A total of four submarines planned in two flights.
S5 – Class	3 planned. Expected to start production by 2022.
Project 75 Alpha	The Indian Navy aims to procure new nuclear-powered attack submarines ("**SSN**"). The construction is expected to commence on 2023-24 while the first submarine is expected to enter service in 2032.
INS Vishal	INS Vishal as a replacement of the INS Vikramaditya
Varunastra – Torpedo	Advanced heavyweight anti-submarine torpedo, developed by DRDO for the Indian Navy. In June 2019, Ministry of Defence awarded a contract worth ₹11,870 million (US$170 million) to Bharat Dynamics Limited to supply Varunastra to the Indian Navy with plans for 73 of them.

The Torpedo component market was cumulatively worth approximately $ 63.81 million from 2016-2020 and grew at a CAGR of 7.5% during the period. The market for seekers for torpedoes is expected to be worth approximately $ 16 million in 2021 and grow to approximately $ 41 million in 2030 with a CAGR of 10.89%. The stable growth is since the number of torpedoes in service is expected to be the same, increasing only as the number of naval platforms as described above increases. Moreover, about 5% of the torpedo stock is expected to undergo replenishment every year.

Torpedoes Component Market



Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

Military Avionics

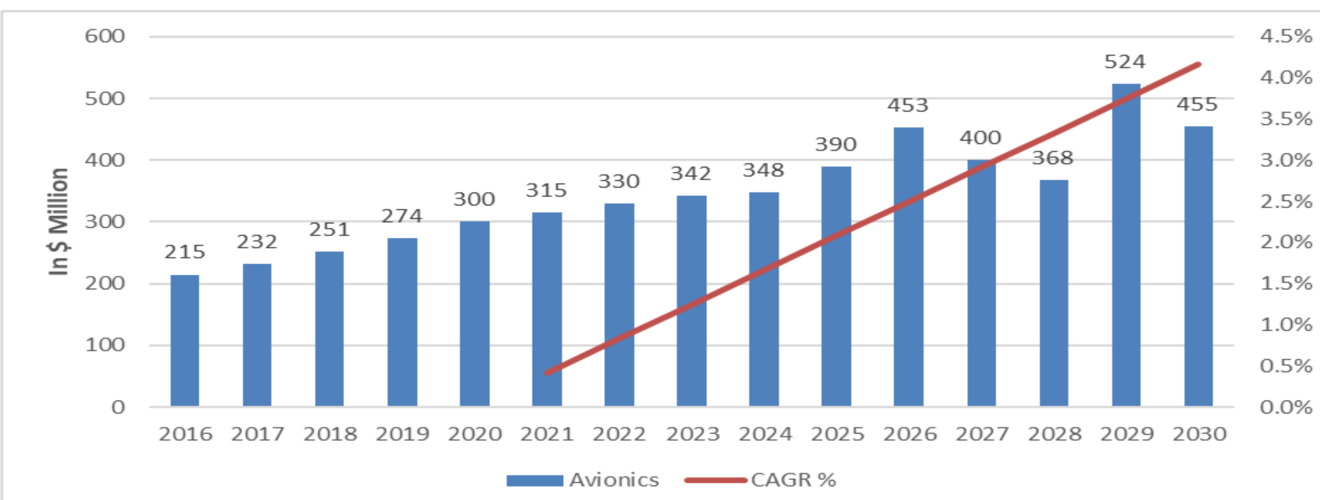
The Defence electronics avionics market is dictated by the frequency of modernization and replacement of existing platforms in addition to procurement of new combat capabilities. The market will be driven by procurement of avionics for the following platforms:

Programmes Driving Military Avionics market

Programme Name	Avionics Opportunities
HAL Tejas Mark1/Mark 1A	HAL has already received orders for 40 aircraft of Mark 1 variant which will be delivered by 2022. In 2021 the Ministry of ordered 83 advanced Tejas with advanced AESA Radar, Jammers, superior avionics, next-gen BVR missiles, better payload, and enhanced combat range. The induction will be completed by 2028. Data Patterns has supplied the Smart Standby Display Units (Cockpit Displays) which will be procured for this programme.
MMRCA 2.0	An RFI was issued by India in April 2018 for the procurement of 114 multi-role combat aircraft for the Indian Air Force.
C295	56 C-295 transport aircraft under the Make-in-India initiative. The programme is at financial approval stage and the contract is likely to be signed in the near future. The first 16 planes will be supplied in two years, with the rest spread over the next eight years.
HAL Light Utility Helicopter	On March 2021 MoD placed an initial order of 6 light utility helicopters for the Indian Airforce. The deliveries are expected to commence from Aug 2022. The Glass cockpit and Digital Interface units are designed and developed by Data Patterns. Based on around 180 LUH planned, contracts of Rs 2500 to 3000 million are likely for these of these are required for around 180 LUH planned. The number of LUH is likely to go up due the delay in finalising the Kamov 226 programme.

The military avionics market was cumulatively worth approximately $ 1.27 billion from 2016-2020 and grew at a CAGR of 8.8% during the period. The Avionics market is expected to be worth approximately $ 315 million in 2021 and is expected to grow to approximately $ 454 million in 2030 at a CAGR of 4.2% over the decade. New aircraft procurements as highlighted above will be a major driving force for new avionics with modern capabilities. Companies that can develop the entire range of avionics required for both fighter aircrafts and helicopters will find ample opportunities as India looks to procure the HAL LUH and LCA MK 1A.

India Defence Avionics Market

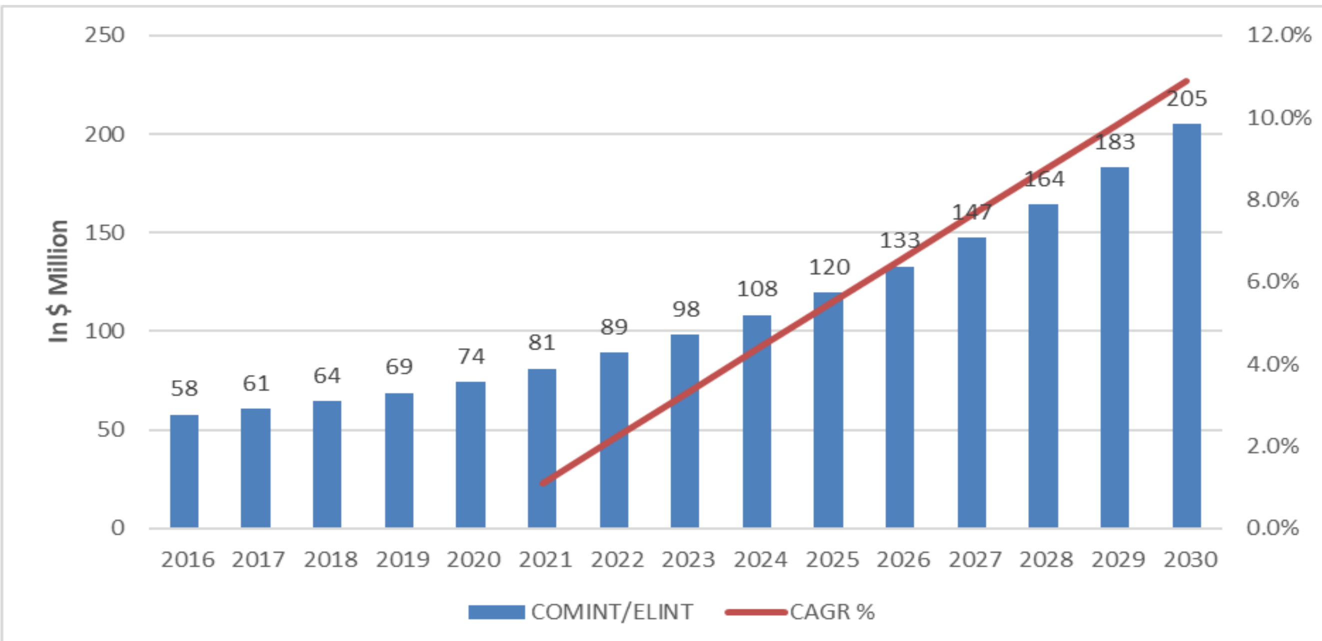


Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

Land COMINT/ELINT

The ground based COMINT/ELINT market will be driven by modernization of existing mechanised infantry battalions with dual purpose units performing COMINT/ELINT roles as well as dedicated platforms. There are dedicated platforms that are operated that were developed as part of programme Divya Drishti. Other platforms that are dedicated to this task are the Samyukta Electronic warfare system, the Himashakti SIGINT platform and the Himraj ground based ELINT solution. At present the penetration of COMINT/ELINT capability is limited but is expected to increase in the future with the launch of programme Dharashakti. Data Patterns has received single vendor orders from DLRL for development and supply of all of the COMINT search receivers, Direction Finder, Monitoring receivers, etc. for the Dharashakti programme. There is also a requirement for ELINT receiver as part of development programme for S&S which is a large EW requirement for Deserts and Plains nominated to BEL. Furthermore, a new programme for EW for Mountains has been initiated in DRDO as a precursor to Army requirements. These programmes would drive the ground COMINT/ELINT market. Data Patterns is well positioned for the Himashakti and Dharashakti programme in the market having previously sold COMINT receivers to BEL /ECIL for Samyukta upgrade, Himraj, etc. to final delivery to the Indian Army.

Ground COMINT/ELINT Market



Note: CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

The ground COMINT/ELINT market was cumulatively worth approximately $ 326 million from 2016-2020 and grew at a CAGR of 6.5% during the period. The ground COMINT/ELINT market is expected to be worth approximately 81 million in 2021 and is expected to reach approximately $ 205 million in 2030 at a CAGR of 10.89%. The total market for the forecast period will have a cumulative opportunity of approximately $ 1.3 billion driven by the above programmes.

Global and Indian Space Industry Trends

The global trends are also being replicated in the Indian ecosystem as the Indian Space Research Organisation ("**ISRO**") is making a concerted effort to evolve the Indian ecosystem with transfer of manufacturing technology and shift in policy framework. The discussion of the space industry trends with respect to global and Indian ecosystem is placed in succeeding paragraphs.

Small Satellites and Mega Constellations

Small satellite mega constellations are driving the demand for satellite and sub-systems manufacturing

Serial Production of Satellites

The rise in demand of small satellites is leading to serial production of satellites. Domestically, the small satellite demand will add to ISRO demand. Indian private industry will also benefit from the ISRO initiative of outsourcing manufacturing.

Uberization of Ground Stations

The ground stations have not yet evolved to catch up with the exponential increase of data transfer demand which has led to new business models such as uberization of ground stations. The same is especially applicable to India as there are no existing private industry providers. Early entrants will benefit from first mover advantage.

Domestically, there are no players addressing the ground station capacity demand through aggregator models, and early entrants are likely to benefit from first mover advantage.

Space System Testing

The mass production of satellites also necessitates the need for testing and validation. The industry has shifted to model of end of assembly line testing as seen in the automotive industry. Domestically, the testing demand will be driven by ISRO missions, and testing equipment suppliers to ISRO will benefit from the increased demand.

COTS for Space

The demand for COTS components in low weight satellites has increased due adoption of Pico, Nano and Micro satellites. Data Patterns is well positioned to capture this demand owing to it capability of building nano satellites from scratch including the required components.

The demand for the light satellite solutions is increasing significantly due to multiple planned satellite constellations and easy plug and play approach possible to assemble CubeSats.

Indian Space Industry

Indian Space Evolution

The Indian space industry has evolved with ISRO outsourcing manufacturing to private industry. The evolution has helped private players like Data patterns to evolve their technical capability in addressing domestic and global demand.

Indian Space Industry Expenditure and Forecast

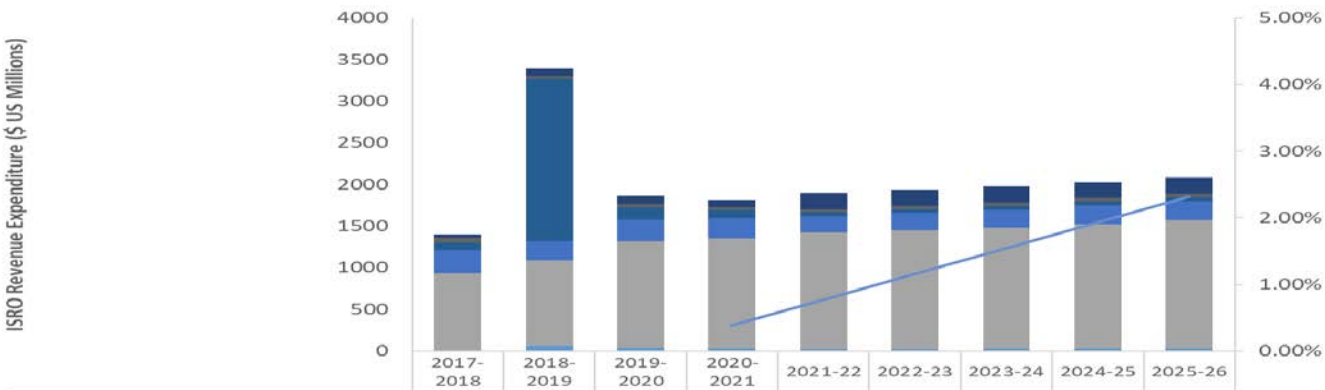
The ISRO revenue expenditure is forecasted to increase to $ 2,085.68 million in Fiscal 2025-2026 on back of increased missions.

ISRO's establishment expenditure has been increasing due to the incorporation of NSIL and IN-SPACe. About $132.09 million have been allocated as part of budget for establishment expenditure since Fiscal 2019 up to Fiscal 2021. This indicates government's agenda to drive further ISRO's efforts of engagement of private participants in Indian space industry. The creation of these entities has led to new opportunities for Indian private players through technology transfer and contract manufacturing opportunities through NSIL and regulating body like IN-SPACe, which will enable private participants to establish their own services, establish own launch facilities and satellite operations.

In Fiscal 2018 ISRO's revenue expenditure was about $1.39 Billion and about $1.86 Billion in Fiscal 2020 i.e., growing at CAGR of 15.68%. However, a sudden spike in expenditure is seen in Fiscal 2019 due to expenditure on INSAT operational which amounted to 57.4% of the total expenditure. ISRO's Indian National Satellite ("**INSAT**") system had about 200 transponders boosted. The system provides services for broadcasting, telecommunications, weather forecasting, search and rescue operations and disaster warning.

There is a shift of focus of ISRO of being a key driver for new technology development which is reflected from the increased space technology budget by 56.7% in Fiscal 2022 when compared to Fiscal 2020 revised budget and about 14% increase when compared to Fiscal 2021 budget. Another factor contributing to rise of budget for space technology is increased contract manufacturing and serial production requirements of ISRO for satellites and Launch Vehicles. Space applications expenditure will see constant growth until Fiscal 2026, as will space sciences and space applications, with an increasing focus on these missions.

ISRO's Revenue Expenditure Forecast



	2017-2018	2018-2019	2019-2020	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26
Total	1396.87	3395.67	1865.83	1817.96	1898.07	1936.66	1976.66	2030.14	2085.68
Direction & Administration and Other Programmes	37.44	97.25	102.45	89.32	194.76	194.76	194.76	194.76	194.76
Space Sciences	61.16	28.41	40.03	35.74	37.35	38.09	38.85	40.02	41.22
INSAT Operational	89.01	1949.32	143.22	101.22	44.84	45.74	47.11	48.53	50.47
Space Applications	274.75	233.76	264.52	244.11	200.93	208.96	217.32	223.84	230.56
Space Technology	934.51	1024.72	1276.77	1316.53	1394.55	1422.44	1450.89	1494.42	1539.25
Establishment Expenditure	0	62.21	38.84	31.04	25.64	26.67	27.73	28.57	29.42

Note: Fiscal 2018 to Fiscal 2021 values are actual. Fiscal 22 is projected budget. Fiscal 23 to Fiscal 2026 are estimates based on planned missions by ISRO.

Despite revised budget being lower for Fiscal 2021, Fiscal 2020 has been progressive year for Indian space industry as COVID-19 has only spiked participation of private players within the local industry ecosystem, as recent policy changes allow a level playing field, allowing their participation in technology development for space exploration, Gaganyaan and deep space missions. This indicates the shift in ISRO's role from being a monopolistic player in domestic industry to being an enabler for private space ecosystem.

On-going efforts of ISRO

ISRO has planned multiple deep space and experimental missions to strengthen India's position in global space industry through new technology development.

Recent Indian Missions

The graphic below shows the recent Indian missions from CY 2018-H1 2021. ISRO has successfully launched about 16 satellites and 1 exploratory mission during this timeline. About 35.29% of the total missions were Earth Observation, while 29.41% were communication satellites. Other salient aspects are:

- The data includes one successful launch by a private player in 2018
- 5 university satellites were launched in 2021
- 31 satellites are panned to be launched in 2021-2022. 54.38% of these are earth observation and 12.9% are communication satellites.
- The total number of ISRO satellites/ missions have steadily increased from 8 in 2018 to the current plan of 31 satellites in 2021-2022 indicating an almost 400% rise. The trend bodes well for the Indian space industry

Historical and Planned Indian Missions, 2018-2022

ISRO	
2018	Microsat
2018	INS 1C
2018	Hysis
2018	Cartosat 2F
2018	GSAT-6A
2018	IRNSS-1I
2018	GSAT-29
2018	GSat 7A
2019	GSAT-31
2019	RISAT 2B
2019	Cartosat 3
2019	RISAT 2BR1
2019	Kalamsat v2
2019	Chandrayaan-2
2019	EMISAT
2020	CMS-1
2020	GSAT-30

Exceed Space	2018	Exceedsat 1
DRDO, PES University	2021	SindhuNetra (RSAT)
Space Kidz India	2021	SDSAT (Satish Dhawan Sat)
Jeppiaar Inst of Technology	2021	JITSat (UNITYsat 1)
G.H. Raisoni College of Engineering	2021	GHRCEsat (UNITYsat 2)
Sri Shakthi Institute of Engineering and Technology	2021	Sri Shakthi Sat (UNITYsat 3)

Satellite Missions	2018	2019	2020	2021-22
Earth Observation Satellites	2	4	1	17
Communication Satellites	4	1	2	4
Navigation Satellites	1	0	0	4
Space Exploration satellites	0	1	0	3
Technology Demonstrator	1	0	0	1
GAGANYAN	0	0	0	2
Total	8	6	3	31

ISRO Planned Programmes

ISRO Programmes	Description	Effect on Space Industry Participants
Space Telescope Observatory Mission	Astrosat was the first dedicated astronomy mission in India utilizing X-ray, optical and UV band simultaneously, and was launched in 2015 with mission life of 5 years. The second space science mission, the X-ray polarimetry satellite ("**XPoSat**"), is planned to be launched by end of 2021. The mission is aimed at study of polarization of cosmic X-rays.	This mission indicates the shift in focus of ISRO towards scientific applications and technology development from basic services. Even though the nature of mission is not recurring, it increases the technology know how for the Indian space industry through technology transfer from ISRO. By working with ISRO on such missions the private space players can expand their technical capability portfolio, which can be leveraged for other product development and subsequent missions.
Deep Space Missions to Moon, Venus, Mars and Sun	India has planned multiple deep space missions focusing on Mars, Venus, and Moon. Shukryaan-1 is first mission by ISRO expected to be launched in 2025 to study the Venusian environment using Synthetic Aperture Radar ("**SAR**") and Venus Infrared Atmospheric Gases Linker ("**VIRAL**") (developed by CNES in collaboration with Roscosmos). Mangalyaan-2, second Mars Orbiter Mission is scheduled for launch in 2024. Chandrayaan-3, third lunar exploration mission, is scheduled to be launched in 2022.	The engagement of private players for key system designs for these missions will be great opportunity for these players along with technical capability building. Some of the Critical systems of these missions are communication and on-board computers for obtaining and processing data. Thus, these missions are opportunity for electronics manufacturers in space such as Data Patterns, BEL, and Alpha Design etc. As these missions require extensive testing due to exposure to extreme

ISRO Programmes	Description	Effect on Space Industry Participants
		environments, the demand for testing equipment is increased during the development phase of these missions. Data Patterns can cater to such a demand based on their previous experience of working with ISRO and similar projects.
NISAR Satellite Mission	ISRO has planned NASA-ISRO Synthetic Aperture Radar (“**NISAR**”) mission in collaboration with NASA scheduled to be launched in 2023. The mission cost is expected to be $143.11 million. The mission objective is to analyse the impact of climate change and natural hazards.	The private players such as Data Patterns can work with ISRO on similar missions with international collaborations, which will enable them to develop components/systems to international standards which they can later leverage to build their product portfolio. In, addition they can expand their international customer base by leveraging their experience on similar projects.
Other Experimental Missions	Aditya-L1 is small satellite, LEO mission with multiple payloads to study sun and surrounding atmosphere, which is scheduled for launch in Jan 2022.	The private players such as Data Patterns, Paras Defence and Space Technologies Ltd, Alpha Design etc. can participate in experimental missions, which will enable them to enhance their existing R&D capability based on the set requirements for mission. Thus, improving their technical capabilities. Success of similar missions will increase customer confidence and prove product reliability which is a key factor for opting for a particular component/sub-system or system.
Development of New Launch Facility and Launch Vehicle	Establishment of second spaceport by ISRO Kulasekharapatnam (Thoothukudi district), Tamil Nadu will enable multiple Small Satellite Launch Vehicle (“**SSLV**”) launches, and increasing launch slot availability for satellite operators,	The Indian industry will benefit from increased launch capacity which will in turn attract commercial satellite operators and drive revenue opportunities. Data Patterns, given their history of building second launch pad count down system for SHAR, will also benefit. In addition, the development of SSLV by ISRO will need additional testing equipment which can be good opportunity for testing equipment suppliers such as Data Patterns.
Gaganyaan	Gaganyaan is a part of Indian human spaceflight programme. First and second test flights are planned respectively in 2022, 2023, while and first crewed flight to LEO is slated for 2023.	The development phase of the spacecraft involves development of life support, communication, guidance, navigation, and control systems. These systems will need involvement of space electronics manufacturers such as Data Patterns. In addition, due to the nature of programme extensive amount of testing is required during the development phases. This is an opportunity for testing equipment manufacturers such as Data Patterns. Data Patterns has already delivered cable tester for this programme, positioning them well for supplying similar testing equipment during the course of the programme.

Indian Space Industry Ecosystem

Space Industry landscape has been expanding with entry of multiple private players and announcements of changes in regulatory framework.

Global & Indian Space Electronics Market

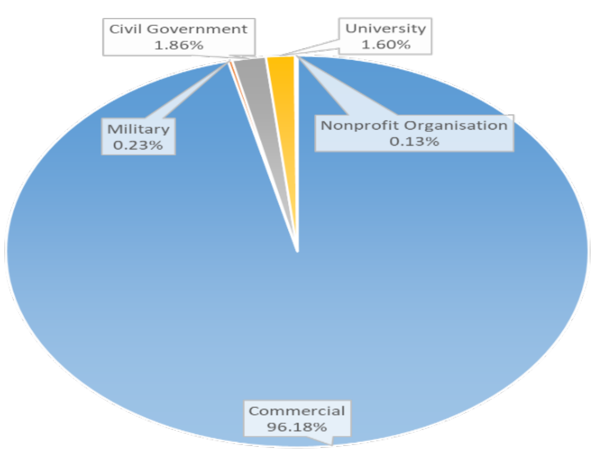
Global Satellite Manufacturing Market Opportunity

Frost & Sullivan estimates 39,033 satellites to be launched from 2021-2030. About 98.99% of the demand is from small satellites of which 49.01% of the demand is from satellites weighing less than 75 Kg.

The growth in number of satellites has been phenomenal in 2020 i.e., about 1221 satellites were launched in 2020 as compared to 406 in 2019, which is a 300% rise in total number of satellites launched. Similar spike has been observed in H1 of 2021, and about 1281 satellites have already been launched till now. This is more than the total number of satellites launched in 2020. The exponential rise is due to the growth of mega constellations as discussed earlier.

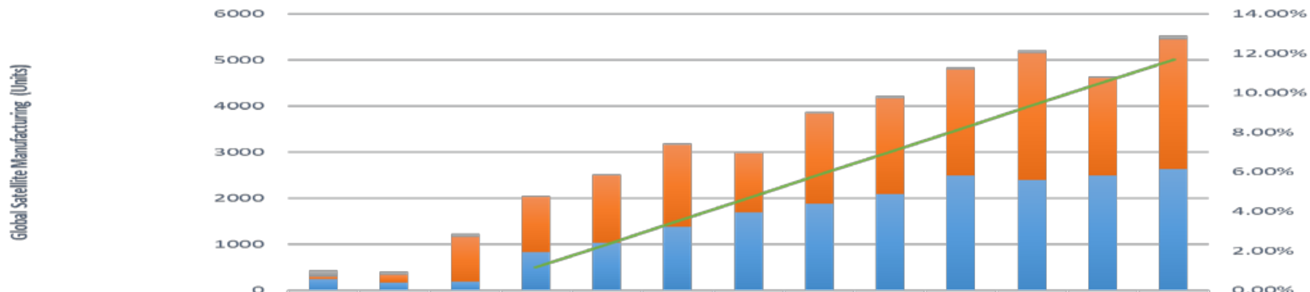
Frost & Sullivan estimates that 39,033 satellites will be launched from 2021-2030 as shown below. Small satellites (satellites weighing <500Kg) are driving this demand as 98.99% of the demand is from small satellites, of which 49.01% of the demand is from satellites weighing less than 75 Kg. This mass class (0-75Kg) covers all key user segments such as university, commercial, military and civil government. The market share by user segment for 2021-2030 is as shown in below:

Global Satellite Manufacturing Market share by User Segment for Mass Class (0-75Kg), 2021-2030



The total demand consists of the new satellites as well as the replacement satellites for continued offering of services. The peak in 2023 and 2028 in the forecast is a consequence of overlap of new and replacement satellites. The demand in 2030 is mainly driven by subsequent phases of satellite constellations being launched.

Global Satellite Manufacturing Forecast (Units; No. of satellites), CY 2021-2030



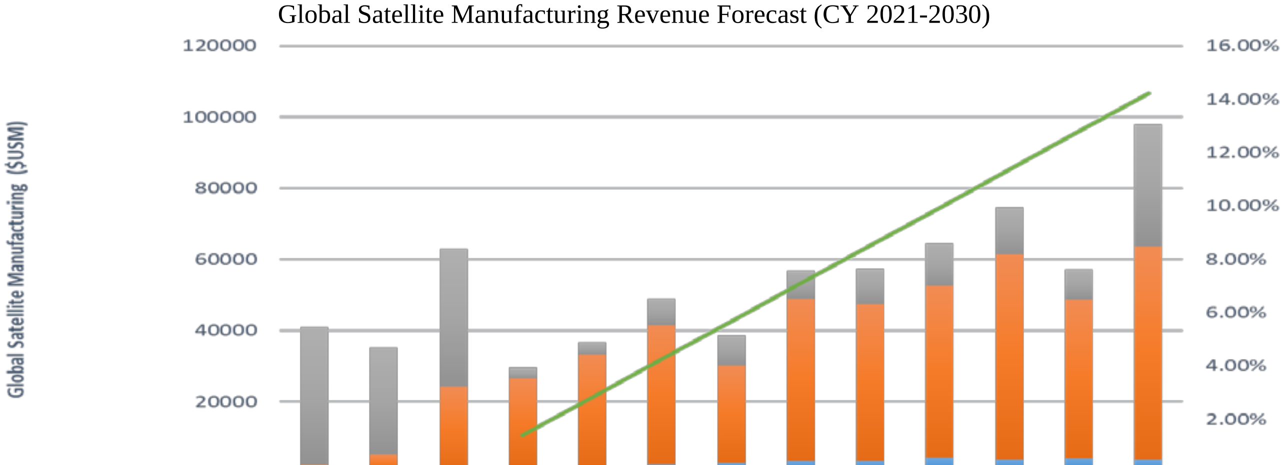
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total	426	409	1221	2042	2515	3185	3002	3869	4213	4843	5201	4639	5524
Large Satellites	135	76	65	14	19	28	31	34	51	51	53	32	79
Other Small Satellites	45	166	964	1198	1462	1776	1276	1951	2065	2294	2747	2111	2821
0-75 Kg	246	167	192	830	1034	1380	1695	1884	2097	2498	2401	2496	2625

Note: CY 2018-2020 values are historical, and CY 2021-2030 are forecast based on new installations and replacement of satellites. CAGR line depicts the average growth rate for CY 2021-2030

Historically the revenue for satellite manufacturing was predominantly by large satellites i.e., about 94.4% of the total revenue in 2018 and there has been a decrease in percentage revenue to about 61.25% in 2020 and further decrease of revenue is anticipated for larger satellites during the timeline. This is mainly due to shift towards utilization of small satellites and associated lower manufacturing costs per satellites.

Frost & Sullivan's satellite manufacturing database estimates that the global satellite manufacturing revenues for 2021 is $29.62 Billion, and is expected to grow to $97.94 Billion by 2030, at a CAGR of 14.21% as shown below. Within this forecast, 80.72% are small satellites. The demand from 0-75 Kg mass class is $1.63 Billion in 2021 and is expected to grow up to $3.82 Billion by 2030, growing at a CAGR of 9.93%.

Global Satellite Manufacturing Revenue Forecast (CY 2021-2030)

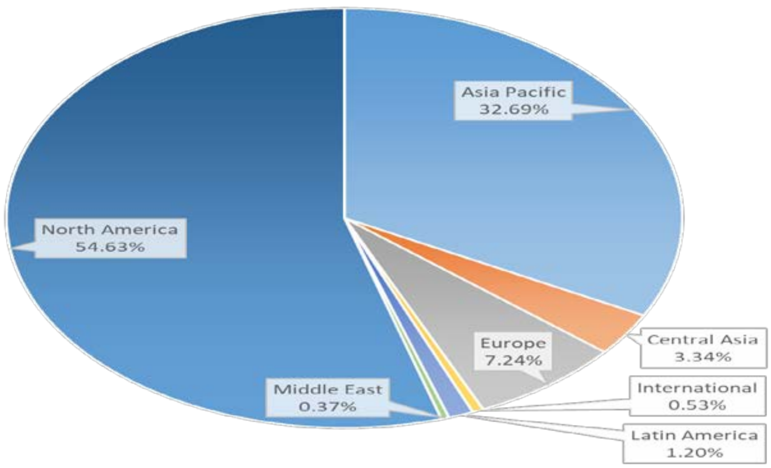


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total	40875	35211	62838	29630	36745	48996	38555	56750	57457	64372	74611	57272	97947
Large Satellites	38611	30049	38494	3092	3578	7569	8380	7869	10112	11787	13176	8531	34307
Other Small Satellites	1852	4827	24062	24904	31354	38905	27269	45502	43913	48277	57724	44568	59813
0-75 Kg	412	335	282	1634	1813	2522	2907	3378	3432	4308	3711	4173	3827

Note: CY 2018-2020 values are historical, and CY 2021-2030 values are projections based on the number of satellites to be launched and variation of pricing by mass class for manufacturing of satellite.

About 54.55% of the total market revenue from 2021-2030 is estimated to be from North American Region which accounts for about 50.53% of total global demand in terms of number of satellites. The major mass segment in the region is 150-250Kg which has market share of 79.74% of the total market revenue. Key satellite operators in the region are SpaceX, Telesat Canada and Lynk. Satellite manufacturers from this region are Blue Canyon Technologies, Boeing, Harris, and Magellan Aerospace.

Global Satellite Manufacturing Regional Market Share, CY 2021-2030



Asia Pacific region is estimated to have market share of 32.64% (2021-2030) in terms of revenue driven by demand of 9555 satellites. Key Mass Class is 150-250 Kg segment followed by 75-150 Kg segment which contribute to 20.60% and 13.96% of revenue respectively. Key satellite operators driving the demand are Galaxy Space, Axel Space, Chang Guang Satellite Technology, Synspective and Xingyun Satellite Co. Satellite Manufacturers in the region are Alpha Design Technologies, Inovor and Data Patterns.

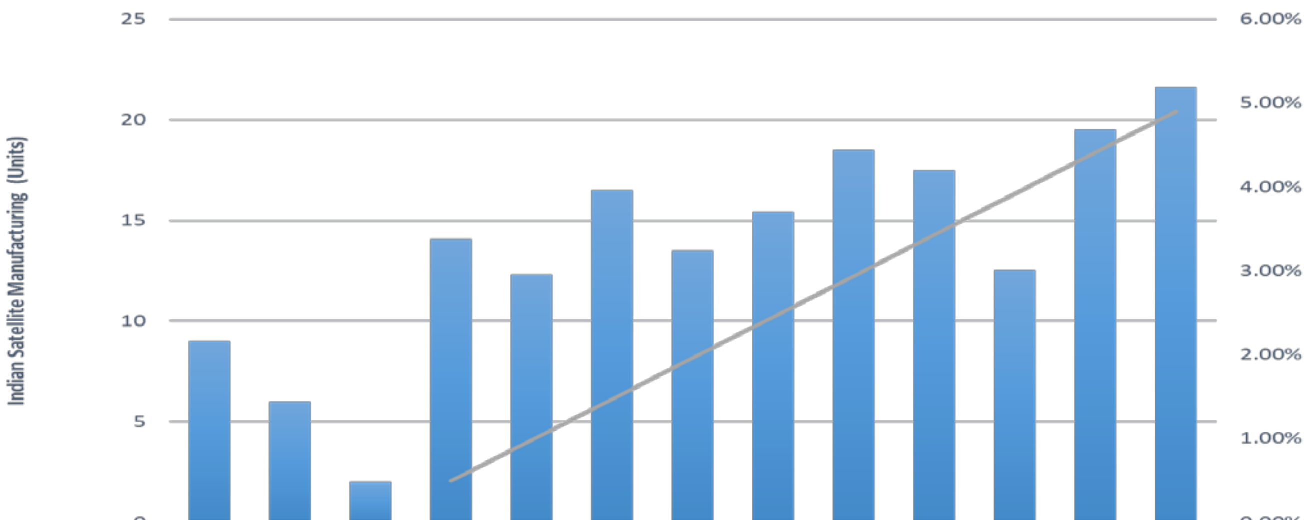
The demand from commercial segment is the highest and accounts for a market share of about 82.02%. This segment is growing at a CAGR of 12.21%. Next key segment is military which is growing at CAGR of 48.70%. Other user segment such as university (0.20%) and non-profit organizations (0.01%) have a lower demand. The highest demand from 0-75Kg mass class is commercial followed by Civil Government. The demand for 0-75 Kg mass class is expected to grow at CAGR of 10.46% for commercial user segment and 0.44% for Military.

The global demand by application is highest for communication applications followed by EO and IoT/M2M applications. The total demand for communication is about $21.75 Billion in 2021 and $70.69 Billion in 2030. Key user-segment for this application is commercial and accounts to about 96.98% of communication satellite manufacturing market share and civil government of up to 1.92%. The demand for EO is about $4.59 Billion in 2021 and $17.76 Billion in 2030 growing at CAGR of 16.22%. This demand is mainly driven by the commercial players such as SpaceX and OneWeb. The demand for EO missions is from combination of planned satellite constellations and replacement mission from operational constellations.

Indian Satellite Manufacturing Market Opportunity

Historically, the number of satellites launched by ISRO has been declining from 2018 to 2020 from 9 satellites to about 2. The decline in 2020 is a consequence of revision of ISRO's budgets leading to delay in missions. However, ISRO has contracted about 27 satellites to be assembled to consortium of 3 companies: Alpha design technologies, BEL and Tata advanced systems, indicating increase in number of satellites to be launched by ISRO in the future. Figure below shows the market opportunity for satellite manufacturing in India. In short-term the market opportunity is mainly driven by ISRO followed by shift in 2025 where the opportunity is driven by private players in terms of number of satellites by Indian start-ups such as Pixxel, Satsure, Vesta Space Technologies and Astrome who are aspiring for small satellite constellations, and this indicates the possibility of a growing Indian small satellite market involving commercial players besides ISRO. Pixxel is aiming to achieve an earth observation constellation of 30 small satellites. The total opportunity for India is about 161 satellites from 2021-2030.

Indian Satellite Manufacturing Forecast (Units; No. of Satellites CY 2021-2030)

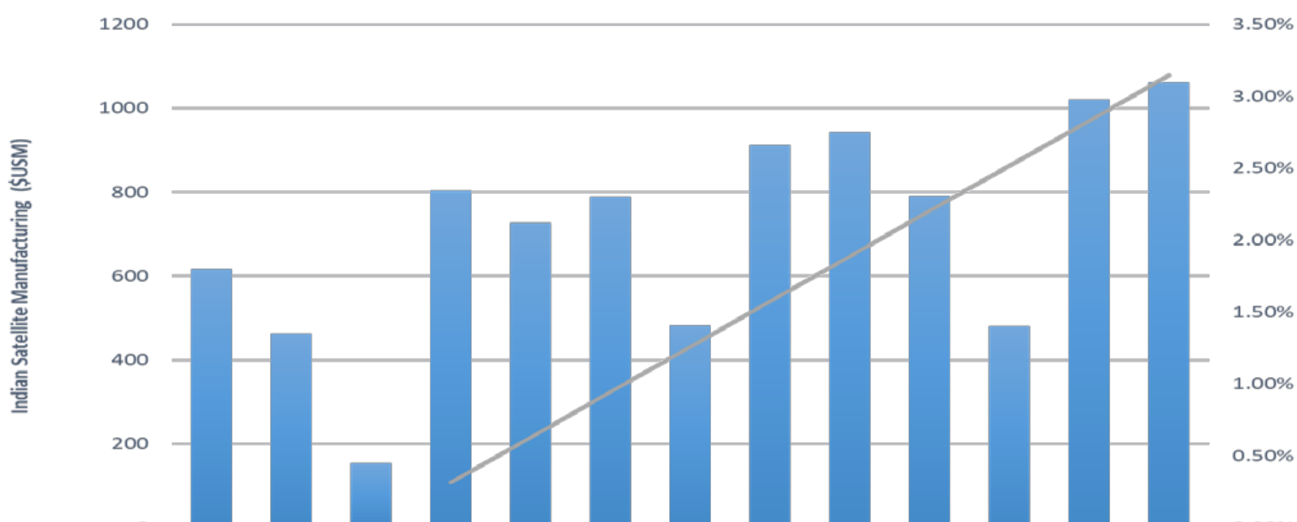


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total	9	6	2	14	12	17	14	15	19	18	13	20	22

Note: CY 2018-2020 values are historical, and CY 2021-2030 values are projection based on planned missions, satellite constellations and replacement satellites.

Historically the revenue for satellite manufacturing has reduced in the last two years owing to the reduction in number of satellites launched i.e.,77.3% decrease. Frost & Sullivan's estimates the Indian satellite manufacturing revenues to be $803.26 Million as of 2021, which is expected to grow up to $1061.5 Million by 2030, growing at a CAGR of 3.15%. The 0-75Kg segment is estimated to be $0.95 Million as of 2021 and is expected to grow up to $3.39 Million by 2030, growing by a CAGR of 15.18% for the Indian Market.

Indian Satellite Manufacturing Revenue Forecast CY 2021-2030



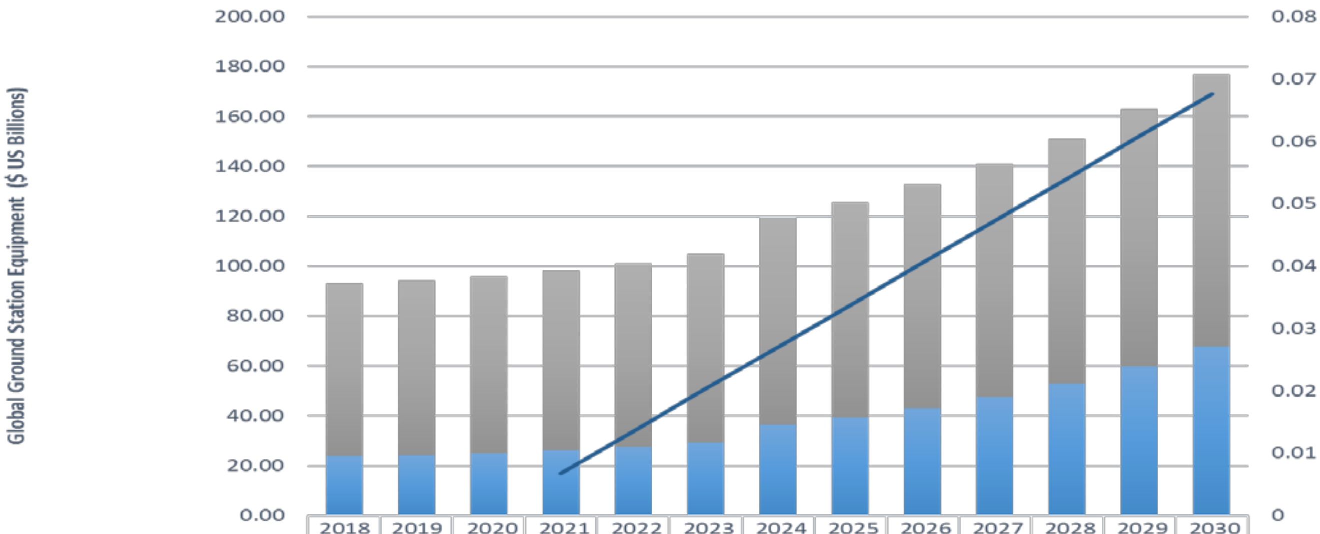
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total	618	462	154	803	728	789	482	912	943	790	481	1021	1062

Note: CY 2018-2020 values are historical, and CY 2021-2030 are projections based on number of satellites and manufacturing price per satellite based on mass class.

The demand for Indian market is mainly driven by civil government and commercial sectors having a market share of 88.70% and 11.29% respectively. The Key applications for the sector include IoT/M2M, Technology and Communication. In case of IoT/M2M the demand is 100% from commercial players. For Technology, the demand is mainly driven by Civil Government having a market share of 99.92%.

Global Market Opportunity for Ground Stations

Global Ground Station Equipment Forecast (CY 2021-2030)



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Fixed Satellite Service	69.30	69.91	70.84	72.08	73.67	75.62	83.16	86.09	89.507	93.453	97.984	103.17	109.08
Mobile Satellite Service	23.78	24.28	25.04	26.08	27.45	29.17	36.32	39.36	43.06	47.56	53.02	59.67	67.77

Note: CY 2018-2020 values are historical, and CY 2021-2030 values are projections.

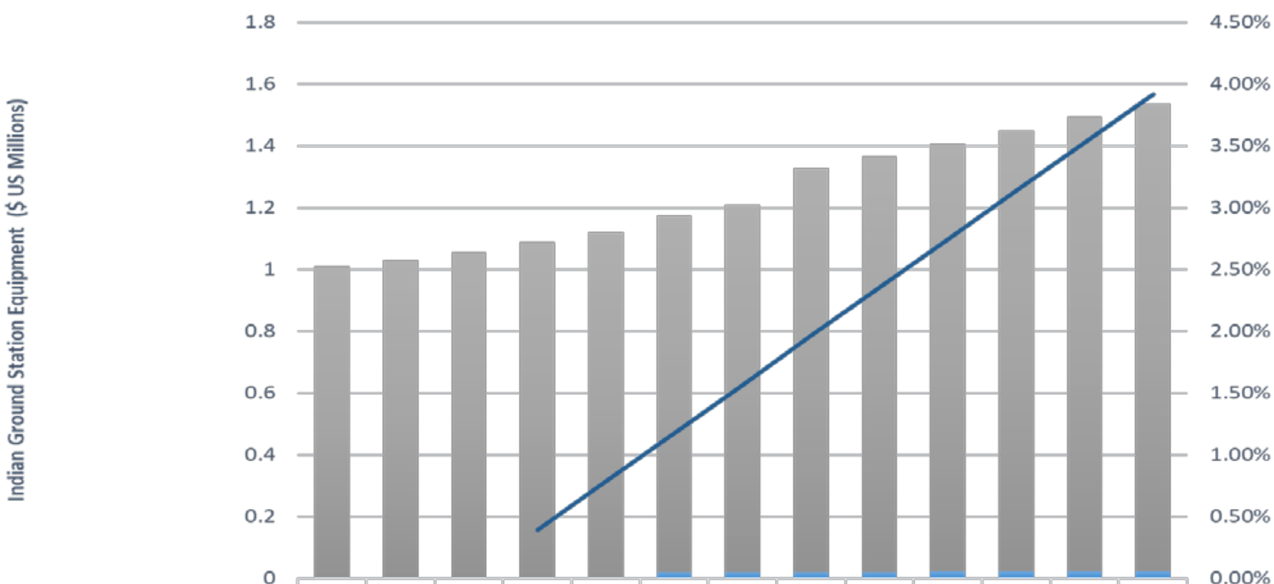
In 2018 the revenue for ground station equipment was $93.08 billion and grew to $95.88 billion in 2020 growing at CAGR of 1.49%. This increase is consequence of increase in demand for ground station equipment with planned ground stations being built to support additional capacity demand from small satellite constellations.

The total market opportunity for ground stations in the period 2021-2030 is about $1313.26 billion, growing from $98.17 Billion in 2021 to $176.85 in 2030 at a CAGR of 6.76%. The global demand is driven mainly from the additional ground segment capacity required for new satellite constellations. New small satellite operators such as RBC signals, SpaceIt are deploying aggregator models which tap excess ground segment capacity through a single platform. The model allows the satellite operators to utilize multiple ground stations customized to their requirements, enabling them to have multiple communication points with the satellite without higher investment in ground infrastructure. However, companies which have vertically integrated model such as SpaceX are setting up their own ground stations. With projected demand for about 39033 satellites to be launched from 2021-2030, the number for ground stations will also increase.

The fixed satellite service ("**FSS**") equipment is expected to grow at a CAGR of 4.71%, while the mobile satellite service ("**MSS**") is forecasted at a CAGR of 12.34%, indicating that the increasing trend of adoption of MSS equipment due to LEO constellations.

Indian Market Opportunity for Ground Stations

Indian Ground Station Equipment Forecast (CY 2021-2030)



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Fixed Satellite Service	1.01	1.03	1.06	1.09	1.12	1.15	1.19	1.31	1.3453	1.3857	1.4272	1.4701	1.5142
Mobile Satellite Service						0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

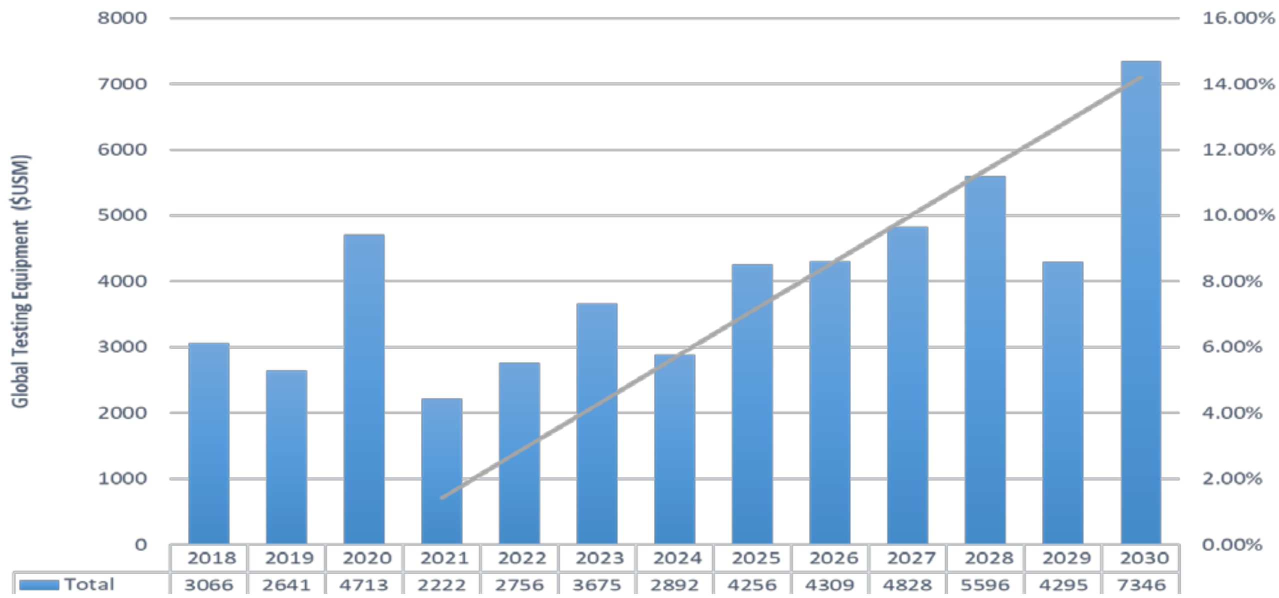
Note: CY 2018-2020 values are historical, and CY 2021-2030 vales are projections.

The demand for ground stations in India is mainly driven by ISRO. ISRO has well established ground stations and will require establishing further ground stations for the growing number of launches. Another factor driving the demand for ground station equipment in India will be operators planning to provide services in India from their satellite constellations. For e.g., Bharti Enterprises is planning to build ground stations across north, south, and western region of India for providing connectivity services domestically using OneWeb constellation. The opportunity for Indian Ground Station equipment is shown below. The Market has been growing steadily from $1.01 Million in 2018 to $1.06 Million in 2020 i.e., growing at a CAGR of 2.45%. The market size is estimated to be about $01.09 Million in 2021 growing to $1.54 Million in 2030 at a CAGR of 3.91%. The opportunity in short term is mainly from FSS equipment.

Global Market Opportunity for Testing Equipment

The demand for testing equipment is mainly at two stages. One is functional and other is end of the line testing. The demand for end of the line testing is expected to grow due to serial production of satellites which will require continuous testing after satellite integration. In addition, the demand for testing players will be driven by launch service providers as 62.77% of launch vehicles are under development stage and will need testing equipment. The market for testing equipment for space was about $3.06 Billion in 2018 and $4.71 Billion in 2020 growing at CAGR of 24.07%. The spike in 2020 is consequence of multiple deep space missions planned and serial production of satellites. The demand for testing Equipment is shown below and is projected to be $2.22 in 2021 and expected to grow to $7.34 in 2030 at a CAGR of 14.21%.

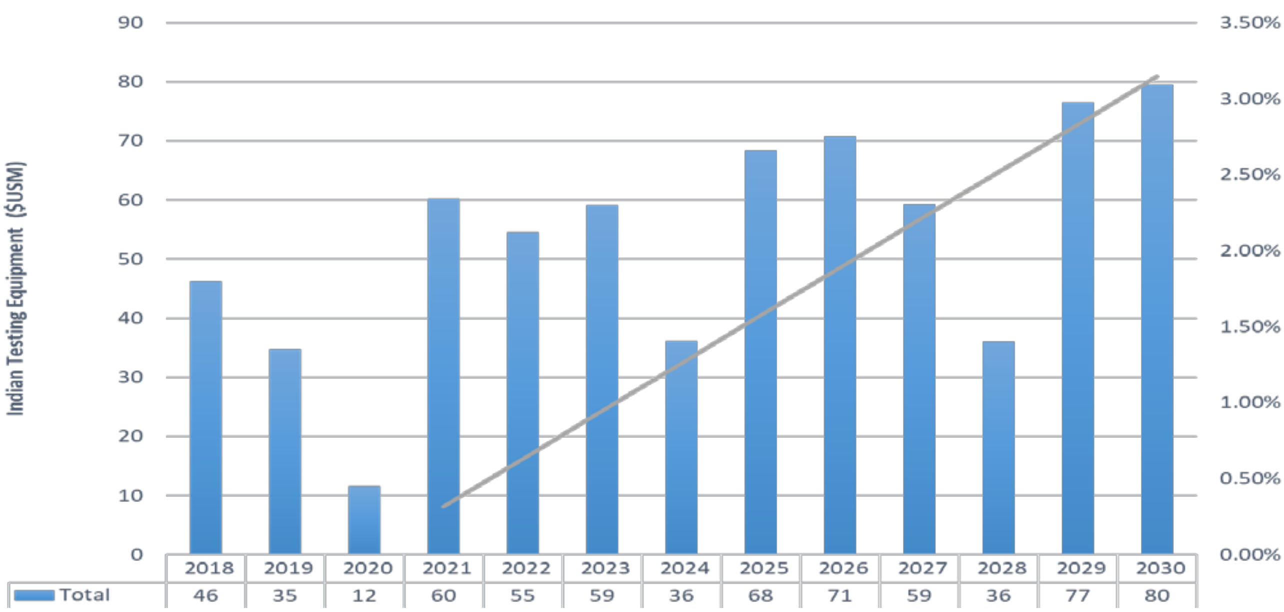
Global Testing Equipment Revenue Forecast (CY 2021-2030)



Note: CY 2018-2020 values are historical, and CY 2021-2030 vales are projections.

India Market Opportunity for Testing Equipment

Indian Testing Equipment Revenue Forecast (CY 2021-2030)



Note: 2018-2020 values are historical, and CY 2021-2030 values are projections.

The market Size for testing equipment in India in 2018 was $46 Million and $11.56 Million in 2020. The demand for 2020 was minimal due to COVID-19 impact on the domestic industry owing to the budget cuts of ISRO, and only 02 satellites being launched. The demand for 2021 is estimated to grow to $60.24 Million which is due to the pent-up demand from 2020 and the planned launches in 2021. This demand is expected to grow to $79.61 Million in 2030 at a CAGR of 3.14% indicating an overall positive trend. The sudden increases observed in years 2023, 2025, 2026, and 2029-2030 coincide with the testing requirements for end of line testing for serial production of satellites.

ISRO requires various types of automated test equipment for development of its test benches for the Polar Satellite Launch Vehicle ("**PSLV**") and Geo Stationary Launch Vehicle ("**GSLV**"). All the electronic systems on the PSLV and GSLV as well as some satellite sub-systems are tested by ISRO using such ATE. A robust service network ensures uptime of all this equipment. Data Patterns is the only company in India to have developed these complex ATE modules and is well established to capture the opportunity.

Various departments of the armed forces, including the DRDO utilise ATE for validation of all the electronics on various platforms, including airborne electronic systems such as Mission Computers, Displays, Launcher, Complete Missiles, Laser Guided Bomb and Infrared Guided Missiles. Data Patterns is also likely to benefit from the testing requirements of defence equipment in addition to the space industry testing portfolio.

Key Industry Growth Drivers

Aatmanirbhar Bharat

ISRO's efforts to enable domestic private players coupled with 'Aatmanirbhar Bharat" initiative will foster growth environment for domestic players.

ISRO's model has evolved and now also involves external agencies to conduct multiple programmes and missions simultaneously. The 'Aatmanirbhar Bharat' initiative has distinct focus on domestic players which will drive prioritization of Indian participants over international supply chain for procurement. International players will remain eligible for the opportunities in case they have partnership with domestic players. This indicates the opportunity for increase in international partnerships and inflow of investment. ISRO 's focus on enabling domestic private players through outsourcing of space systems manufacturing and Aatmanirbhar Bharat provisions will create an environment for growth opportunities for Indian participants.

Expansion of domestic private space industry landscape

Entry of private players in the market, the demand for manufacturing, testing and ground equipment will grow across system, sub-system, and component levels due to expansion of the customer base investing in space capabilities other than ISRO. This will further increase the opportunities for international space market participants and investment groups as technological and financial support from the global space value chain participants will be in demand.

Setting up of NSIL and In-SPACe

Expansion of commercialization effort by government by setting up of New Space India Limited ("**NSIL**") is enabling the growth of space industry ecosystem.

Department of Space is creating opportunities to engage with existing and new private participants for Indian space programme by evolving from supply-based model to demand-based model. NSIL was created for expansion of commercialization effort and integration of new space participants with Indian space programmes and exploratory missions. This has created multiple opportunities for private space participants. Data Patterns is likely to benefit from these new opportunities from new model.

Key Industry Drivers for Satellite Manufacturing, Ground Stations and Testing Equipment Markets.

	Market Drivers	1–2 Years	2–3 Years	3–5 Years
Satellite Manufacturing	Increased demand from satellite operators for planned satellite constellations and planned exploratory missions by ISRO.	High	High	High
	Increased investment by government and private players on satellite development to provide adequate downstream services and Atmanirbhar Agenda.	High	High	Medium
	Increasing technology demonstration missions for testing new products, experimental payloads, and new technology development.	High	High	Medium
	ISRO's GOCO model for satellite manufacturing through NSIL will increase the opportunity for domestic component and system manufacturers and system integrators.	High	Medium	Medium
Ground Stations	Demand for setting up ground stations within the country by service providers like Bharti Airtel for providing connectivity service domestically utilizing the OnWeb constellation. Similar, trend is expected for planned LEO constellations.	High	High	Medium
	Increasing need for utilization of ground segment capacity at low cost through ground station as a service model.	Medium	High	High
	Established regulatory framework allowing private players to set up and operate own ground stations.	High	High	Medium
Testing Equipment	Increased exploratory and deep space missions, increasing the demand for new test equipment.	High	High	Medium
	Increasing end of line testing equipment for establishing satellite serial production capabilities	Medium	High	High
	Increasing demand for testing equipment for launch vehicle electronics and structures as multiple launch service providers are still in their development phases.	High	High	High

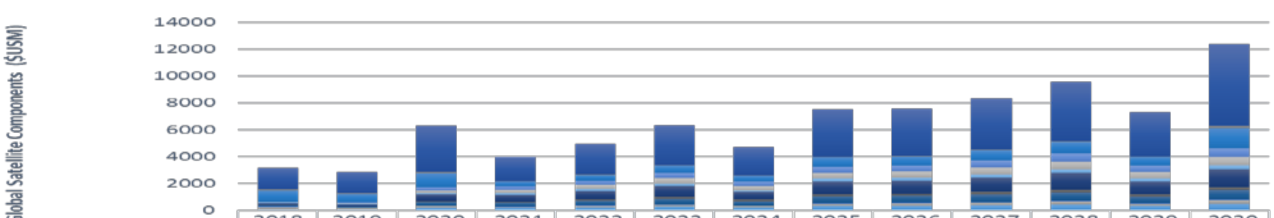
Opportunities for Data Patterns Space Portfolio

Satellite Manufacturing

Data Patterns has proven reliability of being a supplier to ISRO and has gradually expanded its role from sub-system manufacturer to complete satellite manufacturer. The technical competence and reliability positions Data Patterns well to compete in domestic and global space markets. New participants need to prove their product reliability through successful satellite launch and operations, but, as Data Patterns has worked with ISRO on multiple missions they have competitive edge over their competitors in the new space industry.

Data Patterns has an experience of design and development of hyperspectral satellite for Pixxel. During the process of development, Data Patterns has successfully developed sub-systems and components such as on-board computer, electric power systems, Li-ion batteries, power distribution module, transmitter and transceiver, Gyroscope, magnetometer, sun sensor, magnetic wheels, magnetorquers, antenna and GPS receiver. The demand for each of the segments is as shown below.

Global Satellite Manufacturing Components Forecast CY 2021-2030)



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
on-board computer	1593	1563	3442	1820	2311	2964	2080	3578	3515	3826	4448	3272	6088
power electronics	89	85	133	22	26	39	37	46	52	58	61	48	163
Batteries	844	630	1039	361	439	562	449	694	675	762	849	639	1508
Transmitter	43	56	207	250	304	390	311	445	449	515	580	483	620
Receiver	43	56	207	250	304	390	311	445	449	515	580	483	620
Transceiver	29	32	109	124	152	189	148	219	222	254	282	228	304
Gyroscope	129	144	507	525	661	831	573	960	998	1074	1276	957	1370
Magnetometer	18	15	38	64	80	101	100	126	138	158	168	152	180
Magnetic Wheels	95	97	294	285	353	433	335	524	515	581	646	506	726
Magnetotorquer	8	9	16	14	18	23	19	27	30	32	37	30	42
Antenna	207	124	145	84	107	138	128	170	192	210	226	175	278
GPS Receiver	61	58	177	177	223	281	195	324	339	365	432	323	467

Note: CY 2018-2020 values are historical, and CY 2021-2030 vales are projections.

The global demand for on-board computers is about $1.82 Billion in 2021 growing up to $6.08 Billion in 2030 growing at CAGR of 14.34%. The demand for on-board computers is mainly driven by the 150-250 Kg mass class followed by >2500 Kg mass class. The demand from 0-75 Kg is growing from $31.28 Million in 2021 to $73.98 Million in 2030 growing at a CAGR of 10.04%. The exponential growth is a consequence of increased of number of satellites planned within this mass class. The respective Indian opportunity is about $29.79 Million in 2021 and about $51.18 Million in 2030 growing at a CAGR of 6.2%. One of the key features that is becoming crucial for on-board computers to support on satellites is software reconfigurability in order to meet changing demand of the end users. The software defined satellites allow alteration of satellite parameters such as power, coverage, frequency, bandwidth with satellite being in-orbit. This element of flexibility to meet demand of end users is quintessential for satellite operators to cater to end user requirements. Thus, Data Patterns on-board computer system supporting on-board software upgradation and full redundant configuration with two OBCs and redundant bus switch module, permits satellite software reconfigurability and increased system redundancy. This is in-line with the emerging global trend which positions Data Patterns well to compete in global market in addition to domestic market.

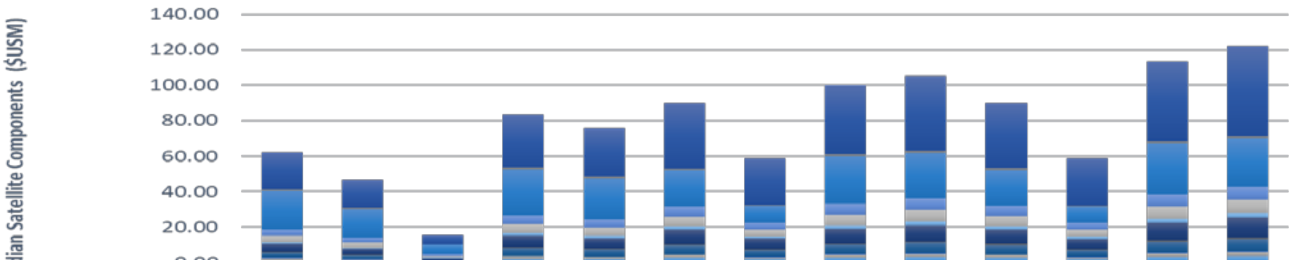
The demand for power electronics is about $22.45 Million in 2021 and grows up to $163.34 Million growing at a CAGR of 24.67%. The demand for this component is mainly driven by large satellites >2500 Kg about 40.79% followed by 150-250 Kg satellites at 19.82% and 0-15Kg at 10.30%. The key application driving the demand for 0-15 Kg segment is Earth observation. Data Patterns previous experience with hyperspectral satellite positions it well to cater to demand for power electronics for the key application. Data Patterns component portfolio offering includes electrical power systems, power distribution modules and power distribution expander.

The demand for batteries is growing at CAGR of 17.22% globally from $360.73 million in 2021 to $1.50 Billion in 2030. The demand for batteries is mainly driven by 150-250 Kg mass class with market share of 45.84%. The opportunity for 0-75 Kg segment is about 2.6% of the total market revenue. Batteries are critical component to operation of satellite and hence margin of error should be low. This demands tedious qualification and certification process to prove their ability to sustain in extreme environmental conditions, extreme temperatures, vacuum, vibration shocks and radiation. As light weight batteries are necessary with balance between higher specific energy and specific power, lithium-based batteries are preferred, as lithium is most electropositive metal with light weight. Also, they offer lower self-discharge rate and longer life cycle. Data Patterns product offering is Li-ion batteries for small satellites which are preferred solution. Thus, Data patterns is well positioned to offer batteries both domestically and globally.

The demand for transmitter, receiver and transceiver is growing at CAGR of 10.63%, 10.63% and 10.48% respectively. Key mass classes for transmitter are 0-250 Kg with key application being communication and user segment is commercial. Data Patterns offers S-Band and UHF-Band payload transmitter modules which are commonly used on nano satellites due to their ability to transmit easily in bad weather or rain. Ability of Data Patterns to offer the solution at lower cost places them in unique position for offering this solution in the global and domestic market.

The demand for gyroscopes is growing at CAGR of 11.25%, growing from $524.88 Million in 2021 to 1.37 billion in 2030. Key application for 0-15Kg mass class Earth Observation and demand is highest from Europe and Asia Pacific. With its experience working with key players in the region Data Patterns is positioned well to address the regional and domestic demand.

Indian Satellite Manufacturing Components Forecast (CY 2021-2030)



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
on-board computer	20.89	15.66	5.22	29.79	27.22	37.11	26.68	38.66	42.33	37.12	26.67	44.94	51.18
power electronics	0.92	0.68	0.23	1.08	0.97	0.85	0.40	1.13	1.07	0.85	0.39	1.19	1.13
Batteries	21.81	16.35	5.45	25.84	23.12	20.29	9.39	27.15	25.74	20.29	9.39	28.46	27.05
Transmitter	3.65	2.73	0.91	5.05	4.64	5.64	3.84	6.06	6.55	5.66	3.83	7.01	7.54
Receiver	3.65	2.73	0.91	5.05	4.64	5.64	3.84	6.06	6.55	5.66	3.83	7.01	7.54
Transceiver	0.99	0.73	0.24	1.56	1.45	1.93	1.45	1.84	2.17	1.94	1.44	2.30	2.45
Gyroscope	4.56	3.40	1.13	6.48	5.90	8.21	5.97	8.56	9.35	8.24	5.95	9.92	11.46
Magnetometer	0.29	0.18	0.06	0.44	0.37	0.50	0.42	0.47	0.56	0.54	0.38	0.59	0.67
Magnetic Wheels	2.86	2.13	0.71	4.30	3.96	5.29	3.89	5.27	6.00	5.31	3.87	6.35	6.98
Magnetotorquer	0.16	0.12	0.04	0.21	0.19	0.24	0.16	0.26	0.27	0.24	0.16	0.29	0.33
Antenna	1.05	0.77	0.26	1.41	1.27	1.54	1.05	1.69	1.80	1.56	1.03	1.93	2.11
GPS Receiver	1.52	1.13	0.38	2.16	1.97	2.74	1.99	2.85	3.12	2.75	1.98	3.31	3.82

Note: CY 2018-2020 values are historical, and CY 2021-2030 vales are projections.

The demand for magnetometer is growing at CAGR of 12.24%. Highest demand is from 0-15 Kg mass class with key application being Earth observation and IoT/M2M. With its existing product developed Data Patterns is well positioned to address the demand for magnetometers. The demand for magnetic wheels and magnetorquers is growing at CAGR of 10.94% and 13.08% respectively. The demand for antenna is about $84.3 Million in 2021 and grows up to $278.34 in 2030 growing at a CAGR of 14.19% and Indian demand is growing at 4.58%. Data Patterns is well positioned in to compete in global market due to their experience in building sub-systems and components and offering them at lower cost.

In total Data Patterns is uniquely positioned in global and domestic market to offer complete satellite solution due to their experience working with ISRO and private players. In addition, they have ability to scale the manufacturing quickly for serial production, thus being an attractive choice for satellite operators with satellite constellations, enabling them access to low-cost solution in shorter timeline.

Ground Stations

The demand for satellite ground station equipment is mainly driven by upcoming demand for satellite constellations being planned and launched. As the number of satellites increases the necessity to ground station capacity is increasing in-turn increasing demand for ground station equipment. Data Patterns product portfolio mainly includes antenna in VHF, UHF and S-Band, which is frequently used antennas for nanosatellites. Data Patterns experience working with ground station equipment positions it uniquely to offer products at lower cost and higher reliability suitable for the small satellite operators.

In addition, Data Patterns has experience of working on upgrades of 6 tracking radars for ISRO with contemporary Electronics and software algorithms. They have developed coastal surveillance radar for ISRO, which is the first in India. They have future ready products such as X-Band Doppler weather radar, C-Band Doppler weather radar and wind profile radar. With the experience of building the complete solution for weather radars, Data Patterns is well positioned to build similar solutions for domestic and international market.

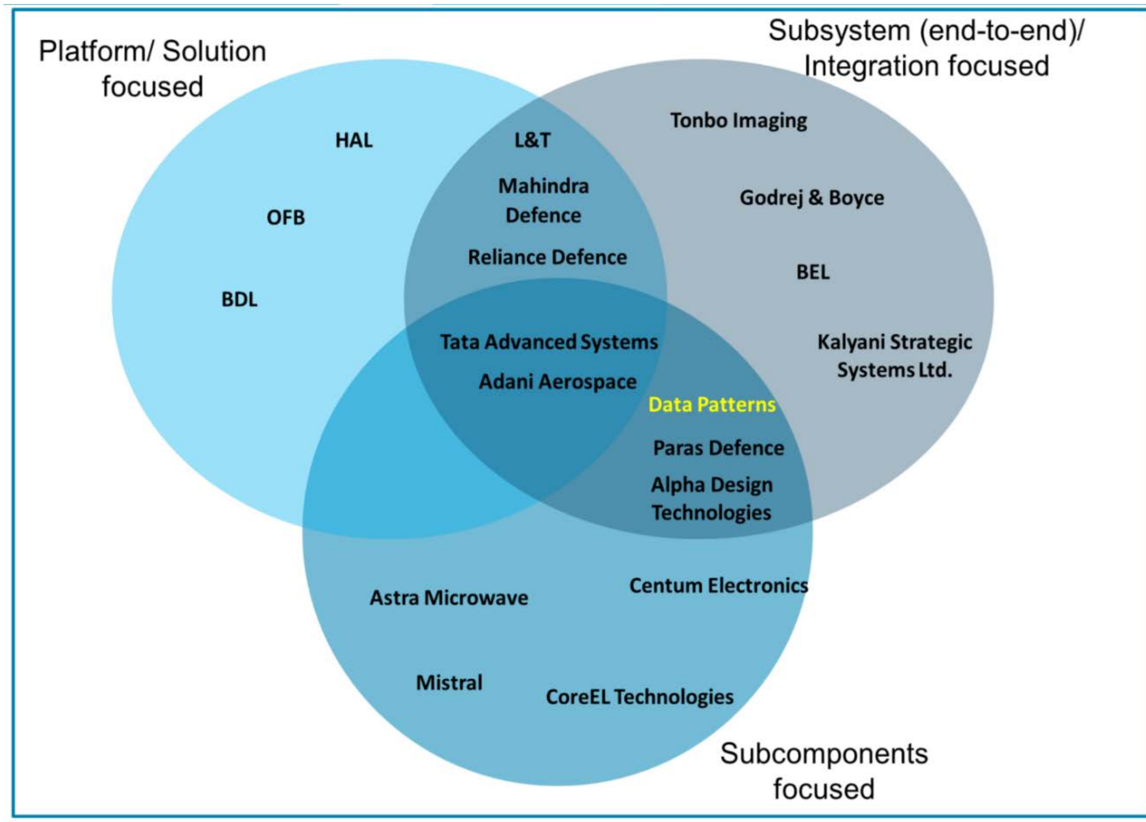
Testing Equipment

Data Patterns has successfully built cable tester for Gaganyaan mission and delivered to ISRO in 2020. Other products developed include single axis and three axis test station for ring laser gyro and strain data logger system. The market for Testing domestically is driven by ISRO and with the existing experience of working on similar solutions for ISRO. Data Patterns has well established its position in the domestic market.

Competition Analysis

The Indian defence industry is rapidly evolving into a self-sustaining one with companies and DPSUs moving towards specialising into defence primes, integrators and component suppliers. Similarly, the space industry is expanding with new space participants offering services which were previously offered by ISRO such as launch services, satellite operations and downstream services. The shift is driven by national space agency transitioning from being the sole player offering end to end solutions to being an enabler for private space players.

Indian Defence Suppliers - Anticipated Future Positioning



The financial data of some Aerospace and Defence companies is as below:

Company	FY 2021			FY 2020			FY 2019		
	Revenues (INR Cr)	Net Profit (INR Cr)	Net Profit/ Revenues (%)	Revenues (INR Cr)	Net Profit (INR Cr)	Net Profit/ Revenues (%)	Revenues (INR Cr)	Net Profit (INR Cr)	Net Profit/ Revenues (%)
L&T (1)	73316	11337	15.46%	82384	6679	8.11%	82287	7491	9.10%
BEL	14064	2065	14.68%	12921	1794	13.88%	12085	1927	15.95%
Data Patterns	224	55.57	24.81%	156.1	21.05	13.48%	131.06	7.70	5.88%
Paras Defence	Unknown	Unknown	Unknown	149	19.66	13.19%	157	18.97	12.08%
Mahindra Defence Systems	Unknown	Unknown	Unknown	307.33	18.96	6.17%	285.00	32	11.23%
Tata Advanced Systems	Unknown	Unknown	Unknown	968.7	59	6.09%	511	34.06	6.67%
Astra Microwave Products	589	24	4.07%	462	47	10.17%	286	13	4.55%
Godrej & Boyce	Unknown	Unknown	Unknown	11257	224.1	1.99%	11051	229.26	2.07%
Centum Electronics	823.3	13.1	1.59%	898.6	27.8	3.09%	937.5	48.4	5.16%
Alpha Design Technologies	Unknown	Unknown	Unknown	399	10.4	2.61%	281	49	17.44%
Adani Aerosapce & Defence Ltd.	1.99	-0.7	-35.18%	2.74	-1.77	-64.60%	Unknown	Unknown	Unknown
CoreEl Technologies	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	108.63	0.98	1%
Mistral	Unknown	Unknown	Unknown	142.91	12.26	8.58%	161.89	17.78	11%

(1) Standalone figures are depicted here, not consolidated group figures

Company Name	FY 2021				FY 2020				FY 2019			
	EBITDA	**EBITDA Margin (%)**	**RoCE (%)**	**RoE (%)**	**EBITDA**	**EBITDA Margin (%)**	**RoCE (%)**	**RoE (%)**	**EBITDA**	**EBITDA Margin (%)**	**RoCE (%)**	**RoE (%)**
L&T	7335	10	13	19	6940	8	16	13	7742	9	14	15
BEL	3181	23	28	19	2734	21	26	18	2865	24	32	21
Data Patterns	95	41.75	34.7	27	47	29.50	23.4	13.7	27	20.3	12.5	5.8
Paras Defence	Unknown				41.68	27.01	14.9	16	45.67	27.98	21.27	20
Mahindra Defence Systems	Unknown				528.28	16.6	13.4	6.6	267.72	9.3	7.2	12
Tata Advanced Systems	Unknown				191.5	18.52	3.96	0.3	25.5	4.84	0.47	0.2
Astra Microwave Products	66	11	9	4	90	19	13	8.5	33	12	4	2.5
Godrej & Boyce	Unknown				342.33	3.040822	3.458	1.5	355.88	3.22018	3.459	1.2
Centum Electronics	95.3	11.6	9.5	7.6	113	12.6	14.3	9.7	110.1	11.8	14.9	13
Alpha Design Technologies	Unknown				42.5	10.4	1.3	0.1	42.8	14.7	5.7	1.1
Adani Aerosapce & Defence Ltd.	Unknown											
CoreEl Technologies	Unknown								101.52	9.3454	15.83	3
Mistral	Unknown				22	15.12	16.03	12	24.83	15.05	24.44	19[(2)]

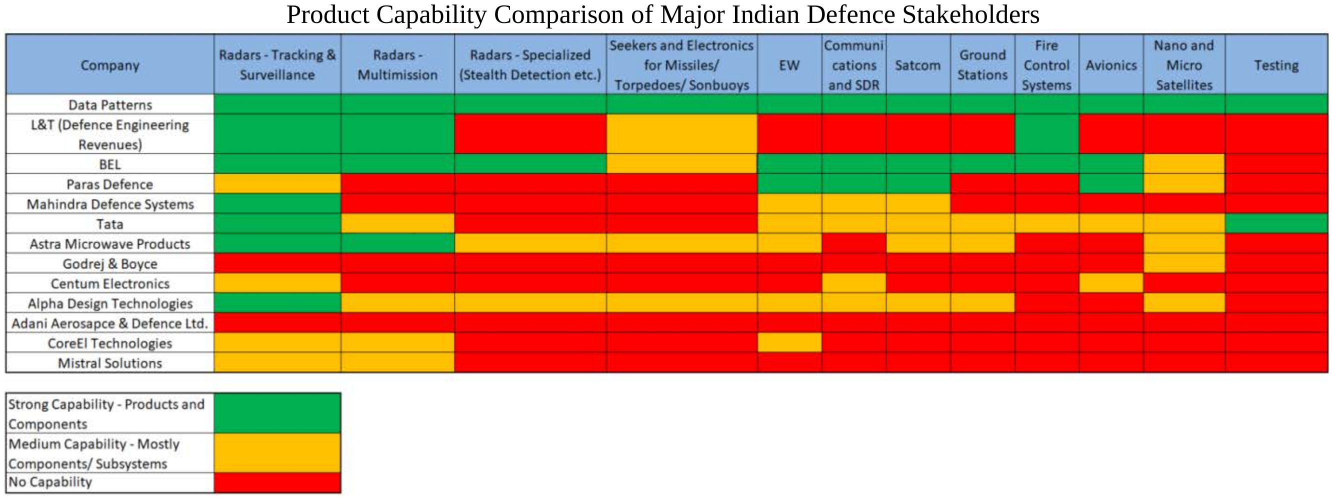
(2) EBITDA Margin is defined as EBIDTA/Net Revenues. Return on Capital Expenditure is calculated by dividing Earnings before Interest and Taxes by employed capital. Return on Equity is calculated as Net Income divided by shareholders' equity.

Astra Microwave, Alpha Design Technologies and Data Patterns have shown consistent increases in the three years whilst Centum Electronics revenues have dropped. Paras Defence's latest revenues are unavailable, but a revenue expansion over 2019-20 can be anticipated. Comparing the profitability of these companies as a percentage of revenues yields a clearer picture of company performance.

Data Patterns' financial performance was unaffected by the pandemic as its net profitability soared by approximately 164% from 2019-20 to 2020-21 time frame, emerging as the company with the highest profitability growth among those compared above. During the last year Astra Microwave and Alpha Design Technologies witnessed a drop in profitability. It is also important to note that during the pandemic year the company's revenues grew by 43% (from 2019-20 to 2020-21), the highest among all companies covered in the analysis. The company's EBIDTA ("**Earnings before Interest, Taxes, Depreciation & Amortization**") margin, Return on Capital Employed and Return on Equity also were the highest during the same timeframe. This made Data Patterns as one of the fastest growing company in Defence and Aerospace Electronics sector in India with excellent margins and return ratios.

F&S' comparison of key product related capabilities that will drive Indian defence programmes revealed that Data Patterns has balanced capabilities across the 12 segments considered. The company is poised to take up emerging opportunities to build India's defence and space related capabilities.

Product Capability Comparison of Major Indian Defence Stakeholders



- Data Patterns' capabilities stand well differentiated because the company has 100% in house design, development and manufacturing capabilities across the segments depicted in Figure 51. The company has over 30 years of experience in the industry and is among the few truly vertically integrated end-to-end operators in the Indian defence industry.

- Its antecedents producing building blocks of technologically complex products for the DRDO and DPSUs over the years have given the company a foundation to build its own products.

- Data Patterns is the only Indian company having design capabilities across the entire spectrum of strategic aerospace and defence electronics solutions including processors, power, radio frequency and microwave equipment, embedded software and firmware and mechanical engineering. It offers products catering to the entire spectrum of aerospace and defence platforms including space, air, land and sea. The company has end-to-end capabilities to build and deliver complete systems, with their design and manufacturing capabilities being completely in-house.

- As a proven supplier to defence primes in Europe and Asia Pacific, quality standards of the company's products have exceeded expectations. With a focus on COTS, the company produces 1000+ building blocks that can be used on multiple end systems in defence and space. It also has software related capabilities and can develop bespoke device drivers and firmware as required.

- As Data Patterns covers the entire spectrum of defence electronics, it is well positioned to take part in land, airborne and naval defence programmes of India. Several solutions, such as those in the company's radar systems portfolio, have good export potential, especially to countries that seek a balance between capability and value. The company's manufacturing approach is process driven; utilising frameworks that enable it to rapidly shore up or reduce manufacturing as per customer demand variations. The manufacturing infrastructure is certified by international A&D OEMs.

- A key point of differentiation, separating the company from other Indian defence companies, is how Data Patterns have developed its current product portfolio after careful consideration of what future programmes the Indian Armed Forces and ISRO are likely to execute. Essentially, the product portfolio stands "future-proofed" and stands to gain from upcoming contracts.

- Note that the company maintained high profitability, even during the pandemic year. The company is expected to be a major participant in at least INR 1500 Cr worth of contracts in the next 3 years. With a skilled workforce of over 450 engineers and other trained professionals with 15+ years of work experience, Data Patterns is poised to address emerging industry challenges and requirements.

As also mentioned in the modernisation programmes and component forecast sections, Data Patterns is a contender/ supplier for the following programmes:

- Arudhra Radar - Data Patterns won the AGRU in competition with Astra for this programme. They are expected to supply approximately 55 units of AGRU/ Arudhra radar. This is likely to generate a revenue of approximately $ 2 million in the next 3-4 years based on the requirement projection of IAF
- Ashwini LLTR - Data Patterns has been a partner in development of these radars as a single vendor as a single vendor including TR modules, AGRU, signal processor, etc. Based on the size of the programme and components cost benchmarking as per Frost database, the company is expected to realise revenue between $10-30 million in the next few years. The range will depend on whether Data Patterns wins the entire radar contract, or the electronics components Electronics is expected to cost 30% of the total deal value as benchmarked from various programmes and indicated earlier in the report.
- Data Patterns has received single vendor orders from DLRL for development and supply of all of the COMINT search receivers, Direction Finder, Monitoring receivers for the Dharashakti programme. This project is the development programme for large EW requirement for Deserts and Plains and has been nominated to BEL. This places Data Patterns in a position to be an OEM for the entire receiver systems with likely revenues of $ 50 million on complete execution of the programme.
- The expertise gained in the project would also position Data Patterns to cater for airborne COMINT and ELINT equipment for various upgrades such as MI 17 Upgrades, Dornier Upgrades, Aerostat upgrades, and any new rotary wing programmes
- Data Patterns' sound EW capability will also help them in supplying products for light weight EW requirements. There is a heavy requirement of such products as the mountainous borders are not adequately covered, and the same has been prioritised due to the increased geo-political tension with China and Pakistan in the North, and North-eastern parts of India
- Data Patterns has delivered an airborne surveillance radar (all of the hardware) for helicopters and fixed wing aircrafts to Electronics and Radar Development Establishment ("**LRDE**") on a single vendor basis. LRDE is expected to flight test this radar in the next few months and will be likely inducted in Navy's Dornier upgrade and new helicopter programmes.
- Data Patterns is also a part of the Radar Warning Receivers for the Airborne Early Warning System ("**AEW &C**") to Defence Electronics Research Laboratory ("**DLRL**"). This has been fitted on the Embraer early warning radar developed by Centre for Air Borne System ("**CABS**")
- The company is also likely to deliver Next Gen completely wide open for LCA Mk IA and Sukhoi 30 platforms subject to flight testing. After flight testing, these can be fitted on the 83 LCA MK IA on order as well as the Sukhoi 30 upgrades (approximately 270 numbers), attack helicopters, etc. The flight tests are planned in the next 2 to3 months on the LCA, and similar tests are planned on Sukhoi 30 later.

Due to the Company's positioning in various projects and niche technology segments, it is likely that:

- Products like RWR, airborne ELINT upgrades and airborne surveillance radars could provide an annuity business based on the number of upgrades planned
- EW products/ receivers designed by Data Patterns can provide large project orders and also pave the way for Data Patterns to participate directly and independently in MoD tenders
- Position Data Patterns both as an independent OEM, and also a strategic partner to companies like Tata, L&T, etc.
- Data Patterns is also well positioned to capture the growth in global markets once the products have been inducted in Indian platforms.

OUR BUSINESS

Overview

We are among the few vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. With net profitability growth of approximately 164% between Fiscal 2020 and Fiscal 2021, we are one of the fastest growing companies in the Defence and Aerospace Electronics sector in India. (*Source: F&S Report*) We have proven in-house design and development capabilities and experience of more than three decades (including through our erstwhile subsidiary) in the defence and aerospace electronics space. Our offerings cater to the entire spectrum of defence and aerospace platforms – space, air, land and sea. Between Fiscal 2019 and Fiscal 2021, we recorded the highest growth in revenues, EBIDTA margin, ROCE and ROE amongst key Indian defence and aerospace companies, with a growth in our revenues of 71% during this period. (*Source: F&S Report*)

We have design capabilities across the entire spectrum of strategic defence and aerospace electronics solutions including processors, power, radio frequencies ("**RF**") and microwave, embedded software and firmware and mechanical engineering. Our core competencies include electronic hardware design and development, software design and development, firmware design and development, mechanical design and development, product prototype design and development, functional testing and validation, environment testing and verification and engineering services opportunities.

Our capabilities across the spectrum of defence and aerospace electronics solutions from design to delivery allows us significant competitive advantage in terms of overall development time and cost and also allows us to offer competitive pricing when bidding for defence and aerospace projects. We believe that platform specific products and products certified for ongoing programmes allow us to be the preferred OEM supplier for such qualified product requirements, driving growth and revenue visibility over many years.

We have end-to-end capabilities to build and deliver complete systems, with our design and manufacturing capabilities being completely in-house. Our electronic solutions are developed by specialist teams working on areas including complex 20+ layer printed circuit board ("**PCB**") designs, field-programmable gate arrays ("**FPGA**") based firmware algorithms, all layers of software including operating system porting, device drivers, networking layers, application software, graphical user interface, cartography, signal processing, streaming protocols and waveform engineering. Our capabilities across the spectrum of aerospace and defence electronics solutions from design to delivery allows us significant competitive benefits in terms of overall development time and cost and also allows us to offer competitive pricing when bidding for aerospace and defence projects.

We have diversified our products and solutions mainly due to our design and development capabilities, and qualified and experienced workforce. As on July 31, 2021, we had 760 employees with more than 450 qualified engineers, including 383 members in our Design & Engineering department. Our design and development capabilities have allowed us to develop complete systems as well as sub-systems for various strategic defence and aerospace electronics solutions. These systems have found applications on various platforms and programmes such as the Tejas Light Combat Aircraft ("**LCA**"), the Light Utility Helicopter ("**LUH**"), BrahMos missile programme, precision approach radars and various communications intelligence ("**COMINT**") and electronic intelligence ("**ELINT**") systems.

We have invested in and developed a reusable building block model leading to capabilities / competence across various product domains. This approach has allowed us to achieve better margins due to spreading out of development costs over multiple programmes, in addition to saving on development time for new products. Several of our existing products or their component modules or building blocks are pre-approved by our customers, especially defence-sector public sector undertakings ("**DPSUs**") and government ministries and departments, also allowing us the benefit of reduced lead times for development of new products. For example, we have developed products using these building blocks for the LCA, the LUH, BrahMos' missile programme, including land and air based missile launch systems and automatic test equipment, tracking radars, weather radars, automatic test equipment and nano satellites for the Indian government space organisation, DRDO's radars and Electronic Warfare systems, and onboard equipment for various aircraft, missiles and torpedoes and Airborne Early Warning and Control Systems ("**AWACS**"). These products are already qualified, certified and incorporated into the end platforms by our customers.

We believe that our integrated approach across complete product life cycle and expertise in contemporary technologies enhances our competitiveness with respect to traditional import and transfer of technology ("**ToT**") dependent DPSUs and private sector entities. Further, a large number of our orders are on single vendor basis and are typically not awarded on an open tender basis.

Some of our notable achievements include:

Indigenously developed fire control system for the BrahMos missile programme

Designed and developed the second launch pad countdown system for delivery to the Indian government space organization

Designed and developed Primary Surveillance Radar for coastal surveillance for the Indian government space organization

Developed Seaking automated test equipment for INS Shikra

Laser guided bomb kit tester

Satellite bus management system

Digital flight control computer

Various test equipment indigenously designed and developed by our Company

Many of our electronics solutions are also capable of being deployed in civilian fields, including wind profile radars, doppler weather radars, and data buoy sub-systems and tsunami warning sub system applications. These products benefit from the reliability engineering built into defence products, assuring a long life and stable performance over many years. Our process driven approach has allowed us to be future ready with application of our products across defence and civilian systems. As a result, we or our Promoters have received several awards and recognitions including:

- Make in India Award by TiECON, Chennai;
- Outstanding contributions and achievements by SIATI in 2017;
- Most Growth Oriented Company award from planmytrainings.com in 2019; and
- Professional Excellence Award from the Institute of Directors, in 2019.

1.1 With an order book of ₹ 5,822.97 million as on July 31, 2021, which has increased from ₹ 1,786.98 million as on April 1, 2018 to ₹ 4,979.87 million as on March 31, 2021 at a CAGR of 40.72%, indicating a scalable business model. We believe that our ability to obtain prospective orders on the on-going programmes are favourable as typically such processes have limited indigenous competition, and high entry barriers due to the development and qualification cycle of both product and platform. Our orders in hand reflect products that have progressed from the development to production phase, thereby enabling rapid growth of turnover and profits. Further, 14.76%, 7.13% and 9.16% of our total revenue from operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, being contributed by our global clients. Our order book as on July 31, 2021 was as follows:

Particulars	Number of orders	Value (₹ million)
Production Contracts	32	3942.65
Development Contracts	18	1207.67
Service Contracts	48 (including 29 Build to Print orders)	672.65
Total order book:	**98**	**5,822.97**

Our manufacturing facility consists of a 100,000 square feet factory built on 5.75 acres of land in Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in defence and aerospace applications. Our facility includes an Electronic Manufacturing Services ("**EMS**") line, clean rooms, board, box and rack level integration capability and environmental testing making us self-sufficient in our requirement of high quality and high complexity production. In house functional testing for all our products is carried out, usually using internally developed automatic testing equipment. Environmental test facilities are also available for the requirements of JSS-55555 / MIL-STD-461 / MIL-STD-810 including for Highly Accelerated Life Test ("**HALT**") and Highly Accelerated Stress Screening ("**HASS**"). The modern production and test infrastructure caters to production and validation of defence and aerospace electronics systems. We are certified for or follow various standards across product life cycles, including for aerospace systems under AS9100D by TUV-SUD, International Printed Circuit ("**IPC**") Standards for Printed Circuit Board ("**PCB**") design and DO 178B for software for airborne systems.

We are also in the process of upgrading and expanding our facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems and satellite integration facility. Our testing capabilities are also proposed to be further strengthened. We are proposing to acquire an additional 2.81 acres of adjacent land for further expansion.

We were the company with the fastest growth rate in revenues, EBITDA, ROCE and ROE amongst companies in the Defence and Aerospace Electronics sector in India. (*Source: F&S Report*) Some of our key financial metrics are as below:

(*₹ in million, except percentage data*)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount	Amount
Revenue from operations	2,239.50	1,560.98	1,310.63
Production	1,701.32	1,444.81	845.22
Development	365.01	1.32	364.45
AMC	173.17	114.85	100.96

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount	Amount
Total revenue	2,265.50	1,601.92	1,325.09
EBITDA	945.88	472.50	269.93
EBITDA margin	41.75%	29.50%	20.37%
Profit After Tax	555.71	210.48	77.02
PAT margin	24.53%	13.14%	5.81%
ROE	26.75%	13.71%	5.80%
ROCE	34.69%	23.39%	12.45%
Total borrowings	**332.21**	**605.66**	**601.33**
Net Debt / (Net Cash)	**(82.44)**	**149.00**	**230.78**

Notes:
EBITDA = PAT + Taxes +Finance Cost + Depreciation
EBITDA margin = (EBITDA/Total Revenue) x 100
ROE = Net Income/ Shareholders Equity i.e., (PAT / Total Net worth)
ROCE =EBIT/Capital Employed
Capital Employed = Total Assets – Current Liabilities

We also benefit from the significant industry experience of our management team, including our Promoters and Directors. Our Promoter and Chairman and Managing Director, Mr. Srinivasagopalan Rangarajan, holds a Bachelor's Degree in Chemical Engineering from the University of Madras and a Master's Degree (MS) in Industrial Management from the Indian Institute of Technology, Madras and our Promoter and Director, Mrs. Rekha Murthy Rangarajan, holds a Bachelor's Degree of Arts from the Bangalore University and a Master's Degree of Arts in Applied Psychology from the University of Madras, and both our individual Promoters have been associated with the defence and aerospace electronics industry for more than three decades. Many of our senior personnel, including our Chief Technology Officer, Mr. Desinguraja Parthasarthy, our Chief Operating Officer and Chief Information Security Officer, Mr. Vijay Ananth K, and our Senior Vice President- Business Development, Mr Thomas Mathuram Susikaran, each with many years of relevant industry experience, have been associated with us for more than two decades.

Our Strengths

Indigenous integrated and strategic defence and aerospace electronics solutions provider which is well positioned to benefit from the Make in India opportunity

The Indian defence industry is rapidly evolving into a self-sustaining one with companies and DPSUs moving towards specialising into defence primes, integrators and component suppliers. Similarly, the space industry is expanding with new space participants offering services which were previously offered by the Indian government space organisation such as launch services, satellite operations and downstream services. With DPSUs focussing on specialisation and integration and subcomponent manufacture being outsourced to the private industry, there are resultant expanded opportunities for the private sector. (*Source: F&S Report*) Our focus on building complete systems from the building blocks and sub-systems already developed, provides a higher value addition while distributing development costs.

Since inception, we have focussed on designing and building our own products. We have extended our product focus across the manufacturing value chain from industrial and test automation to automated test equipment for space systems to developing products and sub-systems for defence and aerospace systems through DRDO. We are focussed on developing complete systems and sub-system solutions in domains such as radars, electronic warfare, communication systems, RF and microwave, Military COTS (such as VME and VPX processor boards, digital receivers, Input/Output modules of many functions and form factors), avionics, missile and torpedo electronics, fire and launch control systems, space based systems and automatic test equipment.

DRDO is our valuable customer and have supplied several electronics based systems / sub-systems to DRDO for various applications.

The private sector in several countries, including those in the United States and the United Kingdom, grew in stages with private companies starting out as suppliers to government majors and military research facilities. Over time component manufacturers evolved into integrators and later into solution providers. With defence primes developing independent platform building capability, this division of labour within the industry has become more streamlined and specialised, resulting in greater industry revenues and profit. Competition in the Indian defence industry is in a state of flux, but moving towards consolidation and specialisation. Driven by new policies and government initiatives that are more predisposed towards procuring equipment from the private sector, competitors that already have strong business relationships with DPSUs, DRDO and larger private defence companies, as well as the R&D and manufacturing capability to build end-to-end solutions are likely to emerge as winners. (*Source: F&S Report*)

Frost & Sullivan expects that countries will look at spending the available resources more efficiently through indigenization (for e.g., India's Atmanirbhar defence structural reforms), diversification of supply chains, and looking at new more cost effective equipment sources, in order to keep procurement levels commensurate with achieving technology and platform based tactical advantages. Globally, Frost & Sullivan estimates that the defence expenditure will continue to rise in the medium term at a rate of 1.5% amounting to $ 2130 billion in 2026, largely influenced by the top 15 spenders even though some areas/ countries from the rest of the world may see a reduction in defence spending. (*Source: F&S Report*)

We believe that our competency and the focus of the Indian Government to enhance indigenisation, makes us well positioned to rapidly commercialise or scale-up a number of our existing products or building blocks to end systems or complete solutions, thereby garnering significant benefits from the Make-in-India programme. For example, our wind profile radar developed for Cochin University of Science and Technology, which is the world's first 205 MHz radar, was developed completely in-house by us and has been operating continuously since 2017. (*Source: Kottayil, A., et al. (2016), Validation of 205 MHz wind profiler radar located at Cochin, India, using radiosonde wind measurements, Radio Science, 51, pp-106-117*) We believe that this provides significant opportunity to us to bid for and obtain future contracts for similar wind profile radars required by the government meteorology department in the civilian space. Application of lower radar frequencies (referred to as very high frequency or ultra high frequency radars, with wavelength range to 5 m to 30 cm) also has significant military potential as it can also detect "stealth" aircrafts and can be re-engineered as a stealth radar required for Indian defence forces (*Source: Kuschel, H. (April 2002), VHF/UHF radar: Part 1: Characteristics, Electronics & Communication Engineering Journal, pp - 61 - 72*).

Using our experience of working with the DRDO and from development of the wind profile radar, we successfully bid for and obtained an approximately ₹ 3,800.00 million contract from the Ministry of Defence for nine precision approach radars for the Navy and Air Force, which are currently in the delivery stage.

Having developed the building blocks across all electronics including RF and microwave, signal processing, etc. has allowed us to develop complete systems. With Indian defence requirements being opened out to indigenous manufacturers, we believe that opportunities are now available which can be addressed based on in-house capabilities to develop such large systems.

Innovation focussed business model

Since inception, we have focussed on in-house development and manufacturing capabilities lead by innovation and design and development efforts. As on July 31, 2021, we had more than 450 engineers, many of whom serve in both design and development departments. We have in the past initiated development of several projects, such as military grade processor modules, cockpit displays, actuator controllers for missiles and torpedoes, flight control computers, digital receivers and Up/Down converters for radars, with an aim to utilise these components in subsequent projects. Subsequently, we have been able to utilise these pre-developed building blocks and sub-systems in the development of complete systems, thereby allowing for higher value addition while distributing development costs. Further, an ability to partner with our customers through the life cycle of a product, from conception till deployment and thereafter, allows us to be logical partner to our customers as a product moves from development to deployment. Set out below is our revenue from each of our production contracts, development contracts and service contracts in the last three Fiscals:

(*₹ in million*)

Order type	Fiscal 2021	Fiscal 2020	Fiscal 2019
Production Contracts	1,701.32	1,444.81	845.22
Development Contracts	365.01	1.32	364.45
Service Contracts	173.17	114.85	100.96
Total	**2,239.50**	**1,560.98**	**1,310.63**

We design and develop a number of building blocks similar in specifications to imported modules to allow us to compete in local tenders of DRDO for military commercial-off-the-shelf ("**COTS**") products. For example, we have developed and supplied a military COTS type processor to DRDO, which was subsequently redeployed or repurposed for other projects by various DRDO laboratories, including in naval applications in ships and helicopters in programmes of NPOL, in radar warning receivers and airborne EW systems for DLRL, in BrahMos seekers for DRDO, and airborne radars for LRDE. Some of our present programmes include:

(i) airborne phased array radar,
(ii) frequency hopping radio relays,
(iii) next generation EW products,
(iv) integrated EW solution for national security, etc.

We have consciously built competencies to design and build building blocks across the defence and aerospace electronics spectrum, which we believe will allow us to build lower cost value added integrated systems with greater ease and in a cost competitive manner.

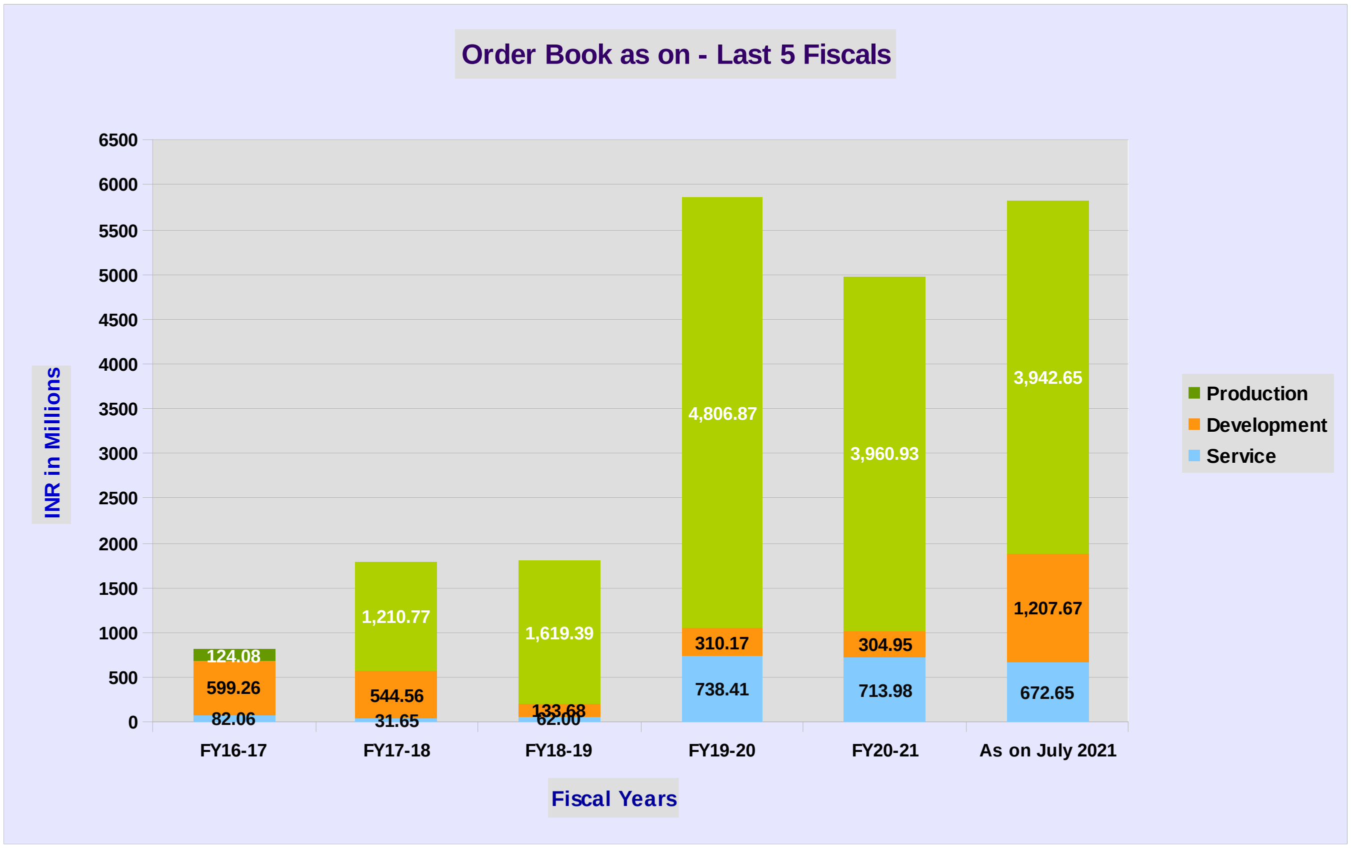
Some examples of products designed and developed by us which we believe are "future ready", that is, have an ability to be used as blocks in future platforms and products, include:

S. No.	Product(s)	Details
1.	Monopulse RF Seeker	Delivered prototypes to DRDO
2.	X-Band Doppler Weather Radar	Prototype installed in Chennai for the government meteorology department
3.	205MHz Wind Profile Radar for CUSAT	Installed at Cochin for a government owned university
4.	Radar for Naval Utility Helicopter	Prototype delivered to LRDE
5.	A Next-Generation Software Defined Radio	Prototype developed for DEAL
6.	A Next-Generation Radar Warning Receiver	Prototype developed for DLRL
7.	A Next-Generation COMINT	Prototype developed for DLRL
8.	A Next-Generation ELINT System	Prototype delivered for DLRL
9.	Nano Satellite	Being delivered to industry and educational institutions

Sound order book across product categories supplying to marquee customers in the defence and aerospace industry

As on July 31, 2021, we had an order book of ₹ 5,822.97 million, with orders from several marquee customers in the Indian defence ecosystem, including the Indian government defence ministry, BrahMos, DRDO, the Indian government space organisation, HAL, BEL and a DPSU involved in the missile space. We are currently engaged in the supply of products to several prestigious defence projects in India, including the LCA, the HAL Dhruv, LUH and the BrahMos missile programme. In each of the above projects, our products form critical components, such as the launch systems for the ground based BrahMos missile launcher, flight and safety critical "take me home" displays for the Tejas.

Due to our diversification of our products and services over the years, backed by our design and development capabilities, we have grown our order book from ₹ 805.40 million as on March 31, 2017 to ₹ 5,822.97 million, as on July 31, 2021. The break-up of our order book in each of the five previous Fiscals and as on July 31, 2021 is as below:



We continue to invest in product development on various platform specific products which has an annuity requirement thus ensuring continuity of business in the years to come. For example, we have developed and received an annuity order for ₹ 120 million for design and supply of cockpit displays for the LUH, which we believe has significant potential to generate additional annuity revenues from the new units required for the larger number of LUHs planned by HAL, as well as maintenance, spares and parts replacements in coming years. Similarly, we provide smart standby display units for the LCA, RWR systems for fighter aircraft, airborne ELINT for helicopters and unmanned aerial vehicles and seekers for the BrahMos missile programme, each of which we believe has revenue generation potential for us, either through fresh contracts or through maintenance and upkeep programmes.

As products and systems bought by Indian defence services need to have a life time of minimum 20 years, our systems are designed to meet such operational requirements with a clear policy on obsolescence management. We therefore have several customers with a history of reliable product service over many years. For example, we have been supplying products to the Indian government space organisation for a period of more than twenty years, including automatic test equipment for testing on-board systems of satellites and tracking radars to track launches of PSLV / GSLV satellites. We have also designed and supplied the Launch Countdown System to the Indian government space organization. We have also supplied fire control systems (missile launcher) for the land based BrahMos missile, operational from 2006, which continue to remain under annual maintenance with us.

Modern certified manufacturing facility of international standards

Our in-house design and development capabilities are complemented by our 100,000 square feet manufacturing facility located on 5.75 acres of land at the SIPCOT Information Technology Park, Siruseri, Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in defense and aerospace applications. Our facility allows us to be self-sufficient in our requirement of high quality and high complexity production while ensuring functional testing for all our products using internally developed automatic testing equipment. Environmental test facilities are also available for the requirements of

- JSS55555
- MIL-STD-461
- MIL-STD-810 including for Highly Accelerated Life Test / Highly accelerated stress screening.

The JSS55555 / MIL-STD-461 / MIL-STD-810 specifications compliance testing requires performance validation at high and low temperatures, vibration and shock levels, tropical / sunlight / tropical / salt fog / altitude / acceleration / conducted and radiated RF emission limits and susceptibility testing. Our products are designed and tested to withstand these performance requirements.

The modern production and test infrastructure caters to production and validation of Aerospace, Defence and Space electronics systems.

We are certified for or follow various standards across product life cycles, including for aerospace systems under AS9100D by TUV-SUD, IPC Standards for PCB design, DO 178B for software for airborne systems, Software life cycle processes and environment standards MIL-STD-810, JSS-55555 and EMI-EMC standard MIL-STD-461. Further, our systems and processes are subject to periodic audit by our customers, such as the Indian government space organisation and HAL and by certain government departments. Our EMS line is also certified for production by the Indian government space organisation.

Design, Development & Manufacturing facility at Chennai, India

Consistent track record of profitable growth due to a scalable business model

We have a consistent track record of profitable growth. Some of our financial performance indicators are as follows:

(*₹ in million except percentage data*)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	**Amount**	**Amount**
EBITDA	945.88	472.50	269.93
EBITDA margin	41.75%	29.50%	20.37%
ROE	26.75%	13.71%	5.80%
ROCE	34.69%	23.39%	12.45%

Notes:
EBITDA = PAT + Taxes +Finance Cost + Depreciation
EBITDA margin = (EBITDA/Total Revenue) x 100
ROE = Net Income/ Shareholders Equity i.e., (PAT / Total Net worth)
ROCE =EBIT/Capital Employed
Capital Employed = Total Assets – Current Liabilities

With net profitability growth of approximately 164% between Fiscal 2020 and Fiscal 2021, we are one of the fastest growing companies in the Defence and Aerospace Electronics sector in India with excellent margins and return ratios. Between Fiscal 2019 and Fiscal 2021, we recorded the highest growth in revenues, EBIDTA margin, ROCE and ROE amongst key Indian defence and aerospace companies, with a growth in our revenues of 71% during this period. Further, between Fiscal 2020 and Fiscal 2021, we recorded the highest growth in revenues, EBIDTA margin, ROCE and ROE amongst key Indian defence and aerospace companies, with a growth in our revenues of 43% during this period. This made us one of the fastest growing company in Defence and Aerospace Electronics sector in India with excellent margins and return ratios. (*Source: F&S Report*)

We have been focused on managing costs by leveraging the inherent efficiencies in our reusable building block driven business model while consistently growing revenues. The scalability of our business is derived from our capability to build complete systems/solutions. While the building blocks and sub-systems developed against DRDO programmes allows future revenue from production orders from DPSUs post certification, our ability to build complete systems allows us to compete in Indian government defence ministry's tenders against competitors, whether foreign or domestic or collaborations between domestic and foreign competitors. The capability to build the complete system from building blocks designed in-house with IP allows competitive cost advantage.

Further, we have spent considerable development expenses during previous years in designing building blocks and sub-systems. Our development costs are typically funded internally and are written off as revenue expenses as part of the delivered systems. Accordingly, when production contracts or repeat orders are secured from DPSUs, our overall margin tends to be better. Further, our overheads do not necessarily increase in proportion to the increased revenue from production contracts, allowing for increase in our EBITDA and PAT in line with increase in revenue. As a result, our cost ratio, which we define as the ratio of total expenses to total revenue, has decreased from 92.18% in Fiscal 2019 to 67.10% in Fiscal 2021.

Experienced management team and skilled workforce

We have a management team with extensive experience in the defence sector. Our Promoter and Chairman and Managing Director, Mr. Srinivasagopalan Rangarajan, holds a Bachelor's Degree in Chemical Engineering from the University of Madras and a Master's Degree (MS) in Industrial Management from IIT Madras, and our Promoter and Director, Mrs. Rekha Murthy Rangarajan, holds a Bachelor's Degree of Arts from the Bangalore University and a Master's Degree of Arts in Applied Psychology from the University of Madras, and have been associated with the defence and aerospace electronics industry for more than three decades. Many of our senior personnel, including our Chief Technology Officer, Mr. Desinguraja Parthasarthy, our Chief Operating Officer and Chief Information Security Officer, Mr. Vijay Ananth K, our Senior Vice President- Business Development, Mr. Thomas Mathuram Susikaran, our Chief Financial Officer, Mr. V. Venkata Subramanian and our Deputy General Manager – Quality Assurance and Control, Ms. R. Nandaki Devi each with many years of relevant industry experience, have been associated with us for more than two decades.

We believe that the quality of our management team has been critical in achieving our business results and that our management's experience allows us make strategic and timely business decisions in response to evolving customer needs and market conditions. In particular, we believe that our management team has sound cross-functional expertise across product design and technology.

Further, our focus on skilled and qualified manpower has ensured that each of our 760 employees including more than 450 engineers, as on July 31, 2021 are certified by various industry bodies or educational institutions. We have also benefitted from the experience of marquee investors, including Florintree Capital Partners, who have invested in Fiscal 2021.

Strategies

Continue expansion of product portfolio with complex technology-based products

We intend to continue to expand our capabilities and product portfolio to enhance our offerings in the defence and aerospace electronics space, especially in complex technology based products. We currently offer electronic solutions developed by specialist teams working on areas including complex 20+ layer PCB designs, FPGA based firmware algorithms, all layers of software including operating system porting, device drivers, networking layers, application software, graphical user interface, cartography, signal processing, streaming protocols and waveform engineering.

Further, we intend to opportunistically bid for and engage in higher value projects which require significant use of complex technologies. For example, we have developed and deployed our first Nano satellite ("**NIUSAT**") which was deployed in 2017. Based on the learning we have received two more contracts to design and build nano satellites. The Indian government space organisation uses on board and ground systems developed by us for their nano satellite programme. Every part of the satellite like on board computers, power systems, telemetry and telecommand, payload data links, sensors, attitude control with reaction wheels allowing movement of the satellite in space, etc. are designed in-house. The capability to build the satellite bus along with the ground stations coupled with the knowledge to build the required defence payloads for EW, Radars and vision will allow us to develop the larger defence satellites.

Further investments are being made in AESA radars, modern EW Systems, Airborne sensors, among others. We believe that these complex technology-based products have wide ranging applications across defence and aerospace areas and would provide a higher value growth opportunity. For example, we have developed the RF seeker for the BrahMos missiles along with DRDO. Post flight test, these can be inducted into BrahMos missiles. Similarly, the radar warning receiver developed by us with DRDO can find requirements in the LCA, which is currently under trial with HAL.

We also intend to avail the benefits from the Make-in-India programme by bidding for or participating in tenders for larger or more complicated projects. As per Frost & Sullivan, the government's latest policies seek to build greater self-reliance in Indian defence R&D and manufacturing through a combination of the Aatmanirbhar Bharat mission, DAP 2020, Offsets and the upcoming Defence Production and Exports Policy, is expected to be one of the key growth drivers for the Indian indigenous defence industry. Further, weapons and defence electronics will see a major uptick in acquisition, as the Indian forces look to upgrade their operational engagement and network-centric capabilities. The top 3 capital acquisition categories – Buy (IDDM), Buy (Indian) and Buy and Make (Indian) emphasise on Indian company led defence modernisation with a IC category of at least 50%. Moving forward several high value tenders are expected to fall into these categories, giving both private Indian defence primes and sub-system suppliers ample opportunities in increasing revenue and technology base. Further, Frost & Sullivan expects the capital and stores allocation of the Indian defence budget to grow to $ 33.19 billion and $ 9.57 billion respectively by Fiscal 2031. The cumulative amount available during the forecast period would be $ 339 billion. (*Source: F&S Report*)

Focus on repeat large volume production orders

Due to our reusable building block model and our pre-existing certification and platform specific products, we are able to distribute development costs over multiple programmes and also be the preferred OEM supplier for ongoing programmes. Of these, RWR and ELINT are currently in the testing and flight trial stage, while cockpit displays for LUH, antenna electronics for Ashwini Radars, etc. have entered the initial production phase, which we believe will provide greater volumes and increased orders over the coming years.

We aim to focus on such orders or projects wherein the initial development stage has been completed and where we believe there is significant scope for high volume repeat orders or high value repeat orders. For example, the 205 MHz wind profile radar developed by us is capable of re-design and deployment with military applications, such as detection of stealth aircraft. This contract was signed in September 2012 while the design and installation was completed by us in September 2016. The wind profile radar has been operational since 2017. Similarly, we have in the past invested resources in developing a range on EW receivers with DRDO. Based on the successful development we have received subsequent contracts from DPSUs. We continue to invest resources in developing modern receivers for both communication and radar threats with DRDO, which we believe will find applications in future and ongoing EW requirements of the Indian defence forces. For example, we are well positioned for the Himashakti and Dharashakti programme in the market having previously sold COMINT receivers to BEL and ECIL for Samyukta upgrade, Himraj, etc. to final delivery to the Indian Army. (*Source: F&S Report*)

Further, production contracts or repeat procurements provide order visibility over a few years as well as allow production and delivery spread over the year, allowing stable cash flow. Our available building block model and products and products in various stages of development, in our opinion, will allow us to gain significant future revenues from such projects.

Augmenting our design and development capabilities and expanding manufacturing infrastructure

We intend to deploy up to ₹ 626.84 million from the Net Proceeds of this Offer towards upgrading and expanding of our existing facilities located in Chennai. The proposed expansion of our facilities, which will include acquisition of an additional 2.81 acres of adjacent land for further expansion, large systems integration hangar, complete radar integration, electronic warfare vehicle integration, augmented environmental test infrastructure, multi ton material handling, additional EMS line and clean room for satellite integration.

We also intend to augment our design and development capabilities for our various verticals, including our design verticals, through procurement of additional software, testing equipment or other related hardware. We believe that augmentation of our design and development capabilities through acquisition of further infrastructure is part of an ongoing process of increased capabilities.

We believe our investment in infrastructure will enable us to cater to the growing demand from our customers and enhance our product portfolio, which in turn is expected to result in an increase in our profits and revenues. For further details, see "*Strategies-Design, Engineering and Manufacturing Capabilities–Proposed Expansion* ", "*Objects of the Offer - Details of the Objects of the Fresh Issue – Upgrading and expanding of our existing facilities at Chennai*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Expansion of Production Capacity*" on pages 174, 93 and 281, respectively.

Focus on increasing revenues by leveraging core competencies and grow our services business

Our core competency is driven by robust process and quality standards. We intend to leverage this expertise and start providing engineering services to OEMs, including for electronic hardware development, embedded software and application development, algorithm and firmware development, testing and validation activities, obsolescence management and life extension of defence OEM products and other non-defence products.

Our domain expertise helps us to understand the customer's requirements in a timely manner thereby leading to time and cost efficiencies for all parties.

Further, we believe that due to the relatively long life of platforms or products in the defence and aerospace sector, there are significant growth opportunities for our sale of services. Accordingly, we intend to grow our portfolio of services and provide maintenance services, upgradation and other routine repair and upkeep services to customers, to allow us to expand our revenues from sale of services. Our revenues from sale of services, which include our annual AMC revenues for the last three Fiscals was as follows:

(*₹ in million*)

Fiscal 2021	Fiscal 2020	Fiscal 2019
277.91	130.75	162.15

In furtherance of this, we have also increased the head count of our Customer Support Services department from 22 employees in Fiscal 2019 to 40 employees as on July 31, 2021.

Focus on increasing export business

As per F&S Report, global defence spending rose to $ 1,981 billion in 2020 representing an increase of 2.6% over 2019 spending. The global defence expenditure has been steadily increasing in the last five years at a CAGR of approximately 3.6%. In 2020, the top 15 spenders accounted for 81% of the total global spend; with most countries in this group increased their defence expenditure over 2019. Further, as per Frost & Sullivan, Russia is already ahead of Western nations in terms of military technology such as hypersonic weapon systems and EW, and if these nations push back defence programmes the technology gap between the two opposing groups will only increase. Accordingly, United States, most of Europe, India, Japan, UK, France, Australia, etc., cannot deprioritise defence spending and R&D. Frost & Sullivan estimates that the defence expenditure will continue to rise in the medium term at a rate of 1.5% amounting to $ 2,130 billion in 2026, largely influenced by the top 15 spenders even though some areas/ countries from the rest of the world may see a reduction in defence spending. (*Source: F&S Report*)

We intend to expand to high-end global markets similar to India, where we believe our core competency is in complete sync with requirements for various sectors, such as industrial automation, telecom, automobile (electronic sub-systems), medical (electronic sub-systems) and nuclear. Either our engineering services model or product development model shall be utilized to leverage sales from these markets.

Given our design and manufacturing capabilities, we believe that there is significant potential for us to move into newer geographies and markets.

We intend to identify market opportunities in overseas jurisdictions and tie up with local partners to utilise our existing product portfolio and further develop products suitable for meeting the respective country's native requirements.

Our Order Book

Our order book reflects the total contract value yet to be billed as on the relevant date. Set forth below are details of our order book as on July 31, 2021:

By stage of contract

Particulars	Number of orders	Value (₹ million)
Production Contracts	32	3,942.65
Development Contracts	18	1,207.67
Service Contracts	48 (including 29 Build to Print orders)	672.65
Total Order Book:	**98**	**5,822.97**

By product grouping

Particulars	Number of orders	Value (₹ million)
Radar	19	3,638.80
Service	49	675.65

Particulars	Number of orders	Value (₹ million)
Electronic Warfare Suite	4	571.96
Avionics	6	318.00
Communication	2	309.53
BrahMos missile programme	3	184.54
Small Satellite	2	52.72
Naval system	4	48.02
ATE	9	23.75
Total	**98**	**5,822.97**

Design, Engineering and Manufacturing Capabilities

We have indigenously designed and developed products for various platforms. Our design and development activities are carried out through our "Excellence Centre". Our product development processes are well documented and updated periodically to ensure international quality. Our processes and checklists are designed to help us to achieve "first time right" on almost all of our product development efforts.

Design & Development Capabilities and Infrastructure

We have invested substantial amounts on design and development capabilities to allow us to stay ahead of customer requirements. Following are the typical areas of design and development we carry out:

Area	Scope	Results
New Module / Upgrade Development	• Identify the market trend specifications of various building block modules • Identify the new component releases and asses the advantage/disadvantage of using it in new design or upgrade of existing design • Identify new form factors and asses its usage • Work towards SWaP (Size, Weight and Power) of existing products if future potential is more • Identify obsolescence and suggest alternative • Develop New / Upgrade products/product line and make it available for future requirements based on approvals	• New Product • Upgraded Product • New product line • Examples: Single Board Computers, Digital Receivers, I/O Modules
New Systems Development	• Identify new systems which can complement our Domain requirements and build it in anticipation of utilization • Develop New Systems on par with international requirement • Get approved Forecast orders and develop such products	• New Sub-systems / systems • Examples: RADARS, EW, SDRs etc

Area	Scope	Results
New Algorithm / Software development	• Identify New algorithms which can optimize the existing algorithms and reduce the hardware utilization • Identify new Operating system trends and port the existing system software onto the new OS as required • Identify new development trends and migrate or develop applications, drivers etc on that platform depending on need	• Optimized Algorithm • New drivers and BSP • New Applications • New Libraries

Design and Development Infrastructure

We have the necessary infrastructure to address the requirements of design and development, including:

Type of infrastructure	Details
Digital Test and Measurement Equipment	Oscilloscope, Signal Generators, Power Supplies, Frequency Counters, DMM etc
RF Test and Measurement Equipment	All types of RF Equipment for testing like Network Analyzer, High Frequency Signal Generators, Spectrum Analyzer, Power source, Noise Source, Power Meters etc.
Programming and Development Tools	Compilers, Debuggers, Editors etc
Analysis Tools	Power Analysis, Signal Integrity, Thermal Analysis tools, Structural Analysis, Stress analysis
EMI / EMC Design Testing	Antennas, Receivers etc
Debugging Tools	In-circuit emulators, Background Debuggers
Defect and Solution Management	Defect logging and resolution tool

Design and development team

We have the following core groups or departments to address design and development requirements of products:

Group/Department	Responsibility / Scope
Hardware Development Department	Design and development of all types of high-end and complex electronics modules and building blocks. Includes Single board computers, Field Interface modules, Communication Modules, Custom I/O Modules, Mezzanine modules, Signal conditioning modules etc.
Software Development Department	Design and development all types of embedded, real-time and application software. Includes devices drivers, Operating system porting, real-time data transfer, GUI application for various Operating systems and hardware.
Mechanical Engineering Department	Design and development of all types of mechanical packaging, big structure systems and jigs and fixtures. Incudes standard ATR chassis, heat spreaders, structural and thermal analysis etc.
CAD / CAM Group	PCB schematics, Artwork, signal analysis, power analysis, electrical wiring, all modules/systems performance, and maintenance statistics like MTBF etc. Includes up to 26 Layer PCB design, hybrid electrical interface design etc
Algorithm Development Group	Design and development of various domain algorithms for RADAR, Electronic Warfare, Communication waveform etc. Uses all types of

Group/Department	Responsibility / Scope
	algorithm development including mathematical modelling, statistical modelling, feedback modelling etc.
Radio Frequency Modules Group	Design and development of all types of RF modules and sub-systems. Includes simple RF receiver/exciter, filters, upconverters/downconverters, synthesizers etc.
DOMAIN Systems Groups	Design and Development of product verticals as a system. Including RADAR, EW, Communication, ATEs, Fire-control systems, Satellite, Avionics etc.
Production Department	All the products are functionally and environmentally tested by this department. Includes testing of modules and sub-systems, wiring, mechanical assembly, and integration etc.
Electronics Manufacturing Services (EMS)	Fabrication of all electronics modules. Including automated pick-n-place, manual soldering, conformal coating etc.
Harnessing Group	Fabrication of all types of cable harness including internal wiring, external interface wiring, testing of cables for continuity, impedance etc.
Mechanical Integration Group	Assembly and integration of all types of mechanical parts. Including various types like LRU assembly, board assembly, system assembly, system integration etc.
Project Management Group	Responsible for Delivering all the orders both internal and external. Vertical integration of groups and product development responsibilities. Includes all types of projects from simple module delivery to full system delivery. Utilizes, project plan, metrics, GANNT charts, budgeting and control, optimal execution methods etc

Technology Expertise

We utilise cutting-edge technology in defence and aerospace products development. This gives us the advantage to align our product release in-time with the latest component releases. Our software team works on the core level of the operating system software such that we can adapt software to exact customer specified performance requirements.

Manufacturing infrastructure

Our Excellence Centre is supported by our manufacturing facility and after sales support team. We have experienced resources and incubation process for fresh resources to on-board the development process. Our manufacturing facility consists of a 100,000 square feet factory built on 5.75 acres of land in Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in defence and aerospace applications. Some of the key features of our manufacturing facility are as follows:

- 100,000 class clean room
- Electronic assembly facility inclusive of multistage reflow soldering station, BGA repair workstation with display, Pick and Place Machine
- Manual soldering certified to Space Grade standards
- Flexible modular production line to meet Low Volume High Mix Requirement.
- EMS Assembly capacity of 600 boards per day.
- Capability to handle complex boards with 22 layer, 6,000 components and 21,000 solder points
- Dedicated 70 work-stations for testing modules and small systems.
- Software assisted test and debug methods with Test and Measuring Instruments such as Network analyzer, Spectrum Analyzer, Microwave sweeper / signal generator, RF Power meter etc.,
- Harness preparation of 2000 points per day.
- 20 Dedicated Mechanical assembly stations to assemble small and large systems.

- Over Head Bus Bars with Dual power feeding facility for testing 12 large systems simultaneously.
- Enhanced Quality control Equipment
- Dedicated Display Assembly Centre
- Environmental chambers available in-house for burn-in and high temperature tests, humidity tests, vibration, HALT and HASS.


EMS Line


Ion Contamination tester


Multizone Reflow Oven


Automatic Optical Inspection system

Pick and place machine


X Ray inspection system

BGA underscope inspection

Soldering section

Cabling section

Mechanical Assembly

Board testing

Large System Integration Bay

Proposed expansion

We are also in the process of upgrading and expanding our facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems, satellite integration facility. Our testing capabilities are also proposed to be further strengthened.

We are proposing to acquire an additional 2.81 acres of adjacent land for further expansion.

--------------Expansion--------------------------

Large Systems Integration Hangar
Complete Radar Integration
Electronic Warfare Vehicle Integration
Additional Test Facility
Augmented Environmental Test Infrastructure

--------Existing Facility Enhancement-----------

Augmented Design & Development Facility
Additional Space For Design and Development Resources
Clean Room for Satellite Integration
Additional EMS Line
Multi Ton material handling

Cost of Upgrading and Expanding Existing Facilities

Particulars	Orders placed	Orders yet to be placed	Total
	INR in Million		
Plant and Equipment	103.44	112.21	215.64
Building and infrastructure	295.92	73.16	369.08
IT Equipment	-	42.12	42.12
Total Cost of Upgradation and Expansion	**399.36**	**227.49**	**626.84**

Infrastructure Facilities

Electricity

All of our manufacturing facility and the Registered and Corporate office draw electricity from Tamil Nadu State Electricity Board. In addition, all of them, are equipped with diesel generators which provide back-up power in the event of break downs or power grid failure.

Water

Our water requirements are met by the Tamil Nadu state water board.

Miscellaneous

Requirements of fire safety installations and life safety measures as stipulated by the government norms are satisfied. Periodic drills are conducted to ensure the condition of the equipment and the alertness of the employees respectively.

Fire hydrants and fire extinguishers in identified locations to handle all types of fires are in place constantly checked and refilled. Further, an Incident Response Team has been constituted with representatives from all areas of the facility who are trained in First Aid/ handling fire extinguishers and other emergencies.

Our facility is manned 24x7 by a team of security guards and supervisors managed by a Safety & Security Officer.

Project and Product Management

We design and build various reusable building blocks and sub-systems aligned to our product strategy of offering integrated solutions. A capable project management organisation had become mandatory to allow the company to scale to cater to deliver complete systems.

We have a dedicated Project Management Department to ensure on-time delivery with quality and within budget. Projects are managed by PMP/PMA certified Programme managers, Project managers and Project leaders. Project management is governed by Project Management Council which guides the team to meet the delivery objectives of the organization. All the members of the project management department are experienced and well versed with the technical nature of our projects. In general, some of the technical leaders eventually migrate into Project Management, allowing a natural advantage while managing the project.

Since all projects/product development are technical in nature, adequate technical knowledge within the members of project management team is vital to ensure smooth delivery. We have ensured it through periodic training, promoting technical people for project management, having domain consultants to support the execution and by ensuring system engineering group to work closely with project team. Following are the various sub-groups within Project Management Department:

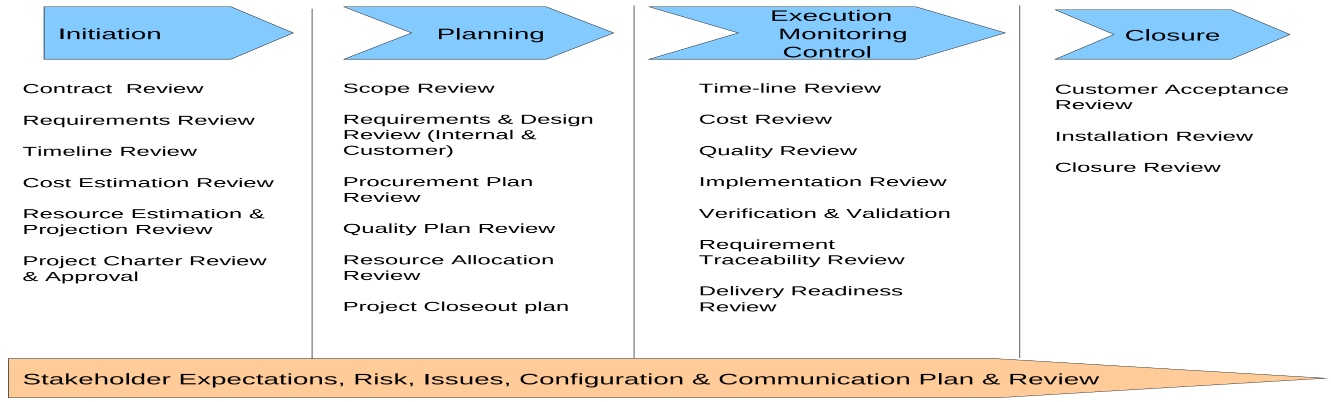
- RADAR Projects Group
- EW Projects Group
- Satellite Projects Group
- Rugged Military Projects Group
- ATE Projects Group
- Standard Projects Group

A well-established enterprise resource planning system and supply chain are in place to support the project material management, supported by various technical governing bodies like FAB, SAB, MERB (Failure Analysis, Salvage Analysis, Mechanical Review Board).

All the projects are monitored and controlled through various KPIs like time, quality, cost, re-use, risk etc. Periodic review of project status and schedule are conducted, and timely corrective / supportive actions are taken to ensure success of the project delivery.

Projects cut-across all departments, groups and forms the necessary teams to deliver the projects. They periodically interact with the excellence centre groups and ensure timely technical support and decisions are taken to ensure professional way of developing products.

Typical Project Life cycle



Our Products

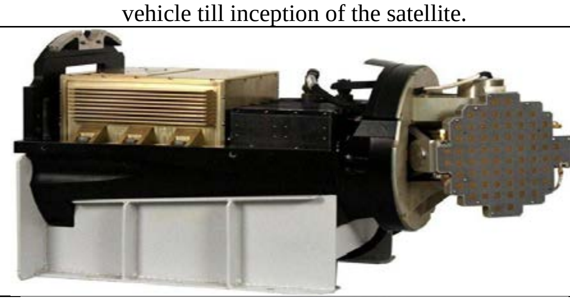
Our major product groups consist of (i) Radars, (ii) Underwater electronics / communications / other systems, (iii) Electronic warfare suite, (iv) BrahMos programme, (v) Avionics, (vi) small satellites, (vii) ATE for defence and aerospace systems, (viii) COTS.

Some examples of our key products and categories are:

Radars

Our radars under categorised under three broad categories: (i) surveillance radars, (ii) weather radars, and (iii) tracking radars, consisting of (a) IFF Systems for the defence services and (b) Missile Seekers - BrahMos.

Surveillance radar	Low Level Transportable Radar – Central acquisition radar of medium range low level target detection and can detect manoeuvrable targets. Ashwini, is a product of LRDE-DRDO. The LRDE Radar has been developed as an import substitute. One of the critical and high value aspect of this modern Radar is the Phased Array Antenna comprising sub-systems including a transmit / receive modules and the receive modules together with the array group receivers. We have developed several electronic components in this Radar.	 Ashwini
Weather radars	We have developed radars for cloud and rainfall measurement. These complex multi-disciplinary systems includes volumetric scanning, mechanical pedestal mounted antenna with dual polarisation capability. Involved algorithms have been developed for extracting the weak echoes from the clouds utilising customised waveforms. Orders for X-Band Doppler Weather Radar at Chennai and C-Band Doppler Weather Radar at Mumbai have been executed.	 Weather Radar at Mumbai

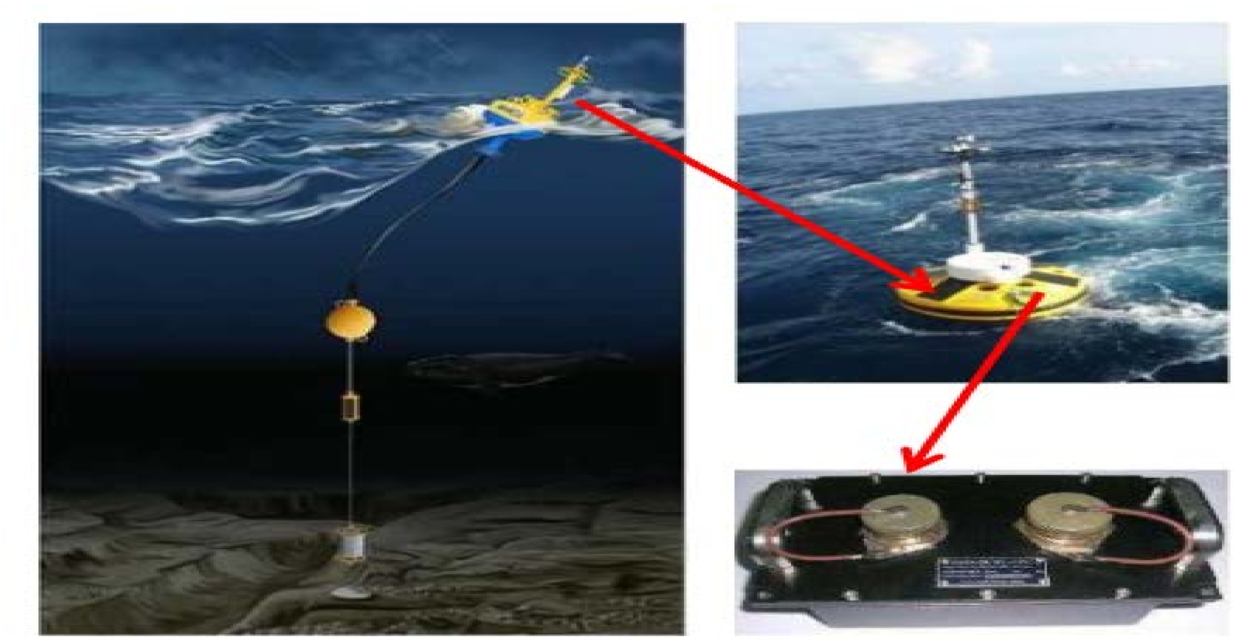
Wind Profile Radar	A wind profile radar obtains the direction and the intensity of the wind and various altitudes above the radar. This radar designed and developed by us and installed at Cochin, is the world's first 205MHz system. The radar is used for atmospheric research by Cochin University of Science and Technology.	 Wind Profiler Radar (CUSAT)
Tracking radars	The Indian government space organisation utilizes tracking radars to monitor flight trajectory of PSLV and GSLV launch vehicles as well as sounding rockets that are launched from SDSC Sriharikota and from Thumba Equatorial Rocket Launching Station (“**TERLS**”) at Trivandrum.	 Tracking Radar – Detection and tracking of the movement of launch vehicle till inception of the satellite.
BrahMos missile seeker	An important portion of the missile which searches for the target and thereafter guides the missile to its target	
Identify Friend or Foe (IFF) Seeker	DRDO has accorded ToT of IFF system and short range optical target locater to our Company.	 Combined Interrogator & Transponder

Underwater electronics / Communications / Other systems

Oceanography Products

Our oceanography products are primarily employed in the data acquisition requirements of the ocean resources. Critical weather parameters on the ocean surface such as air and sea water temperature, salinity, wind speed and its direction, wave intensity are measured by data buoys, designed and developed by us. The data acquisition sub-system, system integration accessories, interfaces to satellite communication systems, and central data consolidation, recording and presentation are implemented by us.

A variant of this product is used to monitor bottom pressure recorders, which is a part of India's Tsunami Warning Systems.



Data Buoy CPU

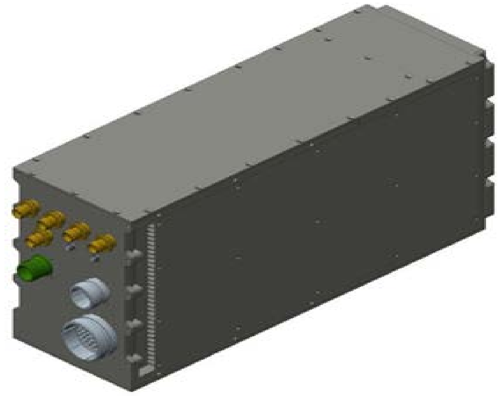
Electronic warfare suite

Electronic Warfare is divided into a number of major functionalities. It is used for passive surveillance and intelligence gathering ("**SIGINT**") and is further broadly divided into COMINT and ELINT. The other major division is Electronic Counter Measure which can jam the opponents' communication signal / radar signal. Specialised products such as Search Receiver, Monitoring Receiver, Direction Finder, Radar Warning Receiver have all been developed by us and contributes significantly to our business. Our EW domain strength includes the entire spectrum of signal reception, conversion, monitoring using hardware and software are all developed in-house as per the requirements of our customers.

V/UHF Monitoring Receiver

V/UHF Search Receiver

Wide Band Signal Processing Unit



Next Generation COMM EW Receiver

Digital Direction Finder

Airborne Radar Warning Receiver

Radar Warning Receiver

BrahMos programme

We develop fire control systems and other electronic systems for the BrahMos missile programme.

Fire Control systems: *Land based* These systems were indigenously developed around 2002 and deployed across India. We believe that this particular product has a high export potential due to the success of the BrahMos missile programme.	
	FCS for BrahMos – Indian Army
	
Airborne launcher for Sukhoi 30 After the successful implementation of the land based BrahMos launcher we received an order from BrahMos Aerospace Private Limited to develop flight qualified launchers in the BrahMos System. Multiple units have been delivered to equip Su-30 aircraft with the BrahMos missile launch capability.	
	Article control unit

Other electronic systems As a result of our involvement in the BrahMos programme, we have also developed, an auxiliary product. The Missile Checkout System that validates the health of the missiles in storage have been indigenised and maintained by us. These are installed in various locations around India. Subsequently we have developed 'O' level and 'I' level testers for the BrahMos air version launcher which have been delivered.	
	BrahMos Missile Checkout

Avionics

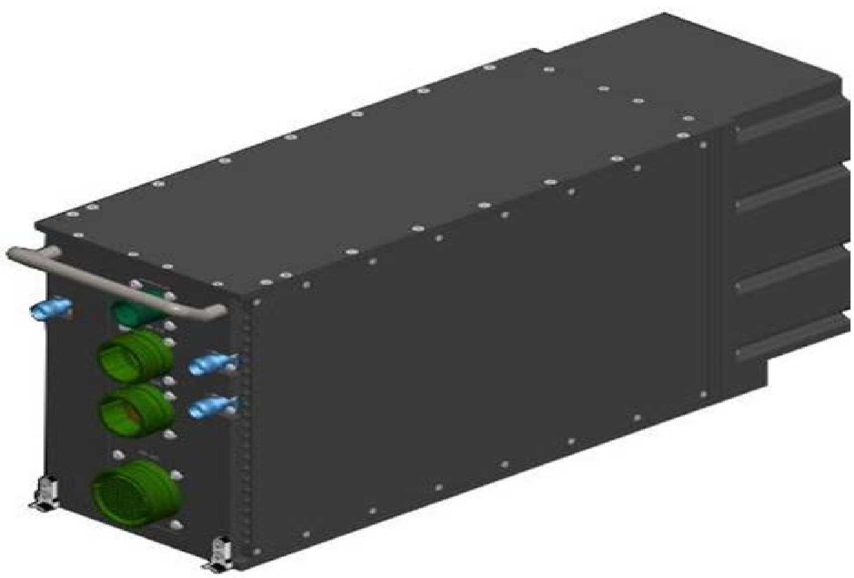
Avionics Displays

We have focused on Avionics displays as one of our key technology domains. These displays have to withstand airborne standards and there is a premium placed on these displays due to multi-disciplinary technological content. Our products have been used on the LCA, Intermediate Jet Trainers and LUH.

For example, the entire Glass Cockpit of the LUH is produced and delivered by our Company along with the accompanying Data Interface Unit.

Light Utility Helicopter Cockpit display

Fixed Wing Cockpit displays



Next Generation Software Defined Radio (SDR) for fighter aircraft

ATE

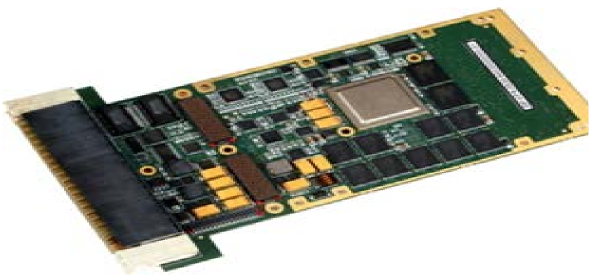
One of our core businesses for over 25 years has been the development of Automated Test Equipment for critical Aerospace requirements. The Indian government space organisation requires various types of automated test equipment for development of its test benches for the Polar Satellite Launch Vehicle ("**PSLV**") and Geo Stationary Launch Vehicle ("**GSLV**"). All the electronic systems on the PSLV and GSLV as well as some satellite sub-systems are tested by the Indian government space organisation using such ATE. A robust service network ensures uptime of all this equipment. We are the only company in India to have developed these complex ATE modules and are well established to capture the opportunity. (*Source: F&S Report*) We have a "rate contract" with the Indian government space organisation for more than a decade allowing single vendor procurement, which has expired and is currently under renewal.

Further, various departments of the armed forces, including the DRDO utilise ATE for validation of all the electronics on various platforms, including airborne electronic systems such as Mission Computers, Displays, Launcher, Complete Missiles, Laser Guided Bomb and Infrared Guided Missiles. We are also likely to benefit from the testing requirements of defence equipment in addition to the space industry testing portfolio. (*Source: F&S Report*)

In addition, our test equipments are utilised for validation of all the electronics on the Sea King Anti Submarine Warfare Helicopter.

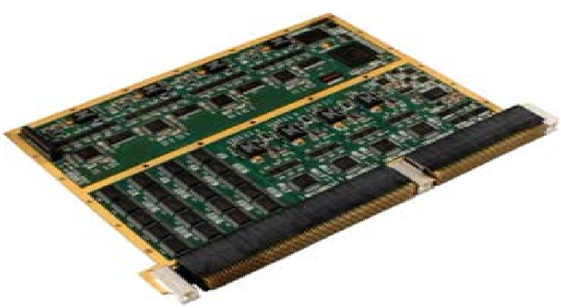
COTS

Our off the shelf products are broadly categorised into military COTS and traditional COTS. Military COTS is typically a COTS product developed or customised to respond to specific military requirements. COTS modules are designed in the context of reusable building blocks for building Military electronics systems with a quick turnaround time. A few examples are illustrated below:

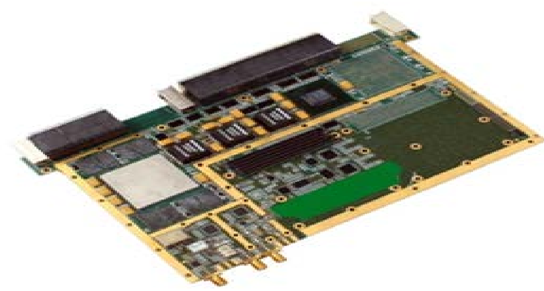


VPX Multi core SBC

VPX Zynq MPSoC based Quad core

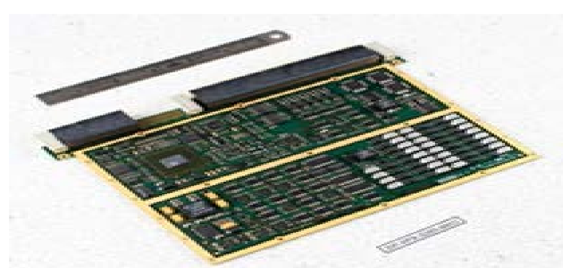


High density DIU

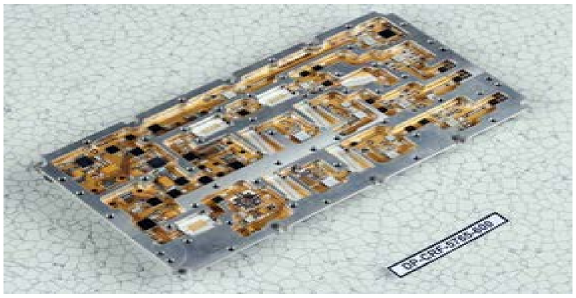


Narrow Band Receiver

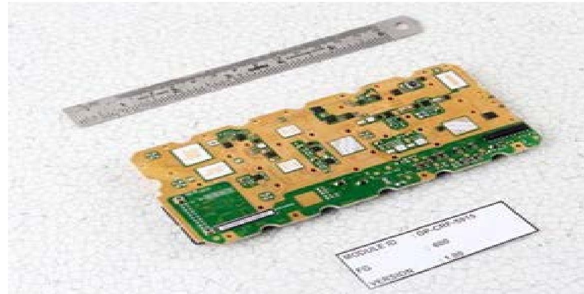
Power supply module



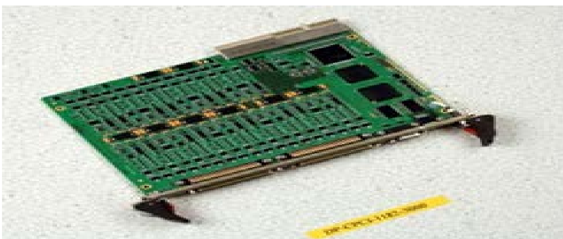
IO Timing module



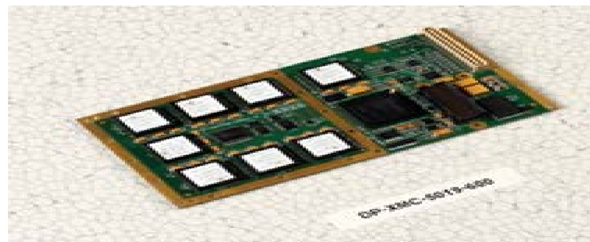
Wide band down converter



Oscillator & Frequency Synthesizer



High speed Datalogger



Synchronized Multi channel Mil 1553B module

Competition

Competition is at two levels; (i) during the development stage in DRDO requirements from small and medium size companies building custom solutions and/or integrating the solutions around imported COTS products and (ii) from large corporates offering complete systems, often under a partnership with international OEMs, for products and programmes directly procured by the Indian government defence ministry.

Our products are developed to compete with international and domestic equivalents. Further, we believe that our ability to offer a wide range of products and end-to-end solutions to our customers meeting their varying requirements, differentiate us from our competitors.

Most of the system level products delivered to DRDO or the Indian government space organisation are on single vendor basis, though the initial sub-system/component level contracts may have been obtained through a tender process based on lowest quote basis. As per Frost & Sullivan, we have strong and balanced capabilities across 12 defence and aerospace segments. We are poised to take up emerging opportunities to build India’s defence and space related capabilities. Competition for segments will be from various including companies, including L&T, BEL, Mahindra Defense Systems, Astra Microwave Products, Alpha Design Technologies, Mistral Solutions, CoreEl Technologies, etc. (*Source: F&S Report*)

The Indian defence industry is rapidly evolving into a self-sustaining one with companies and DPSUs moving towards specialising into defence primes, integrators and component suppliers. Similarly, the space industry is expanding with new space participants offering services which were previously offered by the Indian government space organisation such as launch services, satellite operations and downstream services. The shift is driven by national space agency transitioning from being the sole player offering end to end solutions to being an enabler for private space players. (*Source: F&S Report*)

Sales and Marketing

Our marketing strategy is structured around a customer-centric approach wherein our business decisions revolve around the needs of the customer and takes advantage of regular interactions with customers by utilizing their feedback and guidance to assess the product's lifecycle and anticipate future applications for our current technologies. Our customer-centric approach and our track record of successful projects have earned us a reputation of a dependable partner to our customers for their future programmes. We also participate in defence and space exhibitions and conferences and undertake seminars and webinars to showcase our products and services as part of our promotional activities.

We have a sales network with offices located in Chennai, Trivandrum, Bangalore, Hyderabad and Delhi. Experienced and trained sales staff reach out to customers, mostly DRDO labs, DPSUs, the Indian government space organisation, the government meteorology department, Indian government defence ministry, etc. and other international OEMs and carry out the sales function. Initial requirements and leads are managed by the Sales team and communicated to the Bid Management Team and the Marketing Team in Chennai. All the proposals, marketing presentations, product management and other marketing functions are handled from Chennai.

Quality Assurance

We have a well-established Quality Management System ("**QMS**") based on the standard requirement of AS9100D and ISO 9000:2015 to achieve the stated and implied quality needs of the customer and after sales services to support business goals.

Our QMS is governed by our quality policy and objectives and plays an important role in enabling the organisation to achieve the product realisation cycle efficiently. The QMS also caters to documentation of all process requirements, which helps the organisation to maintain product identification & traceability, reproducibility & repeatability and enhance process improvements through continual improvement and streamline the overall product development process.

We have been certified under AS9100 Rev. 'D' by TUV-SUD, and audited periodically for compliance.

Quality Assurance is a way of ensuring the quality requirements are fulfilled and the products are Fit for Purpose. It is the set of activities needed to provide adequate confidence that processes are established and continuously improved to produce products that confirm to requirements. It involves independent reviews during the requirement gathering phase, design and testing phases of the product life cycle to ensure that product requirements and specifications are fulfilled before it is released for Production.

Our Quality Assurance is involved in the below mentioned activities:

1. Contract reviews as per purchase order requirements, requirement specification reviews, design reviews, functional test procedure reviews, process reviews;
2. Qualification test procedure document preparation and review;
3. Quality assurance plan document preparation and review;
4. Process sheet document preparation and review;
5. Checklists and Guidelines preparation;
6. Proto Boards and Systems testing and evaluation;
7. Qualification Testing for Design Assurance (Environmental, EMI-EMC and Power Supply) as per MIL-STD-810F/ G, DO 160, JSS 55555, MIL-STD-461E/ F, MIL-STD-704D/ E;
8. Independent testing and Validation of Proto software;
9. Defect Identification and arrive at Root cause;
10. Identifying Preventive Actions; and
11. Periodic Internal Audits by trained internal auditors.

Quality Control Activities

We have also setup the following quality control activities during the manufacturing process:

<u>Inward Goods Inspection</u>

- Bare PCB inspection as per fabrication details

- Verification/ Inspection of purchased parts as per Purchase Order, Data sheet and Sampling plan as per MIL-105
- Mechanical fabricated parts inspection as per drawing
- Verification of Certificate of Compliance/ Inspection reports/ test reports from vendor
- Preparation of inspection reports.

<u>In-process Inspection</u>

- Kit of parts Inspection as per Part list
- Assembled PCB Assembly inspection as per Part list
- PCB Assembly and soldering Online inspection
- Soldering inspection as per IPC 610 standard
- Wiring inspection as per IPC 620 standard
- Mechanical Assembly inspection as per Assembly Instruction document
- Preparation of Inspection reports.

<u>Testing</u>

- Systems testing as per approved Test Procedure
- Defect reporting and arrive at Correction and Corrective action
- Ensuring the closure of defects before delivery
- Environmental Stress Screening (ESS) testing as per approved ESS Test Plan
- Preparation of Acceptance test reports
- Process compliance verification.

Customer Service & Support

We ensure all round customer satisfaction not only by delivering customized products to make our customers achieve their intended goals but also hand hold the customers throughout their journey during the envisaged products life span and even beyond. We consider customer satisfaction and feedback as a critical yardstick of business success and use the valuable information for fine tuning the relevant process and quality aspects.

Our Customer Service and Support team has 42 qualified Engineers as of July 31, 2021. We also periodically advice our customers on product life cycle updates and upgrades to keep pace with technological changes and also to circumvent obsolescence.

Our Customers and Suppliers

We have long standing relationships with most of our customers. Our customer base ranges from, government organisations involved in defence and space research to various DPSUs such as BEL and HAL.

DRDO designs the complete weapon systems, platforms and sensors against approved budgeted programmes. Initial requirements /contracts for parts and sub-systems are received from DRDO against tenders for the systems being designed by them. Based on successful completion of these contracts and post certification of the end systems designed by DRDO, the production contracts (repeat purchases) are initiated by the DPSU to whom the licenses are transferred or assigned by DRDO. Complete systems are given on nomination basis to the DPSUs. Depending on the number of systems required by Indian armed forces, back to back contracts are placed on the vendors who had carried out the original development. The requirement and deliveries are spread over a few years based on the size of the programme.

Typically, the procurement by the Indian government defence ministry takes place through a tender process. In the tender process, the Indian government defence ministry initially issues an expression of interest ("**EOI**") publicly and usually on its website. As a response to the EOI, bidders such as our Company, send proposals bidding for the particular contract, typically with budgetary price information. Based on such proposals, Indian government defence ministry then issues a request for information ("**RFI**") with specific requirements, pursuant to which only certain suppliers apply who can satisfy such requirements. Indian government defence ministry then issues a request for quotation or tender documents, pursuant to which suppliers send the detailed proposal including the price quote. Thereafter, Indian government defence ministry conducts a technical evaluation and price evaluation. The lowest bidder satisfying the technical criteria is decided based on all costs including logistics, warranty and servicing. Finally, Indian government defence ministry issues a purchase order based on which the supplier will provide the products and services. Under the terms of the purchase orders we receive, bullet payments are made at the time of delivery on proof of dispatch, proof of receipt and inspection of the products, etc. The final products are delivered as per the delivery schedule under the purchase orders. Our customers mention specifications of the products and we are required to supply the products in accordance with such specifications.

However, as Indian government defence ministry procures system for their immediate usage, post technical evaluation, all the approved vendors have to demonstrate the systems offered for trial at Indian government defence ministry designated locations. The 'No Cost No Commitment' Field Evaluation Trials ("**FET**") are conducted to validate systems performance matching the tender requirement. Only those vendors who have cleared the FET successfully are down selected to next commercial stage of submission of financial bids.

All electronic components are imported from original manufactures or their authorised distributors. Due to the nature of Defence and Aerospace business, it is necessary to have the 'Certificate of Conformance' for all the components used in our products. We also maintain records with information on batch name, etc., to allow defect investigation and rectification. All metal parts are manufactured and supplied by qualified vendors based on designs supplied by us.

Property

Our Registered and Corporate Office and our manufacturing facility is located at Plot No. H9, 4th Main Road, Siruseri, Chennai, Tamil Nadu which has been leased to us by SIPCOT for a period of 99 years by way of a lease deed dated November 4, 2004 read with the order of allotment issued by SIPCOT dated May 12, 2004.

Accreditations and Approvals

Approval	Issuing entity
Accredited for manual soldering & Assembly Wiring of Onboard Electronic packages for spacecraft application	U.R. Rao Satellite Centre, Department of Space, Government of India
Accredited for fabrication (Soldering, SRC Production testing & Conformal Coating) of 51 types of Avionics packages for launch vehicle application	Vikram Sarabhai Space Centre, Department of Space, Government of India
Quality Management System (Marketing, Design, Development, Manufacture, Integration and Life Cycle support of Electronic Systems Real Time Embedded Software for Aviation, Space and Defence Applications) in accordance with AS9100D and ISO 9001:2015 for Registered and Corporate Office	TÜV SÜD America Inc.
Information Security Management System (ISMS) implementation in accordance with ISO/IEC 27001:2013 for Registered and Corporate Office	TÜV SÜD South Asia Private Limited

Human Resources

As of July 31, 2021, we have in our employment 615 full-time employees and 145 temporary resources. A breakdown of our employee strength as is below:

Department	Permanent	Temporary	Total
Design & Engineering (D&E)	347	36	383
Manufacturing (MFG)	151	96	247
Support	64	8	72
Marketing (MKT) & Customer Support and Services (CSS)	53	5	58
Total	**615**	**145**	**760**

Our management policies, working environment, career development opportunities and employee benefits are instrumental in maintaining good employee relations and employee retention. We identify, develop and retain our talent through an array of initiatives which include talent acquisition, learning and development, compensation and benefits, employee engagement and performance management.

Training & Development

Training needs for each year are arrived at based on business requirements, inputs from the performance management system, inputs from job appraisal, process requirements, new technology requirement and bridging identifications. Training calendar is published for each fiscal and four types of training form a part mandatorily, namely induction, technical skills, process/functional and soft skills. We ensure a training policy, training guidelines and practices in order to maximise the conduction, evaluation and rate of return on the technical process, soft skills and induction trainings.

Insurance

Our operations are subject to risks inherent to the engineering and manufacturing industry, such as work accidents, storm, fire, tempest, earthquake, flood, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products.

We maintain insurance coverage, in amounts which we believe are commercially appropriate, including insurance in relation to directors' and officers' liability, storm, fire, tempest and other special perils and all industrial risks.

We believe that our insurance coverage is in accordance with industry custom, including the terms and the coverage provided by such insurance.

Health, Safety and Environment

We are committed to following best practices and complying with all applicable health, safety and environmental legislation and other requirements in our operations.

Employee health and safety is of high importance to us. Any mishaps or accidents at our facilities could lead to property damage, production loss, adverse publicity and accident claims. We aim to become a zero-accident organisation and continually take initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities. Additionally, in order to ensure safety at our workplace we carry out regular identification and assessment of risks, accessible first-aid health facilities, alert effectiveness inspection at our plants, conduct awareness sessions to increase staff awareness and promote safe working practices. We also carry out regular fire and emergency drills. Our safety management team carries out regular safety inspections of our production facilities to ensure compliance with safety measures. Our production staff are provided with regular training on the operation of production equipment and occupational safety gear.

We are subject to extensive health, safety and environmental laws, regulations and production process safety and environmental technical guidelines which govern our processes and facilities. For further details, see "*Key Regulations and Policies*" on page 191.

Business continuity during COVID-19 times:

The COVID-19 pandemic had minimal impact on our business including our resources and other stakeholders. We undertook several preventive measures to lessen its effect and help us to bounce back. To ensure a covid free and safe environment and to give a sense of security and confidence to all our employees, routine testing was carried out, especially when anyone in their team/room tested positive for Covid.

Our Human Resource team was in constant touch with all those working remotely and offered assistance as and when needed, till operations resumed with full strength in June 2021.

Intellectual Property

As of the date of this Draft Red Herring Prospectus, our Company does not have any registered trademarks. Further, our Promoter and CMD and certain of our employees have been recognised as inventors in a patent for an altitude and heading reference system for a vehicle or torpedo filed by DRDO. We also have the rights to use the domain name "datapatterns.in" till July 2024. For risks associated with our intellectual property, refer to "*Risk Factors – Internal Risk Factors – Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business and competitive position*" on page 50.

Corporate Social Responsibility

The CSR initiatives and the budget for the year as per statutory norms, are decided based on requirement priority and the location, by a specially constituted Committee headed by the Director and select senior management as members or permanent invitees.

We are very socially conscious of our duties towards society and take cognisance of all the schemes and programmes that are announced by the Government. We have also contributed in building toilets for a special school. We are also involved in Skill India Development Programme. We have donated electronic components and conducted training at the local Industrial Training Institutes and further assisting students of the institutes become employable by giving them on-the-job training at our facility. We support a special school run by The Vimarsha Charitable Trust, Bengaluru. The institution provides academic support, life skills, as well as vocational training to special students above 14 years of age so as to support them to lead a life of their own with minimal support.

KEY REGULATIONS AND POLICIES

The following is an overview of the important laws, policies and regulations which are relevant to our business and related sectors. The regulations set out below are not exhaustive and are only intended to provide general information. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The following is only intended to provide general information to the investor and is neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by us, where necessary, in compliance with these regulations, refer to "Government and Other Approvals" on page 313.

We are engaged in indigenously developing electronic systems in the Defence and Aerospace domain. With 100% in-house design and manufacturing capability, we have designed products that are utilised on Airborne platforms, Land platforms, Naval Surface and underwater platforms as well as in Space platforms. For details, see "*Our Business*" on page 158.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "*Government and Other Approvals*" on page 313.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

I. Industry-specific Regulations

Industries (Development and Regulation) Act, 1951, as amended ("IDAR Act")

The IDAR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The IDAR Act is administered by the Ministry of Commerce & Industries through the DPIIT.

Defence Acquisition Procedure ("DAP"), 2020

The MoD has announced the DAP, 2020 which has come into effect from October 1, 2020 and has superseded the Defence Procurement Procedure, 2016. DAP focuses on significantly boosting indigenous production and turning India into a global manufacturing hub of weapons and military platforms. DAP has been aligned with the vision of the Government's Aatmanirbhar Bharat (self-reliant India) initiative and aims to empower Indian domestic defence industry through 'Make in India' projects. This policy will significantly boost indigenous defence. The Department of Military Affairs, MoD has prepared a list of 101 items for which there would be an embargo on the import (Import Embargo List), as set out in the press release dated August 9, 2020 issued by MoD. This list comprises of not just simple parts but also some high technology weapon systems such as artillery guns, assault rifles, corvettes, sonar systems, transport aircrafts, light combat helicopters (LCHs), radars and many other items to fulfil the needs of our defence services. Further, the DAP aims to develop India into a global hub for defence manufacturing and has been aligned to encourage foreign companies to set up in India. Additionally, the DAP contains detailed guidelines, inter alia, in relation to: (i) acquisition categories, acquisition planning and indigenous content; (ii) acquisition procedures for categories under 'Buy' and 'Buy and Make' schemes; (iii) procedure for procurement under 'Make' and 'Innovation' categories; and (iv) procedure for acquisition of systems designed and developed by the DRDO/DPSUs/OFB; (v) fast track procedure; (vi) standardization of contract document; (vii) revitalising defence industrial ecosystem through strategic partnerships; (viii) acquisition of system products and information and communication technology systems; (ix) leasing; (x) other capital procurement procedure; (xi) post contract management; and (xii) procedure for defence ship building. It also contains guiding principles on the intellectual property rights of the government in 'Make-I' projects, which are funded by the MoD. The government reserves the right to work patents, either by itself or by another entity on its behalf, when a contractor fails to work the patent within a reasonable period of time.

The DAP outlines the defence offset policy, which is aimed at leveraging capital acquisitions and technology to develop the Indian defence industry by fostering development of internationally competitive enterprises and augmenting capacity for research, design and development related to defence products. Provisions on offsets would be applicable to ‘Buy (Global)’ categories of procurement, where the estimated acceptance on necessity cost is ₹ 20,000 million or more. If an Indian vendor participating in the ‘Buy (Global)’ category fails to meet the minimum requirement of 30% indigenous content in the product, it would be required to discharge offsets. The required value of such offset obligations would be 30% of the estimated cost of the acquisition. The DAP will remain in force till September 30, 2025 or till reviewed.

Draft Defence Production & Export Promotion Policy, 2020 as amended (“Draft DPEPP”)

The MoD released the Draft DPEPP to provide further impetus to realise the goal of self-reliance under the goal of Aatmanirbhar Bharat, which is to develop a dynamic, robust and competitive defence industry, including aerospace and naval shipbuilding industry, to cater to the needs of armed forces, along with giving end to end solutions ranging from design to production, with active participation from the public and private sectors, thus fulfilling the twin objectives of self-reliance as well as exports. The Draft DPPEP aims to implement measures so as to achieve a turnover of ₹ 1,750,000 million (US$ 25 billion) including export of ₹ 350,000 million (US$ 5 billion) in aerospace and defence goods and services by 2025. Further, its objective is to reform as well as standardize defence procurement by providing support to micro, small and medium enterprises/ start-ups in order to indigenize the manufacturing of imported components. Additionally, the Draft DPPEP has the following goals: (i) to reduce dependence on imports and take forward the “Make in India” initiative through domestic design and development; (ii) to promote export of defence products and become part of the global defence value chains; (iii) to create an environment that encourages research and development, rewards innovation, creates Indian intellectual property ownership and promotes a robust and self-reliance defence industry; (iv) enhance investment promotion with the association of the Ministry of Civil Aviation by offering incentives to global and domestic original equipment manufacturers to set up design and manufacturing facilities in India; and (v) liberalize foreign direct investment in the defence sector for attracting global original equipment manufacturers to shift manufacturing facilities and expand India’s presence in international supply chains.

Aircraft Act, 1934 as amended (“Aircraft Act”), the Aircraft Rules, 1937 as amended (“Aircraft Rules”) and the Unmanned Aircraft System Rules, 2021 (“UAS Rules”)

The Aircraft Act and the Aircraft Rules were enacted to control the manufacture, possession, use, operation, sale, and the import and export of aircrafts. They stipulate parameters for determining airworthiness, maintenance of aircrafts, general conditions for flying and safety, registration of aircrafts and conduct of investigations. The Directorate General of Civil Aviation (“DGCA”) is the competent authority for providing the abovementioned license and approvals. The DGCA is the regulatory body in the field of civil aviation primarily responsible for regulation of air transport services to/ from/ within India and for enforcement of civil air regulations, air safety and airworthiness standards. Further, the Bureau of Civil Aviation Security (“BCAS”) is an independent authority responsible for laying down standards and measures with respect to security of civil flights at international and domestic airports in India.

Pursuant to the Aircraft (Amendment) Act, 2020, three regulatory bodies under the Ministry of Civil Aviation were accorded the status of statutory organisations. The DGCA is responsible for carrying out safety oversight and regulatory functions, the BCAS is responsible for carrying out regulatory and oversight functions in respect of matters relating to civil aviation security and the Aircraft Accidents Investigation Bureau (“AAIB”) is responsible for matters related to investigation of aircraft accidents or incidents.

In June 2020, the Ministry of Civil Aviation released the draft UAS Rules. After seeking comments and holding consultations with stakeholders for almost 10 months, the government has finally notified the UAS Rules which have come into effect on 15th March, 2021. These Rules replace the Civil Aviation Requires (“CAR”) on Remotely Piloted Aircraft System (“RPAS”) which have regulated the space since 2018. The UAS Rules have detailed provisions on the: (i) categorisation/ classification of unmanned aircraft systems; (ii) authorisations and eligibility conditions for importers, manufacturers, traders, owners and operators; (iii) import, manufacture and maintenance of unmanned aircraft systems; (iv) identification and transfer of unmanned aircraft systems; (v) operation of unmanned aircraft systems; (vi) drone ports; and (vii) unmanned aircraft system traffic management. The Draft UAS Rules are yet to be notified by the government.

Draft Space Activities Bill, 2017 as amended ("Draft Space Bill")

The Draft Space Bill aims to implement a national space legislation for supporting the overall growth of the space activities in India. This would encourage enhanced participation of non-governmental/ private sector agencies in space activities in India in compliance with international treaty obligations, which is becoming very relevant today. It proposes that the Central Government put in place a space activity regulatory mechanism to promote the growth of every matter relating to space activity, including exploration and use of outer space and to foster the development of scientific and technical potential in the sector, as well as a mechanism for the authorisation and licensing of commercial space activity. The Draft Space Bill is pending clearance from the parliament of India.

The Foreign Trade (Development and Regulation) Act, 1992 ("Foreign Trade Act")

The Foreign Trade Act includes provisions which govern and facilitate the imports and exports to and from India. Imports and exports are permitted by persons who hold an "Importer-exporter code number" ("**IEC"**). Such imports and exports must be carried out in accordance to the laws and export and import policy issued by the Central Government, from time to time. In the event of any contravention of the laws relating to central excise or customs or foreign exchange or any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette or if an export or import has been carried out in a manner gravely prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of the country, these instances may result in the suspension and cancellation of the IEC number.

ENVIRONMENTAL LAWS

The Environment Protection Act, 1986 ("EPA")

The EPA is an umbrella legislation designed to provide a framework for the government to co-ordinate the activities of various Central and State Authorities established under other laws, such as the Water (Prevention And Control Of Pollution) Act, 1974 and The Air (Prevention And Control Of Pollution) Act, 1981. The EPA Vests the Government with various powers including the power to formulate rules prescribing standards for the discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment or machinery, and examination of processes and materials likely to cause pollution. The EPA provides for the protection and improvement of the environment and for matters connected therewith, and includes, without limitation, the rule making power of the Central Government to determine the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, the procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries, and the carrying on of processes and operations in different areas. among other things, these rules regulate the environmental impact of construction and development activities, emission of air pollutants, and discharge of chemicals into surrounding water bodies. The responsibility of primary environmental oversight authority is given to the Ministry Of Environment And Forest ("Moef"), the Central Pollution Control Board and the State Pollution Control Board ("SPCB"). Penalties for violation of the EPA include fines up to ₹100,000, imprisonment of up to 5 years, or both. In addition, the Moef looks into Environment Impact Assessment ("EIA"), wherein it assesses the impact that proposals for expansion, modernization and setting up of projects would have on the environment before granting clearances.

The Water (Prevention And Control Of Pollution) Act, 1974 ("Water Act")

The Water Act mandates that the previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge waste or trade effluents into a stream, well, sewer or onto land, bring into use any new or altered outlet for the discharge of sewage, or begin to make any new discharge of sewage. in addition, a cess is payable under the Water (Prevention And Control Of Pollution) Cess Act, 1977 by a person carrying on any specified industry.

The Air (Prevention And Control Of Pollution) Act, 1981 ("Air Act")

The Air Act was enacted for the prevention, control and abatement of air pollution. The State Government may declare any area as an "Air Pollution Control Area" and the previous consent of the SPCB is required for establishing or operating any industrial plant in an area so declared. further, no person operating any industrial plant in any such area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the SPCB. The SPCB may also apply to the court to restrain persons causing air pollution. whoever contravenes any of the provisions of the air act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

II. Labour Legislations

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was enacted to curb the rise in sexual harassment that women were facing in their work-places and it intended to make workplaces safer for them by enacting for prevention of such harassment and redressal of complaints and for matters connected with sexual harassment. The terms sexual harassment and workplace are both defined in the act. Every employer is required to constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office in the committee for a period not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at the workplace. Every employer has a duty to provide a safe working environment at the workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programmes and workshops, displaying rules relating to sexual harassment at any conspicuous part of the workplace, providing necessary facilities to the committee formed for dealing with the complaint, such other procedural requirements to assess the complaints.

Other applicable labour legislations

The employment of workers, depending on the nature of activity, is, at present, regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to our operations owing to the nature of our business activities:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' Compensation Act, 1923;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Maternity Benefit Act, 1961;
- Payment of Bonus Act, 1965; and
- Payment of Gratuity Act, 1972.

Labour Codes

In order to rationalize and reform labour laws in India, the Government has enacted four labour codes that would subsume primarily all of the central labour laws and would collectively form the governing labour legislations, as and when brought into effect. These four codes are:

(a) *The Code on Wages, 2019*

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code predominantly concerning the constitution of the Central Advisory Board and other provisions of this code will be brought into force on a date to be notified by the Central Government.

(b) *The Occupational Safety, Health and Working Conditions Code, 2020*

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(c) *The Industrial Relations Code, 2020*

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(d) *The Code on Social Security, 2020*

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. These legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

III. Tax-Related Legislations

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (the "**GST Act**") levies tax on the supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India, applicable from July 1, 2017. Under the GST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST ("**CGST**") by the Central Government and State GST ("**SGST**") by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST ("**IGST**") is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Additional tax-related laws that are applicable to us include the Income Tax Act, 1961 along with various rules and notifications issued by the tax authorities.

IV. Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property-related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade-Related aspects of Intellectual Property Rights.

Trade Marks Act, 1999 and the Trade Marks Rules, 2017

The Trade Marks Act, 1999 as amended (the "**Trade Marks Act**") governs the law pertaining to the protection of trade marks in India. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and provides for remedies in case of the fraudulent use of deceptively similar marks by any third party. The Trade Marks Rules, 2017 as amended (the "**Trade Marks Rules**") lays down certain guidelines including the process for determination of "well-known trademark", representation of sound marks, recognition of e-mail as a mode of service, new registration fees and mandatory filing of statements of users.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "**Copyright Laws**") serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. This intellectual property protected under the Copyright Laws includes literary works, among others, which, in terms of the Copyright Act, 1957, include computer programmes, tables and compilations, including computer databases. The Copyright Laws prescribe a fine, imprisonment or both for violations, with an enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

The Patents Act, 1970

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years from the beginning of the calendar year next following the year in which the author dies. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970 ("**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 satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials 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 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.

V. Other Laws

In addition to the aforementioned material laws and regulations, which apply to our Company, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, the Consumer Protection Act, 2019, and other applicable statutes promulgated by the relevant Central and State Governments including the central and state tax laws.

Foreign investment in India is governed by the provisions of FEMA Non-Debt Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Under the current FDI Policy 100% foreign direct investment is permitted in the Defence sector under the government approval route and 74% is permitted under the automatic route, subject to compliance with certain prescribed conditions. In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instrument Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and 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 74% under the automatic route and 100% under the government approval route). For further details, see "*Offer Procedure*" on page 336.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The *prima facie* duty of the Competition Commission of India ("**Commission**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer, and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition 167 Act) he shall be punishable with a fine which may exceed to ₹0.1 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Indus Teqsite Private Limited" on November 11, 1998, at Bangalore Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore. By order of the Company Law Board dated August 14, 2006, the registered office of our Company was changed from Karnataka to Tamil Nadu. Subsequent to the merger with our Erstwhile Subsidiary, the name of our Company was changed to "Data Patterns (India) Private Limited" and a fresh certificate dated August 4, 2021 was issued by the Registrar of Companies, Tamil Nadu. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on August 12, 2021 and the name of our Company was changed to Data Patterns (India) Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on September 13, 2021.

Changes in our Registered and Corporate Office

Except as disclosed below, there has been no change in the registered office of our Company since incorporation:

Date of change of Registered and Corporate Office	Details of the address of Registered and Corporate Office	Reasons for change
November 1, 2000*	The registered office of our Company was changed from No. 23, 5th Cross, College Teachers' Layout, Banashankari II stage, Bangalore 560 071 to No. 1280. 24th Cross, Banashankari II Stage, Bangalore 560 085	Administrative convenience
September 1, 2006*	The registered office of our Company was changed from No. 1280. 24th Cross, Banashankari II Stage, Bangalore 560 085, Karnataka to No.21 Arya Gowder Road, West Mambalam, Chennai 600 033, Tamil Nadu	
October 28, 2009	The registered office of our Company was changed from No.21 Arya Gowder Road, West Mambalam, Chennai 600 033, Tamil Nadu to Plot H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai 603103, Tamil Nadu	

We have been unable to trace the secretarial records in respect of the situation of and change in the registered office of our Company dated November 1, 2000, such as intimation to the Registrar of Companies in Form 18, the payment challan thereof as these documents were not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. We have included these details basis the search report issued by the Practising Company Secretary, pursuant to their inspection and independent verification of the documents available or maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, for date of change of Registered and Corporate Office and change of addresses thereto, we have relied on the search report dated September 19, 2021 prepared by KS Raghuraam and Associates, Independent Practising Company Secretary, and certified by their certificate dated September 19, 2021 ("RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors- Our Company was incorporated in 1998 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" on page 53.*

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"

1. *To carry on the business as Designers, Developers, Researchers, Manufacturers, Assemblers, Exporters, Importers, Traders, Agents, Resellers, Services Maintenance and Overhaul of Computers of every description including*

Hardware, Software, Electrical, Mechanical, Electronic Equipments, Sub-systems, Assemblies and Modules for Defence, Space and Civilian requirements. .

2. *To carry on business as Designers, Developers, Researchers, Exporters, Importers, Traders, Agents of Providing and imparting training on Software for all kinds of Computer Applications .”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see the section entitled “*Objects of the Offer*” on page 88.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution	Particulars
August 12, 2021	Clause I of the MoA was amended to reflect the change in the name of our Company from ‘Data Patterns (India) Private Limited’ to ‘Data Patterns (India) Limited’ pursuant to the conversion of our Company from a private limited company to a public limited company.
September 1, 2021	Clause V of the MoA was amended to reflect the change in the authorized share capital of our Company from ₹ 157,500,000 divided into 15,750,000 equity shares of ₹ 10 each to ₹ 157,500,000 divided into 78,750,000 Equity Shares of ₹2 each.
July 12, 2021	Clause I of the MoA was amended to reflect the change in the name of our Company from ‘Indus Teqsite Private Limited’ to ‘Data Patterns (India) Private Limited’ pursuant to the Scheme of Amalgamation
	Clause IIIA of the MoA was amended pursuant to the Scheme of Amalgamation
	Clause V of the MoA was amended to reflect the reclassification as well as the increase in the authorized share capital of our Company from ₹ 77,500,000 divided into 20,000,000 equity shares of ₹ 10 each and 575,000 9% Redeemable Optionally Convertible cumulative preference shares of ₹ 100 each to ₹ 157,500,000 divided into 15,750,000 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:

Year	Particulars
2001	Designed a fire control system for the Research Center Imarat
2001	Designed and developed the launch pad countdown system for delivery to the Indian government space organization
2009	Developed Seaking automated test equipment for INS Shikra
2013	Designed a smart cockpit display system
2013	Developed an infrared guided missile tester

Year	Particulars
2015	Designed and developed primary surveillance radar for coastal surveillance for the Indian government space organization

Key Awards, Accreditations and Recognition

Our Company has received the following key awards*, accreditation, and recognition:

Year	Particulars
2007	Industry Appreciation Award by Naval Science & Technology Laboratory, Vishakapatnam
2007	Award commemorating the commencement of deliveries of BRAHMOS Missile System to the Indian Army by BrahMos Aerospace Private Limited
2012	Award commemorating the successful completion of development of IFF MKXII Transponder and handing over of first IFF T Production unit to first aircraft of Boeing P8I by Hindustan Aeronautics Limited
2014	Best Industry Award 2014 by BrahMos Aerospace Private Limited
2015	Valued Industry Partner Award (WESDA- 2015) by Naval Physical and Oceanographic Laboratory, Kochi
2016	Best Electronics Manufacturing company in A&D Award by India Electronics & Semiconductor Association (IESA) and the National Association of Software and Services Companies (NASSCOM) at Deftronics 2016
2016	Make in India Award by TiECON, Chennai
2016	Leadership Award for outstanding contribution to VLSI/ embedded design industry – corporate by Silicon India and Mentor Graphics
2019	Most Growth-Oriented Company Award by PlanMyTrainings.com

* *The awards were received by the Erstwhile Subsidiary*

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation or revaluation of assets in the last 10 years

Other than the Scheme of Amalgamation, our Company has not acquired any business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last ten years. For details on the Scheme of Amalgamation, see "*Scheme of Amalgamation*" on page 202.

Inter-se Agreements between Shareholders

As on the date of Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreements, inter-se agreements, agreements of like nature other than disclosed in the DRHP.

Guarantees given to third parties by a promoter offering its Equity Shares

As of the date of this Draft Red Herring Prospectus, except for the personal guarantee set out below, none of our Promoters have provided guarantees to any third parties:

S. No	Guarantee given in favour of	Guarantee value (INR in Million)	Reason for the Guarantee	Obligation on our Company	Period of guarantee	Financial implication in case of default	Security available	Consideration, if any
1	State Bank of India, Overseas Branch, Chennai	1,056.80	For the working capital facility sanctioned to our Company	For proper execution of the contracts for which the guarantee have been given	Till the validity of the facility for which the guarantee is given	Personally liable to the extent of Guarantee value	Personal guarantees	NIL
2	Axis Bank, Corporate Banking Branch, Chennai	422.30	For the working capital facility sanctioned	For proper execution of the contracts for which the guarantee have been given	Till the validity of the facility for which the guarantee is given	Personally liable to the extent of Guarantee value	Personal guarantees	NIL
3	IDBI Bank, OMR, Sholinganallur, Chennai	110.00	For the working capital facility sanctioned	For proper execution of the contracts for which the guarantee have been given	Till the validity of the facility for which the guarantee is given	Personally liable to the extent of Guarantee value	Personal guarantees	NIL
4	HDFC Bank, RK Salai, Chennai	560.00	For the working capital and term loan facility sanctioned to our Company	For proper execution of the contracts for which the guarantee have been given	Till the validity of the facility for which the guarantee is given	Personally liable to the extent of Guarantee value	Personal guarantees	NIL
5	IndusInd Bank, T. Nagar, Chennai	139.70*	For the working capital facility sanctioned to our Company	For proper execution of the contracts for which the guarantee have been	Till the validity of the facility for which the guarante	Personally liable to the extent of Guarantee value	Personal guarantees	NIL

				given	e is given			
6	Bank of Maharashtra, T. Nagar, Chennai	140.00#	For the working capital facility sanctioned to our Company	For proper execution of the contracts for which the guarantee have been given	Till the validity of the facility for which the guarante e is given	Personally liable to the extent of Guarantee value	Personal guarantees	NIL

** Sanctioned amount by Indusind Bank is INR 159.70 million, however INR 20 million of cash credit facility has not been availed by our Company.*
 # Sanctioned amount by Bank of Maharashtra is INR 140.00 million, however INR 10 million of cash credit facility has not been availed by our Company.

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Lock-out and strikes

As on the date of this Draft Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

Significant financial and strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation under sections 230 to 232 and other relevant provisions of the Companies Act, 2013, our Erstwhile Subsidiary ("**Transferor Company**"), was proposed to be amalgamated with and into our Company ("**Transferee Company**"). The Scheme of Amalgamation has become operational with effect from the appointed date, i.e., April 1, 2018 ("**Appointed Dat**e") pursuant to approval of the Scheme by the NCLT, Division Bench-I, Chennai vide its order dated April 13, 2021 and registration of the same with the RoC on July 24, 2021("**Effective Date**"). The rationale of the Scheme was amongst others, (i) rationalizing the group structure to ensure optimized legal entity structure more aligned with the business (ii) reorganising the legal entity in the group structure in India so as to obtain significant cost savings and/or simplification benefits, (iii) Rationalizing costs by elimination of administrative functions and multiple record keeping, and (iv) both entities being engaged in complementary businesses the amalgamation will result in enhancing shareholder value and leveraging on synergies in doing business. .

The entire business functions of the Transferor Company, including all their properties, assets, rights, title, interests, liabilities, obligations, licenses, litigations and employees stand transferred to and vested in our Company as on the Appointed Date and the Transferor Company stands dissolved. As the Transferor Company was entirely owned by our Company, equity shares held in the Transferor Company stand cancelled.

Shareholders’ Agreements

Shareholders agreement dated June 2, 2021, between our Company, Florintree Capital Partners LLP, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan

Our Company, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan entered into a shareholders agreement dated June 2, 2021 with Florintree Capital Partners LLP (“**Investor**”), (hereinafter referred to as the “**Shareholders Agreement**”) pursuant to which the Investor purchased 333,887 equity shares aggregating to 19.64% of the paid-up capital of our Company from Oman India Joint Investment Fund.

Our Company, the Promoters and Florintree entered into the Shareholders Agreement in order to set out amongst other things: (i) their inter-se rights and obligations including in relation to the ownership and management of our Company, and the transfer of Equity Shares and (ii) the terms and conditions governing their relationship, inter se, as shareholders of, as well as with, our Company. The Shareholders’ Agreement grants the Investor, *inter alia*:

- Nominee: The right to nominate one Director on our Board, as long as it holds 5% or more in our Company and to nominate one nominee in each committee till it has a nominee on the Board;
- Quorum: The quorum for Board meetings requires the presence of at least one Investor nominee director and one Promoter nominee director;
- Affirmative Vote: Subject to certain terms and conditions, the Investor’s consent is required for certain reserved matters, amongst other thing, but not limited to, amendment or restatement of the constitutional documents, approval of business plan and annual budget, expansion or cessation of lines of business, entering into business restructuring, issue of securities including through ESOP, any issuance diluting the Investor, change in the composition of the Board, change in control of our Company, sell, disposition, liquidation, license or transfer of the whole or a substantial part in excess of Rs. 10 million of the undertaking, goodwill or the assets of our Company, amongst others;
- Lock-in: The Promoters shall not sell or dispose, directly or indirectly, its shareholding in the Company, to any third party without the prior written consent of the Investor. Provided however, the Promoters shall have the right to transfer not more than 10% (ten percent) of their shareholding in our Company to the employees of our Company and/or to any third party without the prior written consent of the Investor and such transfer shall not be subject to tag along right of the Investor

Additionally, the Investor holds several rights under the Shareholders’ Agreement including anti-dilution, drag-along and tag-along rights.

The parties have entered into a waiver and termination agreement dated September 8, 2021 and in accordance with the provisions of the Amendment Agreement, the Shareholders’ Agreement shall be terminated with effect from the date of listing of the Equity Shares, pursuant to which none of the special rights available to the Investor (except for nominee rights) would survive post listing of the Equity Shares of our Company. These nomination rights are subject to shareholders’ approval by special resolution in general meeting, post listing. All other rights shall cease to exist or shall expire / waived off immediately before or on the date shares are allotted to public shareholders in IPO, without requiring any further action.

Investment Agreement dated April 13, 2004 between our Company, erstwhile Data Patterns (India) Private Limited, Srinivasagopalan Rangarajan, Rekha Murthy Rangarajan, Shivanand Shankar Mankekar, Kedar Shivanand Mankekar and Laxmi Shivanand Mankekar

Our Company, formerly known as Data Patterns (India) Private Limited, Srinivasagopalan Rangarajan, Rekha Murthy Rangarajan, Shivanand Shankar Mankekar, Kedar Shivanand Mankekar and Laxmi Shivanand Mankekar entered into an investment agreement dated April 13, 2004. Pursuant to this Agreement, our Company issued an aggregate of 89,100 ROCCPS and 4,500 Equity Shares to Laxmi Shivanand Mankekar (Second holder- Shivanand Shankar Mankekar), Shivanand Shankar

Mankekar (Second holder- Laxmi Shivanand Mankekar) and Shivanand Shankar Mankekar (Second holder- Kedar Shivanand Mankekar) ("**Investors**"). On March 29, 2006, the ROCCPS were surrendered by the Investors and were converted into 45,164 Equity Shares. Laxmi Shivanand Mankekar (Second holder: Shivanand Shankar Mankekar) was allotted 25,092 equity shares, Shivanand Shankar Mankekar (Second holder- Laxmi Shivanand Mankekar) a was allotted 10,036 equity shares and Shivanand Shankar Mankekar (Second holder: Kedar Shivanand Mankekar) was allotted 10,036 equity shares after the conversion of 49,499, 19,799 and 19,799 ROCCPS held by each of them, respectively. The Investors continued to hold one ROCCPS each. This redemption was conditional on outstanding dues being collected within the stipulated time frame. Since the dues were collected by our Company, the ROCCPS were redeemed at par. Additionally, the Investors hold several rights under the Investment Agreement including anti-dilution rights, information rights, buy-back by Promoters, drag along, tag-along and non-compete.

The parties have entered into a waiver and termination agreement dated September 11, 2021 and in accordance with the provisions of the Amendment Agreement, the Shareholders' Agreement shall be terminated with effect from the date of listing of the Equity Shares.

Other Agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business. For details on business agreements of our Company, see "*Our Business*" on page 158.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launched by our Company, or entry into new geographies see the section entitled "*Our Business*" on page 158.

Our Company has neither exited from existing markets, nor has undertaken any capacity/ facility creation. Except for our Company's manufacturing facility at our Registered and Corporate Office, Our Company does not have any manufacturing plants.

Agreements with Key Managerial Personnel, Director, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Associate Companies

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate companies.

Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Common Pursuits

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiaries, associates or joint ventures.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than two Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of seven Directors including two Executive Directors, one Non–Executive Director and four Independent Directors. Out of the seven directors, our Board has two women directors.

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

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	Srinivasagopalan Rangarajan ***Designation**:* Chairman and Managing Director ***Address**:* 3-A, Akshaya Flats, 34 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu ***Occupation**:* Managing Director ***Current Term**:* Five years with effect from September 14, 2020 until September 13, 2025, in addition to being liable retire by rotation ***Period of Directorship:*** Director since November 11, 1998 ***Date of birth:*** December 3, 1957 ***DIN**:* 00643456	63	***Indian Companies*** NIL ***Foreign Companies*** NIL
2.	Rekha Murthy Rangarajan ***Designation**:* Whole-time Director ***Address**:* 3-A, Akshaya Flats, 34 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu ***Occupation**:* Whole-time Director ***Current Term**:* Five years with effect from September 14, 2020 until September 13, 2025, in addition to being liable to retire by rotation ***Period of Directorship:*** Director since November 11, 1998	56	***Indian Companies*** NIL ***Foreign Companies*** NIL

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Date of birth: November 4, 1964 ***DIN**:* 00647472		
3.	Mathew Cyriac ***Designation**:* Nominee Director* ***Address:*** Flat number 1908, The Imperial, B.B. Nakashe Marg, A.C. Market, Tardeo, Tulsiwadi, Mumbai 400034, Maharashtra ***Occupation**:* Business ***Current Term**:* Not liable to retire by rotation ***Period of Directorship:*** Director since June 4, 2021 ***Date of birth:*** May 20, 1969 ***DIN**:* 01903606	52	***Indian Companies*** • Gokaldas Exports Limited • Access Engineering Products Private Limited • Florintree Advisors Private Limited • CMS IT Services Private Limited • Greatship (India) Limited • MTAR Technologies Limited • Aeries Financial Technologies Private Limited • Florintree Managers Private Limited • Florintree Services Private Limited ***Foreign Companies*** NIL
4.	Sabitha Rao ***Designation**:* Independent Director ***Address:*** B-3, Shangrilla Apartments, Number-136 Karpagam Avenue, Raja Annamalaipuram, Chennai-600028, Tamil Nadu ***Occupation**:* Professional ***Current Term**:* Five years with effect from September 10, 2021 ***Period of Directorship:*** Director since September 10, 2021 ***Date of birth:*** November 6, 1956 ***DIN**:* 06908122	64	***Indian Companies*** • ESAB India Limited • Cerebrus Consultants Private Limited ***Foreign Companies*** NIL
5.	Vadlamani Venkata Rama Sastry ***Designation**:* Independent Director ***Address:*** Number 957, 9th main, 3rd stage, 3rd Block, Basaveshwaranagar, Bangalore North, Bangalore-560079, Karnataka	72	***Indian Companies*** • Amara Raja Electronics Limited • Tumakuru Smart City Limited • I25 Outreach Private Limited

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Occupation: Retired ***Current Term:*** Five years with effect from September 10, 2021 ***Period of Directorship:*** Director since September 10, 2021 ***Date of birth:*** April 23, 1949 ***DIN:*** 00027875		***Foreign Companies*** NIL
6.	Sowmyan Ramakrishnan ***Designation:*** Independent Director ***Address:*** 18, Floor 3, Plot number 448, 62B Gulmarg Laxmibai Jagmohandas Marg, Near Priyadarshini park, Malabar Hill, Mumbai- 400006, Maharashtra ***Occupation:*** Professional ***Current Term:*** Five years with effect from September 10, 2021 ***Period of Directorship:*** Director since September 10, 2021 ***Date of birth:*** February 19, 1949 ***DIN:*** 00005090	72	***Indian Companies*** NIL ***Foreign Companies*** NIL
7.	Prasad Raghava Menon** ***Designation:*** Independent Director ***Address:*** 264/A, Road number 12 M L A Colony, Banjara Hills, Khairatabad, Hyderabad- 500034, Telangana ***Occupation:*** Retired ***Current Term:*** Five years with effect from September 10, 2021 ***Period of Directorship:*** Director since September 10, 2021 ***Date of birth:*** January 23, 1946 ***DIN:*** 00005078	75	***Indian Companies*** • Dr. Reddy's Laboratories Limited • Chemplast Sanmar Limited ***Foreign Companies*** NIL

**Nominee director of Florintree Capital Partners LLP.*

*** Due to Mr. Prasad Menon's age, his appointment will be regularised in accordance with regulation 17 of the Listing Regulations by way of special resolution in the next general meeting of our Company, prior to filing of the Red Herring Prospectus.*

Relationship between our Directors

Except Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, who are spouses, none of our Directors are related to each other**.**

Brief Biographies of Directors

Srinivasagopalan Rangarajan, is the Chairman and Managing Director of our Company. He has been associated with our Company since its incorporation. He holds a Bachelor's Degree of Technology in Chemical Engineering from the Faculty of Technology of University of Madras and a Master's Degree in Science from the Indian Institute of Technology, Madras. He has over three decades of experience in business development, corporate affairs, finance and marketing. He has been the recipient of many awards including the Project Leader Award by the Project Management Association (PMA) in 2018, Silver Sticon 2019 by Raja Muthiah Mandram, Madurai as well as the Professional Excellence Award at the Corporate Governance Summit conducted by the Institute of Directors, Tamil Nadu region in 2019.

Rekha Murthy Rangarajan, is the Whole-time Director of our Company. She has been associated with our Company since its incorporation. She holds a Bachelor's Degree of Arts in Economics, English and Psychology from the Bangalore University as well as a Master's Degree of Arts in Applied Psychology from Madras University. She has over two decades of experience in administration, facility maintenance, human resource and development, process engineering and special projects. She has previously been associated with Sterling Computers Limited. She was awarded the Mercedes Benz Ritz Woman of Merit Award in 2015 and the Dr KCG Verghese Excellence Award by the Hindustan Group of Institutions in 2017.

Mathew Cyriac, is the Nominee Director of our Company. He has been associated with our Company since June 4, 2021. He holds a bachelor's degree in technology (mechanical engineering) from Anna University, Madras, and a post-graduate diploma in management from Indian Institute of Management, Bangalore. He has been the recipient of IIMB Medal for securing first rank in his post-graduate diploma. He has about 23 years of experience in investment banking and private equity. He has previously been associated with Bank of America, DLJ Merchant Banking Partners, Credit Suisse First Boston Corporation and Blackstone Advisors India Private Limited.

Sabitha Rao, is the Non-executive, Independent Director of our Company. She holds a postgraduate diploma in Management from the Indian Institute of Management (Calcutta). She has been working with Cerebrus Consultants Private Limited, a consultancy company, since April 1998 and is currently a Director of the Company. She has been associated with our Company since September 10, 2021.

Vadlamani Venkata Rama Sastry, is the Non-executive, Independent Director of our Company. He holds a bachelor's degree in science as well as a bachelor's degree in engineering (electronics and communication) from Andhra University. Before joining our Company as Independent Director on September 10, 2021, he has previously been associated with Bharat Electronics Limited as the Chairman and Managing Director and the Centre for Development of Telematics (CDOT) as an executive director.

Sowmyan Ramakrishnan, is the Non-executive, Independent Director of our Company. He holds a bachelor's degree in technology (mechanical engineering) from the Indian Institute of Technology, Madras and a postgraduate diploma in business administration from the Indian Institute of Management, Ahmedabad and a master's degree in arts from the Department of Oriental Studies and Research. He joined the Tata group as a TAS (TATA Administrative Services) Officer in 1972 and during his long tenure served with various Tata companies like Indian Hotels Company Limited, Tata Industries Limited, Tata Teleservices Limited, and Tata Power Company Limited, where he was employed in his last role as Executive Director and CFO till his superannuation in February 2014. He has been associated with our Company since September 10, 2021.

Prasad Raghava Menon, is the Non-executive, Independent Director of our Company. He holds a bachelor's degree from the Indian Institute of Technology, Kharagpur. He has also received a certificate of appreciation from Indian Institute of Technology. Khargpur for his contribution to the founding batch endowment of Indian Institute of Technology, Kharagpur.

Before joining our Company as an Independent Director on September 10, 2021, he has previously been associated with Tata Chemicals Limited and the Tata Power Company Limited as Managing Director.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded on any of the stock exchanges during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Confirmations

Our Directors are not interested as a member in any firm or company which has any interest in our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member 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, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Srinivasagopalan Rangarajan

Srinivasagopalan Rangarajan has been reappointed as Managing Director for a period of five years with effect from September 14, 2020, pursuant to a resolution of our Board dated September 10, 2020. The total remuneration paid to Srinivasagopalan Rangarajan for all services in in all capacities to our Company, including contingent or deferred compensation accrued for the year during Financial Year 2021 is ₹ 7.58 million.

Rekha Murthy Rangarajan

Rekha Murthy Rangarajan has been reappointed as Whole Time Director for a period of five years with effect from September 14, 2020, pursuant to a resolution of our Board dated September 10, 2020. The total remuneration paid to Rekha Murthy Rangarajan for all services in all capacities to our Company, including contingent or deferred compensation accrued for the year during Financial Year 2021 is ₹ 5.07 million.

Sitting fee details for our Non-executive and Independent Directors

Our Board, pursuant to resolutions dated September 2, 2021 has approved the payment of sitting fees of ₹ 100,000 and ₹ 75,000 to our Non-Executive Directors for attending meetings of our Board and committees, respectively. Our Non-Executive Directors do not receive any other remuneration.

No sitting fee was paid to our Non-Executive Directors in Fiscal 2021.

Payments or benefits to Directors

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have any arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Other than as disclosed under "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 83, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Interest of Directors

Our Non-executive and Independent Directors may be deemed to be interested to the extent of the commission and sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them as approved by our Board/ Shareholders. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*– Payments or benefits to Directors*" on page 209.

Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any or to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, as applicable, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any variable pay as per the terms of their appointment, as applicable, dividend payable to them and other distributions in respect of such Equity Shares.

No loans have been availed by our Directors from our Company.

None of our Directors are interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Interest in property

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

Interest in the promotion and formation of our Company

Other than Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, who are interested in the promotion of our Company as disclosed in "*Our Promoters and Promoter Group*" on page 222, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Business interest

Except as stated in "*Other Financial Information – Related Party Transactions*" on page 273, and to the extent set out above under " *– Interests of Directors*" on page 210, our Directors do not have any other interest in our business.

Contingent and deferred compensation payable to the Directors

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Bonus or profit-sharing plan for the Directors

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/ Cessation	Reason
Sabitha Rao	September 10, 2021	Appointed as Independent Director
Vadlamani Venkata Rama Sastry	September 10, 2021	Appointed as Independent Director
Sowmyan Ramakrishnan	September 10, 2021	Appointed as Independent Director
Prasad Raghava Menon*	September 10, 2021	Appointed as Independent Director
Mathew Cyriac	June 4, 2021	Appointed as Additional Director
Rekha Murthy Rangarajan	September 14, 2020	Reappointed as Whole-time Director
Srinivasagopalan Rangarajan	September 14, 2020	Reappointed as Managing Director

**Due to Mr. Prasad Menon's age, his appointment will be regularised in accordance with regulation 17 of the Listing Regulations by way of special resolution in the next general meeting of our Company, prior to filing of the Red Herring Prospectus.*

Borrowing Powers of Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Board at their meeting dated September 14, 2015, our Board has been authorized to borrow any sum or sums of monies (including by way of advances, loans, issue of debentures or bonds and/or other instruments), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 2500 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof and formulation and adoption of policies. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board has seven Directors comprising of two Executive Directors, one Non-Executive Director and four Independent Directors including one woman Independent Director.

Committees of the Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

Details of the committees of our Board are set forth below. In addition to the committees detailed below, our Board may, from time to time constitute other committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Sowmyan Ramakrishnan (*Chairman*);
2. Prasad Raghava Menon (*Member*);
3. Vadlamani Venkatarama Sastry (*Member*); and
4. Sabitha Rao (*Member*)

The Audit Committee was constituted by a meeting of the Board of Directors held on September 15, 2021. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

    b. Changes, if any, in accounting policies and practices and reasons for the same

    c. Major accounting entries involving estimates based on the exercise of judgment by management

    d. Significant adjustments made in the financial statements arising out of audit findings

    e. Compliance with listing and other legal requirements relating to financial statements

    f. Disclosure of any related party transactions; and

    g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(11) 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 thereon;

(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) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(26) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

(27) carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

(28) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Prasad Raghava Menon (*Chairman*);
2. Sabitha Rao (*Member*); and
3. Mathew Cyriac (*Member*)

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on September 15, 2021. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

    The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

    (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

    (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

(5) 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;

(6) Recommend to the board, all remuneration, in whatever form, payable to senior management;

(7) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

(8) Analysing, monitoring and reviewing various human resource and compensation matters;

(9) Deciding 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;

(10) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(11) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(12) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;

(13) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(14) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;

(15) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

   (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

   (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(16) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Mathew Cyriac (*Chairman*);
2. Sowmyan Ramakrishnan (*Member*);
3. Vadlamani Venkatarama Sastry (*Member*); and
4. Srinivasagopalan Rangarajan (*Member*).

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on September 15, 2021.The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee 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 being rendered by the Registrar and Share Transfer Agent; and
4. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
5. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
6. 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;
7. 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.
8. 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Sabitha Rao (*Chairman*);
2. Mathew Cyriac (*Member*); and
3. Rekha Murthy Rangarajan (*Member*).

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on March 9, 2015 and was last reconstituted by the Board at their meeting held on September 15, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, including:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

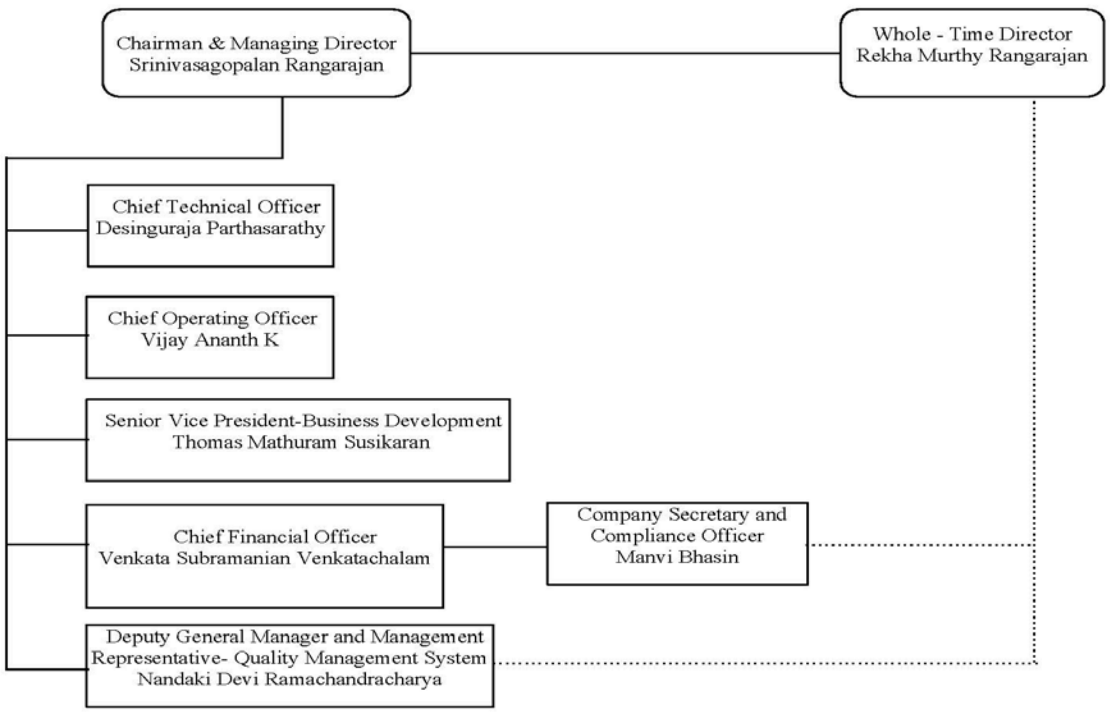
IPO Committee

The members of the IPO Committee are:

1. Srinivasagopalan Rangarajan
2. Rekha Murthy Rangarajan
3. Mathew Cyriac

The IPO Committee was constituted by our Board of Directors on September 3, 2021.The IPO Committee has been authorized, *inter-alia*, to approve and decide upon all activities in connection with the Offer, including, but not limited to, approving the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organization Chart



Key Managerial Personnel

The details of the Key Managerial Personnel, in addition to Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan are set out below.

Venkata Subramanian Venkatachalam aged 54 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Madurai Kamaraj University. He is a fellow member of the Institute of the Chartered Accountants of India. He has over two decades of experience in the finance sector. He joined our Company as Manager-Finance in November 2000. He was promoted as General Manager-Finance in April 2019 and subsequently, as the Chief Financial Officer in September 2021, a position he holds till date. Our Company paid him a remuneration of ₹ 3.37 million in Fiscal 2021.

Manvi Bhasin, aged 30 years, is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in business administration from the Invertis Institute of Management Studies of Mahatma Jyotiba Phule Rohilkand University, Bareilly and a post graduate diploma in management from Lal Bahadur Shastri Institute of Management & Technology, Bareilly. She is an associate of the Institute of the Company Secretaries of India. She has three years of experience in legal and secretarial matters. She has previously been associated with Haitian Plastics Machinery (India) Private Limited and Suzuki Motorcycle Private India Limited. She joined our Company on July 19, 2021. She did not receive any remuneration from us in Fiscal 2021.

Vijay Ananth K, aged 45 years, is the Chief Operating Officer and Chief Information Security Officer of our Company. He holds a bachelor's degree in computer science from Manonmaniam Sundaranar University and a master's degree in computer applications from the Faculty of Science of University of Madras. He has also served in the National Cadet Corps for three years. He has more than two decades of experience in software engineering and product management. He joined our Erstwhile Subsidiary on September 7, 1998 as a software engineering trainee and was confirmed as a software engineer in 1999.He was promoted as Manager Software and Information Technology Support in 2000. He was moved to the role of Head Delivery in 2000 and was re-designated as Head-Operations in 2008. He was appointed as Chief Operating Officer in 2016, a position he holds till date. He is also the Chief Information Security Officer since July 2011. He received a remuneration of ₹ 5.79 million from us in Fiscal 2021.

Desinguraja Parthasarathy, aged 53 years, is the Chief Technical Officer of our Company. He holds a bachelor's degree in engineering (electronics and communication engineering) from the Faculty of Engineering of University of Madras. He has 32 years of experience in Product Development. He joined our Erstwhile Subsidiary as an Engineer- Research and Development on December 4, 1989 and was promoted as Manager- Hardware Design and Development in 1996. In 2002, he was made General Manager- Technical and appointed as Chief Technical Officer in 2004, a position he holds till date. He received a remuneration of ₹ 6.58 million from us in Fiscal 2021.

Thomas Mathuram Susikaran, aged 56 years, is the Senior Vice President-Business Development. He holds a bachelor's degree in engineering (electrical and electronics) from the Faculty of Engineering of Madurai Kamaraj University and a master's degree of technology in electrical engineering from Indian Institute of Technology, Madras. He has over 21 years of experience in business development and marketing. He joined our Erstwhile Subsidiary on September 2, 2000 as Senior Manager- Marketing was subsequently promoted as Head- Rugged Military Electronics in 2005. He was then appointed as Senior Vice President-Business Development in 2019, a position he holds till date. He received a remuneration of ₹ 4.38 million from us in Fiscal 2021.

Nandaki Devi Ramachandracharya, aged 60 years, is the Deputy General Manager and Management Representative-Quality Management System. She holds a bachelor's degree of engineering in electronics and communications from the University of Mysore as well as an advanced diploma in Software Quality Management from AmitySoft Education. She has also passed the Certified Software Test Manager examination held in the year 2002 by the Standardisation Testing and Quality Certification Directorate, Ministry of Electronics and Information Technology, Government of India. She has 22 years of experience in test engineering. She has previously been associated with Measurement Services Private Limited, Kirloskar Electric Company Limited, AmitySoft Technologies Private Limited. She joined our Esrwhile Subsidiary as Manager- Qualify Assurance and Control from June 2002, till April 2019 after which she was promoted as Deputy General Manager- Quality Assurance and Control, a position she holds till date. She is also the Management Representative for Quality Management System from October 2009. She received a remuneration of ₹ 2.57 million from us in Fiscal 2021.

Except Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, who are spouses, none of the Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Name of Key Managerial Personnel	Number of Equity Shares	Pre- Offer Percentage Shareholding (%)
Vijay Ananth K	1,556,885	3.33
Desinguraja Parthasarathy	1,598,107	3.42
Thomas Mathuram Susikaran	568,480	1.22
Nandaki Devi Ramachandracharya	55,000	0.12
Venkata Subramanian Venkatachalam	672,403	1.44
Total	4,450,875	9.53

Service Contracts with Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Payment or Benefit to our Key Managerial Personnel

No amount or benefit in kind has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

None of our Key Managerial Personnel is party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any. None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

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 Key Management Personnel was selected as a Key Managerial Personnel or member of senior management.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form a part of their remuneration.

Payment or Benefit to officers of our Key Managerial Personnel (non-salary related)

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given as on the date of this Draft Red Herring Prospectus.

Attrition rate of Key Managerial Personnel

There has been no attrition of the Key Managerial Personnel of our Company.

Changes in the Key Managerial Personnel

Except as disclosed in "– *Changes in the Board in the last three years*" and as disclosed below, there have been no changes in our Key Managerial Personnel in the last three years:

Name	Designation	Date of change	Reason for change
Venkata Subramanian Venkatachalam	Chief Financial Officer	September 15, 2021	Appointed as Chief Financial Officer
Manvi Bhasin	Company Secretary	July 19, 2021	Appointed as Company Secretary

Employee Stock Option Plans

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

OUR PROMOTERS AND PROMOTER GROUP

Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan are the Promoters of our Company and are in control of day-today affairs of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 27,277,663 Equity Shares, equivalent to 58.36% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details on shareholding of our Promoters and Promoter Group, please see the section entitled "*Capital Structure*" on page 75.

Our Promoters

1. Srinivasagopalan Rangarajan

Srinivasagopalan Rangarajan (DIN: 00643456), aged 63 years, is one of our Promoters, and is also the Chairman and Managing Director of our Company.

His driver's license number is TN01 19760005084 . His Aadhaar card number is 7437 5406 2489.

His permanent account number is AAFPR5347C.

Other than as disclosed in this section, "– Our Promoter Group", "History and Certain Corporate Matters" and "Our Management" on pages 224, 198 and 205 respectively, Srinivasagopalan Rangarajan is not involved in any other venture.

2. **Rekha Murthy Rangarajan**

Rekha Murthy Rangarajan (DIN: 00647472), aged 56 years, is one of our Promoters, and is also the Whole-time Director of our Company.

Her driver's license number is TN09 19860005667. Her Aadhaar card number is 2457 7164 0924.

Her permanent account number is AAEPR5050M.

Other than as disclosed in this section, "*– Our Promoter Group*", "*History and Certain Corporate Matters*" and "*Our Management*" on pages 224, 198 and 205 respectively, Rekha Murthy Rangarajan is not involved in any other venture.

For the complete profiles of Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan along with details of their date of birth, address, educational qualifications, experience in the business or employment, positions/posts held in past, directorships held, special achievements, business and financial activities, please see the section entitled "*Our Management*" on page 205.

Our Company confirms that the PAN details, bank account numbers and passport numbers of Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Experience of our Promoters

Our Promoters have adequate experience in the business activities undertaken by our Company.

Interests of our Promoters

Interest of our Promoters in the promotion of our Company

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 and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are interested to the extent of any remuneration, or reimbursement received by them from our Company, in the capacity of Directors of our Company; and payments made for services rendered by entities in which are Promoters have been interested in. For details regarding the shareholding of our Promoters and other interests in our Company, please see the sections entitled "*Capital Structure*", "*Our Management*" and "*Restated Financial Statements – Note to Restated Financial Information – Note 39 – Related party disclosures*" on pages 75, 205 and 265, respectively.

Interest of our Promoters in the property of our Company

Our Promoters have no interest in any property acquired in the three years preceding the date of the 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.

Interest of our Promoters in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Restated Financial Statements- Note to Restated Financial Information – Note 39 – Related party disclosures*", "*Our Management*" and "*Other Financial Information"* on pages 265, 205 and 271 respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two 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 members of our Promoter Group.

Material Guarantees

Except for the 12,521,025 Equity Shares of Srinivasagopalan Rangarajan aggregating to 26.79% of the paid-up capital of our Company, pledged with State Bank of India for the credit facilities sanctioned to our Company in terms of its sanction letter SBI/OSB/ AMT VI/2020-21/1TPL/122 dated January 11, 2021, 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.

Companies or Firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, are the original promoters of our Company. Further, there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

In addition to Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan, the following individuals and entities form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. Natural persons forming part of the Promoter Group*

Name of the Promoter	Name of the Relative	Relationship
Srinivasagopalan Rangarajan	Padma Raghavan	Sister
	G.K. Vasundhara	Mother of spouse
	Sheela Murthy	Sister of spouse
Rekha Murthy Rangarajan	G.K. Vasundhara	Mother
	Sheela Murthy	Sister
	Padma Raghavan	Sister of spouse

**Our Company has filed an application dated September 20, 2021 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing, S. Murali , brother of one of our Promoters, Srinivasagopalan Rangarajan, and body corporates/entities and HUFs in which S. Murali holds 20% or more of the equity share capital, as member of Promoter Group, and from disclosing information and confirmations regarding and from such entities, as required under the SEBI ICDR Regulations. Accordingly, the above list of members of our Promoter Group does not include entities in which he may be interested.*

B. Entities forming part of the Promoter Group

Nil

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the, Articles of Association of our Company, Companies Act and other applicable law. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, our Company's liquidity position and future cash flow needs, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As on the date of this Draft Red Herring Prospectus, our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 308.

Except as disclosed below, we have not declared any dividends in the three Fiscals immediately preceding the filing of this Draft Red Herring Prospectus.

Particulars	Up-to date of DRHP	Financial Year 2020- 2021	Financial Year 2019- 2020	Financial Year 2018- 2019
Face value per Equity Share (in Rs.)	10.00	10.00	10.00	10.00
Dividend paid on Equity Shares	111.00	3.40	3.40	3.40
Dividend per Equity Share (in Rs.)	65.30	2.00	2.00	2.00
Rate of dividend on Equity Shares (%)	653.00%	20.00%	20.00%	20.00%
Dividend Distribution Tax (%)	-	-	15%	15%
Number of Equity Shares	16,99,790	16,99,790	16,99,790	16,99,790
Dividend Distribution Tax (in Rs.)	-	-	6,92,075	6,92,075
Mode of payment of dividend	NEFT	NEFT	NEFT	NEFT

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Restated Financial Information

Data Patterns (India) Limited
(Formerly known as Indus Teqsite Private Limited)

March 31 2021, March 31 2020 and March 31 2019

R.G.N. PRICE & CO.,
CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494

E-Mail : price@rgnprice.com

Offices at : Mumbai, Bangalore, New Delhi, Kochi, Kollam & Kozhikode

Simpson's Buildings
861, Anna Salai,
Chennai - 600 002

Independent Auditor's Examination Report on the Restated Financial Information

To
The Board of Directors
Data Patterns (India) Limited *(Formerly known as Indus Teqsite Private Limited)*
Plot No.H9, Fourth main road, Sipcot IT Park, Siruseri TN 603103.

Dear Sirs,

1. We, R.G.N. Price & Co., Chartered Accountants ("we" or "us") have examined the attached Restated Financial Information of Data Patterns (India) Limited (Formerly known as Indus Teqsite Private Limited) (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31 2021, March 31 2020 and March 31 2019, 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 years ended March 31 2021, March 31 2020 and March 31 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred as the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 15, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of Equity Shares prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, relevant stock exchanges, and Registrar of Companies, Chennai in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1 to the Restated Financial Information. The Responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 1,2021 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

   a) audited Ind AS financial statements of the company as at and for the year ended March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 11, 2021.

   b) audited Special purpose Ind AS Financial statements as at and for the year ended March 31, 2020, and as at and for the year ended March 31, 2019.

5. For the purpose of our report, we have relied on:

   a) The audit report issued by us August 11, 2021 on the financial statements of the company for the year ended March 31, 2021, prepared in accordance with Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

b) Audit reports issued by us on September 15, 2021 on the Special purpose Ind AS Financial statements for the years ended March 31, 2020 and March 31, 2019 respectively, approved by the Board at their meeting held on September 15, 2021 as referred in Paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021;

   b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements and the Special purpose Ind AS financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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 to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Chennai 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. R.G.N.Price & Co.,
Chartered Accountants
F.R.No. 002785S

K.Venkatakrishnan
Partner
Mem.No. 208591
UDIN: 21208591AAAAIN7734

Chennai
September 15 2021

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
RESTATED STATEMENT OF ASSETS AND LIABILITIES
All figures are in INR Millions unless specifically stated otherwise

Particulars	Note No	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2	292.08	278.21	294.21
(b) Intangible Assets	2	5.55	1.59	2.33
(c) Right of Use Assets	3	32.21	53.68	67.89
(d) Other Financial Assets	4	340.71	464.75	390.37
		670.55	**798.23**	**754.80**
Current assets				
(a) Inventories	5	737.45	794.14	866.86
(b) Financial Assets				
(i) Trade receivables	6	1,559.35	1,156.34	1,029.40
(ii) Cash and cash equivalents	7	88.06	15.11	3.12
(iii) Other Financial Assets	8	50.96	37.24	3.05
(c) Other current assets	9	177.34	152.57	117.04
		2,613.16	**2,155.40**	**2,019.47**
TOTAL		**3,283.71**	**2,953.63**	**2,774.27**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital	10	17.00	17.00	17.00
(b) Other Equity	11	2,060.70	1,517.95	1,311.93
		2,077.70	**1,534.95**	**1,328.93**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	97.70	5.53	-
(ii) Other Financial Liabilities	13	24.35	38.46	59.29
(b) Provisions	14	85.15	56.38	47.78
(c) Deferred Tax Liability (Net)	15	8.13	7.60	9.30
(d) Other Non Current liabilities	16	273.68	143.24	251.89
		489.01	**251.21**	**368.26**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	226.74	598.58	581.55
(ii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	18	2.37	5.45	13.80
(b) Total outstanding dues of creditors other than micro and small enterprises		117.58	167.13	144.81
(iii) Other Financial Liabilities	19	62.97	101.53	66.53
(b) Other current liabilities	20	246.41	224.70	247.72
(c) Provisions	21	9.59	14.85	14.39
(d) Current tax Liabilities	22	51.34	55.23	8.28
		717.00	**1,167.47**	**1,077.08**
TOTAL		**3,283.71**	**2,953.63**	**2,774.27**
Summary of Significant accounting policies	1			

The accompanying notes are an integral part of the financial information

This is the Statement of Assets and Liabilities referred to in our report of even date

For and on behalf of the Board

For R.G.N. Price & Co
Chartered Accountants
FR No.002785S

Srinivasagopalan Rangarajan
DIN : 00643456

Rekha Murthy Rangarajan
DIN : 00647472

K Venkatakrishnan
Partner
M.No. 208591

Place: Chennai
Date: September 15, 2021

DATA PATTERNS (INDIA) LIMITED

(Formerly known as Indus Teqsite Private limited)

RESTATED STATEMENT OF PROFIT AND LOSS

All figures are in INR Millions unless specifically stated otherwise

Particulars	Note No	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
I. Revenue from Contract with Customers	23	2,239.50	1,560.98	1,310.63
II. Other Income	24	26.00	40.94	14.46
III. Total Revenue		**2,265.50**	**1,601.92**	**1,325.09**
IV. Expenses:				
a) Cost of materials consumed	25	629.78	532.13	454.31
b) Changes in inventories of finished goods, work in progress and stock-in-trade	26	74.25	28.76	35.16
c) Employee benefits expenses	27	484.21	422.71	376.49
d) Finance cost	28	145.02	133.43	107.77
e) Depreciation / Amortization	29	55.52	54.78	58.57
f) Other expenses	30	131.38	145.82	189.20
Total Expenses		**1,520.16**	**1,317.63**	**1,221.50**
V. Profit before tax		**745.34**	**284.29**	**103.59**
VI. Tax expense:				
a) Income Tax		189.10	75.51	33.94
b) Tax pertaining to earlier years		-	-	0.81
c) Deferred Tax		0.53	(1.70)	(8.18)
VII. Profit(Loss)for the period		**555.71**	**210.48**	**77.02**
VIII. Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:				
Re-measurement Gain / (Loss) on Defined Benefit Obligations		(12.77)	(0.49)	(7.08)
Income tax on above		3.21	0.12	1.97
Other Comprehensive Income/(Loss) for the year		**(9.56)**	**(0.37)**	**(5.11)**
IX. Total Comprehensive Income for the year		**546.15**	**210.11**	**71.91**
X. Earnings per equity share				
Basic and diluted *(In INR)*	34	**12**	**5**	**2**
Other Notes to the Restated financial information	31- 47			

The accompanying notes are an integral part of the financial information

This is the Statement of Profit And Loss referred to in our report of even date

For and on behalf of the Board

For R.G.N. Price & Co
Chartered Accountants
FR No.002785S

Srinivasagopalan Rangarajan
DIN : 00643456

Rekha Murthy Rangarajan
DIN : 00647472

K Venkatakrishnan
Partner
M.No. 208591

Place: Chennai
Date: September 15, 2021

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
RESTATED STATEMENT OF CASH FLOW
All figures are in INR Millions unless specifically stated otherwise

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
A.Cash Flow From Operating Activities			
Net Profit before tax	745.34	284.29	103.59
Adjustments for :			
Add : Depreciation	55.52	54.78	58.57
Add : Interest And Finance Charges	145.02	133.43	107.77
Less: Profit on sale of assets	(1.24)	(1.78)	-
Less: Interest Income	(22.21)	(25.64)	(14.46)
Operating Profit Before Working Capital Changes	**922.43**	**445.08**	**255.47**
Adjustments For Working Capital Movements :			
(Increase)/Decrease in Inventories	56.70	72.71	(107.80)
(Increase)/Decrease in Receivables	(403.01)	(126.94)	132.62
(Increase)/Decrease in Other Financial Assets	110.33	(108.57)	(214.71)
(Increase)/Decrease in Other Current Assets	(24.76)	(35.53)	(27.91)
Increase/(Decrease) in Trade Payables	(52.62)	13.96	(126.06)
Increase/(Decrease) in Other Financial Liabilities	(32.88)	24.94	(30.64)
Increase/(Decrease) in Other Current Liabilities	21.71	(23.02)	(28.10)
Increase/(Decrease) in Non Current Liabilities	130.44	(108.65)	107.26
Increase/(Decrease) in Provisions	10.73	8.57	5.98
Cash Generated From Operations	**739.07**	**162.55**	**(33.89)**
Direct Taxes (Paid) /adjusted	(189.79)	(28.41)	(11.07)
Net Cash flow From Operating Activities (A)	**549.28**	**134.14**	**(44.96)**
B.Cash Flow From Investing Activities			
Purchase Of Property, Plant and Equipment (PPE) and Software	(56.83)	(14.47)	(10.20)
Investment in Fixed Deposit	-	-	-
Proceeds from sale of PPE	7.22	2.93	0.03
Interest Income on Deposits	22.21	25.64	14.46
Net Cash flow From Investing Activities (B)	**(27.40)**	**14.10**	**4.29**
C.Cash Flow From Financing Activities			
Interest/Finance Charges on Borrowings	(145.02)	(133.43)	(107.77)
Proceeds From/(Repayment of)Long Term Borrowings (Net)	92.16	5.53	(19.74)
Proceeds From/(Repayment of)Short Term Borrowings (Net)	(371.84)	17.02	174.60
Dividend Paid	(3.40)	(4.09)	(4.09)
Lease Liability payment	(20.83)	(21.28)	(20.51)
Net Cash flow From Financing Activities (C)	**(448.93)**	**(136.25)**	**22.49**
Net Increase in Cash & Cash Equivalents (A+B+C)	**72.95**	**11.99**	**(18.18)**
Cash & Cash Equivalent At The Beginnining Of The Year (Refer Note 7)	15.11	3.12	21.30
Cash & Cash Equivalent At The End Of The Year (Refer Note 7)	88.06	15.11	3.12
Net Increase/(Decrease) in Cash & Cash Equivalents	**72.95**	**11.99**	**(18.18)**

The accompanying notes are an integral part of the financial information

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

For R.G.N. Price & Co
Chartered Accountants
FR No.002785S

Srinivasagopalan Rangarajan
DIN : 00643456

Rekha Murthy Rangarajan
DIN : 00647472

K Venkatakrishnan
Partner
M.No. 208591

Place: Chennai
Date: September 15, 2021

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
STATEMENT OF CHANGES IN EQUITY
All figures are in INR Millions unless specifically stated otherwise

a) Equity Share Capital

Particulars	Rs.
Balance as at 01st April 2018	**17.00**
Changes during the year 2018-19	-
Balance as at 31st March 2019	**17.00**
Changes during the year 2019-20	-
Balance as at 31st March 2020	**17.00**
Changes during the year 2020-21	-
Balance as at 31st March 2021	**17.00**

b) Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	
	Capital Reserve	Securities Premium	General Reserve	Surplus in Statement of Profit and Loss	Remeasurement of Defined Benefit Plan	Total Other Equity
Balance as at 01st April 2018	**3.02**	**334.92**	**91.59**	**814.58**	**-**	**1,244.11**
Profit for the year	-	-	-	77.02	(5.11)	71.91
Dividend on Shares (including DDT)	-	-	-	(3.40)	-	(3.40)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	(0.69)	-	(0.69)
Balance as at 31st March 2019	**3.02**	**334.92**	**91.59**	**887.51**	**(5.11)**	**1,311.93**
Profit for the year	-	-	-	210.48	-	210.48
Dividend on Shares (including DDT)	-	-	-	(4.09)	-	(4.09)
Remeasurement of Defined Benefit Plan (Net)	-	-	-		(0.37)	(0.37)
Balance as at 31st March 2020	**3.02**	**334.92**	**91.59**	**1,093.90**	**(5.48)**	**1,517.95**
Profit for the year	-	-	-	555.71	-	555.71
Dividend on Shares (including DDT)	-	-	-	(3.40)	-	(3.40)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	-	(9.56)	(9.56)
Balance as at 31st March 2021	**3.02**	**334.92**	**91.59**	**1,646.21**	**(15.04)**	**2,060.70**

The accompanying notes are an integral part of the financial information

This is the Statement of changes in equity referred to in our report of even date

For and on behalf of the Board

Srinivasagopalan Rangarajan
DIN : 00643456

Rekha Murthy Rangarajan
DIN : 00647472

Place: Chennai
Date: September 15, 2021

For R.G.N. Price & Co
Chartered Accountants
FR No.002785S

K Venkatakrishnan
Partner
M.No. 208591

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information

A. Company Overview:

Data Patterns (India) Limited (formerly known as Indus Teqsite Private Limited)"(The company") is a manufacturer of electronic boards and systems. The company was incorporated on 11th November 1998 with its registered office at Plot No.H9, Fourth main road, Sipcot IT Park, Siruseri TN 603103.

The company applied to National Company Law Tribunal (NCLT) on 11th December 2019 for merging the activities of its subsidiary Data Patterns India Private Limited through a scheme of amalgamation as envisaged under Accounting standard (AS) 14 on Accounting for Amalgamation. National Company Law Tribunal, Chennai Bench vide its order dated 13th April 2021 approved the scheme of amalgamation.

As per the order received from NCLT, the appointed date for the scheme of merger was 01.04.2018. The order from NCLT was filed with the Ministry of Corporate affairs on 08th May 2021

Accordingly the financial statements for the year ended 31st March 2021 reflected the merged activities of the transferor company (DTPL) and the transferee company (ITPL) with the comparatives for the year 2019-20 and 2018-19 also restated to reflect the merger.

B.Restatement of Financial statements:

In terms of requirement under SEBI Issue of Capital and Disclosure requirement (ICDR) Regulations 2018, which requires restated financial information under Ind AS framework for the previous three years upto filing of DRHP, the company has reckoned 01st April 2018 as the transition date for the limited purpose of converting IGAAP accounts into one compliant under Ind AS framework for the financial years 2018-19, 2019-20 and 2020-21.

1. Significant Accounting Policies

1.1 Approval of Restated Financial Information:

The restated financial information have been approved for issue by the Board of Directors on 15th September 2021

1.2 Basis of Preparation and Compliance:

The Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The financial statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the assets or liability if market participants would take those characteristics into the account when pricing the asset or liability at the measurement date.

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 minimising 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, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and 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 the fair value measurement at 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.

1.3 Functional and Presentation Currency:

These Financial Statements are presented in Indian Rupees (INR) which is the functional currency of the company and the currency of the primary economic environment in which the company operates.

1.4 Current & non-current classification:

An asset or liability is classified as current if it satisfies any of the following conditions:

a) the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
b) the asset is intended for sale or consumption;
c) the asset/liability is held primarily for the purpose of trading;
d) the asset/liability is expected to be realized/ settled within twelve months after the reporting period;
e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
f) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to Restated Financial Information (Contd.)

1.5. Property, Plant and Equipment (PPE):

i. PPE are tangible items that:

a) are held for use in the supply of services or for administrative purposes and

b) are expected to be used during more than one period.

ii. The cost of an item of PPE is recognised as an asset if, and only if:

a) it is probable that future economic benefit associated with the item will flow to the entity; and

b) the cost of the items can be measured reliably.

iii. For transition to IndAS framework, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2018 (transition date) measured as per the previous IGAAP, as its deemed cost as on the transition date.

iv. PPE are stated at cost less accumulated depreciation and accumulated impairment loss if any. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which such costs are incurred. Any gain or loss on disposal of an item of PPE is recognized in the statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in para no Ind AS 16 – Property, Plant and Equipment.

An item of tangible or intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item is determined as the difference between the sale proceeds and the carrying amount of the asset , if any and is recognised in the Statement of Profit and Loss.

Capital work in progress and Capital advance:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advance given towards acquisition of PPE outstanding at each Balance Sheet date is disclosed as Other Non-Current Asset.

Depreciation:

Depreciation on each part of an item of PPE is provided using the Straight-Line Method based on the useful life of the asset leaving a residual value not exceeding 5%, as provided in Schedule II of the Companies Act, 2013 and is charged to the Statement of Profit and Loss.

Depreciation on addition is provided on a pro-rata basis from the month of installation / acquisition of an asset. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the month of deduction / disposal. Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

1.6. Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the Company is classified as Investment Property. It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

Depreciation is provided on straight line method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

1.7. Non Current assets held for sale

The company classifies an item of PPE as a non current asset held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non current assets held for sale are measured at their carrying value / fair value less cost to be incurred for its disposal. An item of non current asset held for sale is not subject to any depreciation during the period it is held for sale.

1.8. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment loss if any. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed annually , and the effect of any change in the estimate is accounted for on a prospective basis. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Intangible assets identified to have infinite economic useful lives are tested for an annual impairment exercise and any impairment loss identified is recognized in the statement of profit and loss.

1.9. Impairment of non current Assets

At the end of each reporting period, the company reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized annually and whenever there is an indication that the asset may be impaired.

1.10. Inventories:

Raw materials and other inventories are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

a. Raw material, Stores and spares – First in First Out Basis.

b. Finished goods and Work-in-process – Cost of production which comprises of direct material costs, direct wages and applicable overheads.

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition'.

Goods in transit are recognized at cost.

1.11. Financial instruments:

Financial assets:

a) Initial recognition:

Initial Recognition

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and the interest on the principal outstanding.

Financial assets at Fair Value Through Profit or Loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

b) Impairment of financial assets:

Financial assets, other than those recognized at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company has adopted a modified approach for assessing expected credit loss.

De-recognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the ownership of the financial asset.

Financial liabilities:

a) Initial recognition:

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

b) Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability or an equity instrument.

c) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

d) De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.12. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.13. Revenue Recognition:

Revenue from Contract with Customers

Revenue recognition underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged.

Sale of Goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The revenue is measured based on the transaction price, which is the consideration, adjusted for discounts if any, as specified in the contract with the customer. Revenue is disclosed net of taxes collected from customers.

Sale of Services

The company recognizes revenue when performance obligation as promised is satisfied with a transaction price and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from annual maintenance contract is recognized proportionately over the period in which such services are rendered.

Notes to Restated Financial Information (Contd.)
Other Income

Dividend

Dividend income from investments is recognized when the right to receive the same is established.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, taking into account the amount outstanding and effective interest rate.

1.14. Employee Benefits:

(a) Short term employee benefits:

Un-discounted short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as expense during the period when the employees render service. Corresponding liabilities are presented as Current Employee Benefit Obligations in the balance Sheet.

(b) Post-employment benefits:

(i) Defined Contribution Plans: Contribution to Defined Contribution Schemes towards retirement benefits in the form of Provident fund is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders related service.

(ii) Defined Benefit Plans:

Annual contributions are made to the approved Gratuity Funds as permitted by Indian Law. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the balance sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of actuarial gains / losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through other comprehensive income in the period in which they occur.

The following components of the net defined benefit obligation are recognized as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

(c) Other Long-term Employee Benefits:

Entitlement to privilege leave is recognised when it accrues to the employees. Privilege leave can be accumulated subject to restriction as mentioned in the leave policy. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

1.15. Borrowing Costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. 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 capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

1.16. Foreign Currency Transactions:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at the reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

c) Recognition of exchange difference:

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks, which are recognised in Other comprehensive income and later to statement of profit and loss.

1.17. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

c) a possible obligation arising from past events, unless the possibility of out flow of resources is remote.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Notes to Restated Financial Information (Contd.)

1.18. Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Company as lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets (ROU) representing the right to use the underlying assets, during the lease period.

b) Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at the fair value of future lease payments discounted by the incremental cost of borrowing less any accumulated depreciation and impairment losses. The corresponding lease liability carried is adjusted for any re-measurement as at the date of the Balance sheet. A Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use asset is also subject to impairment.

c) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right -of-use assets have been presented appropriately in the balance sheet.

d) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of Land and Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short term leases are recognized as expense as and when incurred.

e) Company as Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

1.19. Taxes on Income:

Taxes on income comprise of current and deferred taxes.

a) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for the period. Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to taxes payable in respect of previous years.

b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets include unused tax credits.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

c) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

1.20. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.21. Segment Reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision maker (CODM) in the Company to make decisions for performance assessment and resource allocation. Accordingly, the company has identified the manufacture and sale of goods and services in defence electronics as the only segment in which the company operates.

1.22. Earnings per Share (EPS):

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equities shares issued during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

1.23. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are based on classification made in a manner considered most appropriate to Company's business.

1.24. Use of estimates:

The preparation of financial statements in conformity with IndAS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss in (a) the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilitiesis recognized by adjusting the carrying amount of the related asset, liability in the period of the change.

Notes to Restated Financial Information (Contd.)

Key estimates and judgements

Key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Useful life of Property, Plant and Equipments

The Company reviews the estimated useful lives of Property, plant and equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

b. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

c. Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with income tax and regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such issues are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in the Notes to the financial statements.

d.Impairment of Financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

1.25. First time adoption of IND AS framework:

These financial statements, for the year ended 31 March 2021, are the first financial statements the Company prepared in accordance with Ind AS framework. For periods up to and including the year ended 31 March 2020, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with relevant Rules made there under ('Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS framework applicable for periods ending on 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, 31st March 2019 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1 April 2018, being the Company's date of transition to Ind AS framework. An explanation of how the transition from previous GAAP to Ind AS framework has affected the Company's financial position, financial performance and cash flows is set out below:

a) Transition election
b) Reconciliation of Other equity as previously reported under previous GAAP to Ind AS framework
c) Reconciliation of Profits as previously reported under previous GAAP to Ind AS framework
d) Reconciliation of Cash flows as previously reported under previous GAAP to Ind AS framework

Optional exemptions availed under Ind AS 101 – First time adoption of Indian accounting standard

The Company in applying Ind AS principle for measurement of recognised assets and liabilities is subject to certain optional exemptions, apart from mandatory exceptions, availed by the Company as detailed below:

a) Deemed Cost for property, plant and equipment, investment property, and intangible assets
b) Business combinations
c) Fair value measurement of financial assets or financial liabilities at initial recognition

a. Deemed Cost for property, plant and equipment, investment property, and intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant & equipment at their previous GAAP carrying value as on the transition date as prescribed under para D7AA of Ind AS 101.

b. Business combinations

The Company has elected to apply Ind AS relating to business combinations (Ind AS 103) prospectively from April 01, 2018. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward without adjustment.

c. Leases

The Company has elected to recognize Right of Use assets and Lease Liabilities as at date of transition to Ind AS (01st April 2018) as prescribed under para D9B in Ind AS 101

Mandatory exemptions

The Mandatory exceptions applicable to the Company are given below:

a) Estimates
b) Derecognition of assets and liabilities
c) Classification and measurement of financial assets and liabilities
d) Impairment of Financial assets

a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP.

Ind AS estimates as at 1 April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b. Derecognition of Financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

c. Classification and measurement of Financial assets

Company measures and classifies all financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS as prescribed by Ind AS 101.

d. Impairment of Financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

DATA PATTERNS (INDIA) LIMITED
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Notes to Restated Financial Information
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NOTE NO 2

Particulars	Property Plant and Equipment										Intangible Assets
	Leasehold Land	**Buildings**	**Plant & Machinery**	**Air Conditioning Systems**	**Computer**	**Electrical Fixtures**	**Furniture & Fittings**	**Office Equipments**	**Vehicles**	**Total**	**Software**
Gross Block											
As at April 1 2018	**13.22**	**111.99**	**147.03**	**14.69**	**3.24**	**10.28**	**10.88**	**2.50**	**6.12**	**319.95**	**2.31**
Additions	-	-	6.67	0.08	1.50	-	0.04	0.97	0.16	9.42	0.78
Deletions	-	-	-	-	-	-	-	-	(0.03)	(0.03)	-
As at March 31 2019	**13.22**	**111.99**	**153.70**	**14.77**	**4.74**	**10.28**	**10.92**	**3.47**	**6.25**	**329.34**	**3.09**
As at April 1 2019	**13.22**	**111.99**	**153.70**	**14.77**	**4.74**	**10.28**	**10.92**	**3.47**	**6.25**	**329.34**	**3.09**
Additions	-	-	3.37	-	0.61	-	0.04	1.66	8.79	14.47	-
Deletions	-	-	-	-	-	-	-	-	(1.15)	(1.15)	-
As at March 31 2020	**13.22**	**111.99**	**157.07**	**14.77**	**5.36**	**10.28**	**10.95**	**5.13**	**13.89**	**342.66**	**3.09**
As at April 1 2020	**13.22**	**111.99**	**157.07**	**14.77**	**5.36**	**10.28**	**10.95**	**5.13**	**13.89**	**342.66**	**3.09**
Additions	-	-	12.43	0.16	36.42	1.29	0.17	1.43	-	51.90	4.93
Deletions	(5.98)	-	-	-	-	-	-	-	-	(5.98)	-
As at March 31 2021	**7.24**	**111.99**	**169.50**	**14.93**	**41.78**	**11.57**	**11.12**	**6.56**	**13.89**	**388.58**	**8.02**
Accumulated Depreciation / Amortization											
As at April 1 2018	-	-	-	-	-	-	-	-	-	-	-
Additions	0.15	5.09	15.74	2.44	0.71	4.57	3.22	0.83	2.38	35.13	0.76
Deletions											
As at March 31 2019	**0.15**	**5.09**	**15.74**	**2.44**	**0.71**	**4.57**	**3.22**	**0.83**	**2.38**	**35.13**	**0.76**
As at April 1, 2019	**0.15**	**5.09**	**15.74**	**2.44**	**0.71**	**4.57**	**3.22**	**0.83**	**2.38**	**35.13**	**0.76**
For the Year	0.15	5.09	16.03	2.30	1.02	0.68	0.93	0.90	2.22	29.32	0.74
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**0.30**	**10.17**	**31.77**	**4.74**	**1.73**	**5.25**	**4.15**	**1.73**	**4.61**	**64.45**	**1.50**
										-	
As at April 1 2020	**0.30**	**10.17**	**31.77**	**4.74**	**1.73**	**5.25**	**4.15**	**1.73**	**4.61**	**64.45**	**1.50**
Additions	0.14	5.08	16.12	2.28	4.56	0.69	0.90	0.99	1.29	32.05	0.97
Deletions										-	-
As at March 31 2021	**0.44**	**15.25**	**47.89**	**7.02**	**6.29**	**5.94**	**5.06**	**2.72**	**5.90**	**96.50**	**2.47**
										-	-
Net Carrying Value as on 31 March 2021	**6.80**	**96.74**	**121.61**	**7.91**	**35.49**	**5.63**	**6.06**	**3.84**	**8.00**	**292.08**	**5.55**
Net Carrying Value as on 31 March 2020	**12.91**	**101.82**	**125.30**	**10.03**	**3.62**	**5.03**	**6.80**	**3.40**	**9.29**	**278.21**	**1.59**
Net Carrying Value as on 31st March 2019	**13.07**	**106.90**	**137.96**	**12.33**	**4.03**	**5.71**	**7.70**	**2.64**	**3.87**	**294.21**	**2.33**

Assets pledged as security

Fixed assets of the company carry pari-passu charge in favour of the multiple bankers, as security for working capital and term loan facilities availed.

Transitional provisions as per IND AS

In accordance with Ind AS transitional provisions, the Company has opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost as on the transition date i.e. 01st April 2018.
The following table provides the value of gross block and the carrying value considered in previous GAAP as on 01st April 2018.

DESCRIPTION	COST AS AT 01-04-2018	ACCUMULATED DEPRECIATION AS AT 01-04-2018	NET BLOCK
PROPERTY PLANT AND EQUIPMENT			
Leasehold Land	14.68	1.46	13.22
Buildings	162.04	50.05	111.99
Plant & Machinery	236.68	89.65	147.03
Air Conditioning Systems	32.59	17.90	14.69
Computer	50.91	47.67	3.24
Electrical Fixtures	40.51	30.23	10.28
Furniture & Fittings	57.67	46.79	10.88
Office Equipments	11.08	8.58	2.50
Vehicles	21.35	15.23	6.12
TOTAL - A	**627.51**	**307.56**	**319.95**
INTANGIBLE ASSETS			
Software	4.44	2.13	2.31
TOTAL - B	**4.44**	**2.13**	**2.31**
TOTAL - (A + B)	**631.95**	**309.69**	**322.26**

Note 3 - Right of Use Assets

Particulars	Buildings	Furniture	Vehicles	Total
Gross Block				
As at April 1 2018	**76.76**	**3.17**	**10.64**	**90.57**
Additions				
Deletions				
As at March 31 2019	**76.76**	**3.17**	**10.64**	**90.57**
As at April 1 2019	**76.76**	**3.17**	**10.64**	**90.57**
Additions	10.50	-	-	10.50
Deletions				-
As at March 31 2020	**87.26**	**3.17**	**10.64**	**101.07**
As at April 1 2020	**87.26**	**3.17**	**10.64**	**101.07**
Additions	-	-	1.04	1.04
Deletions	(28.27)	-	(2.38)	(30.65)
As at March 31 2021	**58.99**	**3.17**	**9.30**	**71.46**
Accumulated Amortization				
As at April 1 2018	-	-	-	-
Additions	19.07	0.61	3.00	22.68
Deletions	-	-	-	-
As at March 31 2019	**19.07**	**0.61**	**3.00**	**22.68**
As at April 1, 2019	**19.07**	**0.61**	**3.00**	**22.68**
For the Year	21.11	0.61	3.00	24.72
Deletions	-	-	-	-
As at March 31, 2020	**40.18**	**1.22**	**6.00**	**47.40**
As at April 1, 2020	**40.18**	**1.22**	**6.00**	**47.40**
For the Year	19.03	0.61	2.86	22.50
Deletions	(28.27)	-	(2.38)	(30.65)
As at March 31, 2021	**30.94**	**1.83**	**6.48**	**39.25**
Net Carrying Value as on 31 March 2021	**28.05**	**1.34**	**2.82**	**32.21**
Net Carrying Value as on 31 March 2020	**47.09**	**1.95**	**4.64**	**53.68**
Net Carrying Value as on 31st March 2019	**57.69**	**2.56**	**7.64**	**67.89**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 4 OTHER FINANCIAL ASSETS
(At Amortized Cost)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Security Deposits	14.12	23.20	22.93
Margin Money Deposits	326.59	441.55	367.44
Total	**340.71**	**464.75**	**390.37**

NOTE NO 5 INVENTORY

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Raw Materials	424.77	407.21	451.17
Work-in-progress	171.84	157.66	106.60
Finished goods	140.84	229.27	309.09
Total	**737.45**	**794.14**	**866.86**

NOTE NO 6 TRADE RECEIVABLES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Unsecured:			
Considered Good	1,559.35	1,156.34	1,029.40
Total	**1,559.35**	**1,156.34**	**1,029.40**

NOTE NO 7 CASH & CASH EQUIVALENTS

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Balance with Banks			
- In Current Account and EEFC accounts	87.94	14.70	2.91
Cash in Hand	0.12	0.41	0.21
Total	**88.06**	**15.11**	**3.12**

NOTE NO 8 OTHER FINANCIAL ASSETS
(At Amortised Cost)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Security Deposits	1.50	-	-
Advances to Employees	4.37	2.13	1.76
Interest accrued but not due	36.05	35.11	1.29
Other advances	1.82	-	-
Other Receivables	7.22	-	-
Total	**50.96**	**37.24**	**3.05**

NOTE NO 9 OTHER CURRENT ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Balance With Government Authorities	40.03	24.02	43.10
Prepaid Expenses	69.95	69.46	40.17
Advance to Suppliers	67.36	59.09	33.77
Total	**177.34**	**152.57**	**117.04**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 10 EQUITY SHARE CAPITAL

10(a) Details of Share Capital outstanding at the beginning and end of reporting period

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Authorised			
20,00,000 Equity shares of Rs.10 each	20.00	20.00	20.00
	-	-	-
5,75,000 9% Redeemable Optionally Convertible Cumulative Preference Shares of Rs 100 each	57.50	57.50	57.50
	77.50	**77.50**	**77.50**
Issued, Subscribed and Fully Paid up			
16,99,790 Equity shares of Rs.10 each	17.00	17.00	17.00
	17.00	**17.00**	**17.00**

10(b) - Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2021	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	17
Number of shares outstanding at the end of the year	16,99,790	17
Particulars	**As at 31st March 2020**	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	17
Number of shares outstanding at the end of the year	16,99,790	17
Particulars	**As at 31st March 2019**	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	17
Number of shares outstanding at the end of the year	16,99,790	17

10(c) - Details of shareholder holding more than 5% shares as at the beginning and the end of reporting period are as follows:

Particulars	As at 31st March 2021	
	No of shares	%
Mr. S. Rangarajan	5,73,966	33.77%
Mrs. Rekha Rangarajan	3,79,703	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%
Particulars	**As at 31st March 2020**	
	No of shares	%
Mr. S. Rangarajan	6,58,956	38.76%
Mrs. Rekha Rangarajan	5,02,938	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%
Indus Teqsite Employee Reward Trust	1,19,600	7.04%
Particulars	**As at 31st March 2019**	
	No of shares	%
Mr. S. Rangarajan	6,58,956	38.76%
Mrs. Rekha Rangarajan	5,02,938	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%
Indus Teqsite Employee Reward Trust	1,19,600	7.04%

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 11 OTHER EQUITY

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Capital Reserve			
Opening Balance	3.02	3.02	3.02
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	**3.02**	**3.02**	**3.02**
Securities Premium:			
Opening Balance	334.92	334.92	334.92
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	**334.92**	**334.92**	**334.92**
General Reserve:			
Opening Balance	91.59	91.59	91.59
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	**91.59**	**91.59**	**91.59**
Surplus in Statement of Profit and Loss			
Opening Balance	1,093.90	887.51	814.58
Add: Profit after Tax	555.71	210.48	77.02
Less: Dividend paid	(3.40)	(3.40)	(3.40)
Less: Dividend Distribution tax paid	-	(0.69)	(0.69)
Closing Balance	**1,646.21**	**1,093.90**	**887.51**
Other Comprehensive Income:			
Opening Balance	(5.48)	(5.11)	-
Additions during the year	(9.56)	(0.37)	(5.11)
Deletions during the year	-	-	-
Closing Balance	**(15.04)**	**(5.48)**	**(5.11)**
Total	**2,060.70**	**1,517.95**	**1,311.93**

<u>Nature and purpose of reserves</u>

Capital Reserve: The above capital reserve represents the difference between the net assets acquired and the carrying value of investment in the wholly owned subsidiary on merger.

General Reserve: Represents appropriation from one component of equity to another, not being an item of Other Comprehensive Income.

Securities Premium: Represents the premium on issue of equity shares.

Surplus in Statement of Profit and Loss: Represents retained earnings to the extent not appropriated to the general reserve or distributed otherwise.
Items of Other Comprehensive Income

Items of Other Comprehensive Income
i) Re-measurement of Net Defined Benefit Plan: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income.

NOTE NO 12 BORROWINGS

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Secured			
From Banks	93.69	-	-
From Others	4.01	5.53	-
Total	**97.70**	**5.53**	**-**

Sub ordinated debt from Small Industries Development Bank of India (SIDBI)
Company obtained a unsecured loan from SIDBI for Rs 100 million during March 2013 with an interest rate of 15.75%. The loan was classified as sub-ordinate debt under Growth and assistance scheme for MSME
The loan was to be repaid in 60 monthly installments after a initial moratorium period of 24 months. The entire loan was repaid by Feb 2020 as per the repayment terms provided in the sanction letter.

Term loan from State Bank of India (SBI)
State Bank of India has sanctioned Guaranteed Emergency Credit Line (GECL) of Rs 50.4 million to the company during March 2021. The loan is for the Covid assistance and is under Government Guarantee. It is also secured by a pari-passu charge over the primary and collateral securities along with other lenders under the Multiple Banking Arrangement.

The Loan is repayable in 36 monthly installments after 12 months of moratorium and interest rate for the loan is 0.75% above the EBLR, maximum interest rate being 9.25%. Effective rate at the time sanctioning the loan is 7.40%.

Term loan from Housing Development Finance Corporation (HDFC) Bank
HDFC sanctioned a term loan of Rs. 360 million Crores during the Financial year 2020 21. The loan is repayable in 5 years with an initial moratorium period of 1 year .Interest rate for the loan is 9.25%.The term loan is secured by first ranking pari-passu charge on all the moving fixed assets of the Company with the other banks as primary security and pari-passu charge on the land and building at H-9. SIPCOT IT Park, Siruseri, Chennai – 603103, personal guarantee of the directors.

The company has drawn upto Rs 50 million out of the above term loan sanctioned upto March 2021.

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 13 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Lease Liabilities	24.35	38.46	59.29
Total	**24.35**	**38.46**	**59.29**

NOTE NO 14 NON CURRENT PROVISIONS

Particulars	Non Current		
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Provision for Gratuity	75.93	50.08	42.34
Provision for Compensated absences	9.22	6.30	5.44
Total	**85.15**	**56.38**	**47.78**

NOTE NO 21 CURRENT PROVISIONS

Particulars	Current		
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Provision for Gratuity	5.87	14.01	13.63
Provision for Compensated absences	1.27	0.84	0.76
Provision for Corporate social responsibility	2.45	-	-
Total	**9.59**	**14.85**	**14.39**

NOTE NO 15 DEFERRED TAX LIABILITY/ (ASSET)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
A.Deferred Tax Liabilities:			
Property Plant and Equipment	26.49	26.48	29.83
Right of Use Assets	8.11	13.51	17.09
Total Deferred Tax Liabilities (A)	**34.60**	**39.99**	**46.92**
B.Deferred Tax Assets:			
Expenditure allowable only on payment basis	16.53	17.47	19.99
Lease Liabilities	9.94	14.92	17.63
Total Deferred Tax Assets (B)	**26.47**	**32.39**	**37.62**
Deferred Tax Liability /(Asset) / (Net) (A-B)	**8.13**	**7.60**	**9.30**

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Opening Balance	7.60	9.30	17.48
Recognized in Profit and loss statement	0.53	(1.70)	(8.18)
Recognized in Other comprehensive Income	-	-	-
Closing Balance	**8.13**	**7.60**	**9.30**

NOTE NO 16 NON CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Contract Liabilities	273.68	143.24	251.89
Total	**273.68**	**143.24**	**251.89**

NOTE NO 17 BORROWINGS

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Secured Loans repayable on demand from Banks			
(i) Working capital demand loans	212.96	369.17	421.48
Unsecured Loans			
From Banks	2.91	26.52	-
From Directors	5.11	138.45	160.07
From Others	5.76	64.44	-
Total	**226.74**	**598.58**	**581.55**

Working capital facility represents facilities availed from Banks secured by charge on book debts and inventory and first charge on entire assets of the company both present and future. The credit facility is also personally guaranteed by two promoter directors of the company

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 18 TRADE PAYABLES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Trade Payables			
- Total outstanding dues of Micro and Small Enterprises	2.37	5.45	13.80
- Total outstanding dues of creditors other than Micro and Small Enterprises	117.58	167.13	144.81
Total	**119.95**	**172.58**	**158.61**

The Company has certain dues to Suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).
The information required to be disclosed under Micro Small & Medium Enterprises Development Act, 2006 (The MSMED Act) has been determined to the
The disclosure pursuant to said MSMED Act are as follows :

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
(i) The amounts remaining unpaid to suppliers as at the end of the year			
Principal	2.37	5.45	13.80
Interest	-	0.01	0.01
(ii) The amount of interest paid to the buyer in terms of Section 16 of the MSMED Act 2006	1.16	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	29.69	19.15
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	1.15	0.33
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	1.16	0.34
(v)The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due 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	-	1.16	-

NOTE NO 19 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Lease Liability	15.15	20.83	10.77
Current Maturities of Long term Debts	7.77	1.55	19.78
Interest Payable	-	15.81	0.12
Payable to employees	33.27	52.97	31.70
Expenses Payable	6.78	10.37	4.16
Total	**62.97**	**101.53**	**66.53**

NOTE NO 20 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Contract Liabilities	191.31	187.74	185.67
Statutory Dues	55.10	36.96	62.05
Other Current Liabilities	-	-	-
Total	**246.41**	**224.70**	**247.72**

NOTE NO 22 CURRENT TAX LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Provision for Income tax (Net off Advance tax and TDS)	51.34	55.23	8.28
Total	**51.34**	**55.23**	**8.28**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 23 REVENUE FROM CONTRACT WITH CUSTOMERS

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Sale of products	1,961.59	1,430.23	1,148.48
Sale of Services	277.91	130.75	162.15
Total	**2,239.50**	**1,560.98**	**1,310.63**

NOTE NO 24 OTHER INCOME

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Interest Income from Banks deposits	21.67	25.47	13.34
Interest Income from Other deposits	0.53	0.17	1.12
Foreign Exchange Gain (Net)	2.56	13.52	-
Profit on Sale of Fixed Asset	-	1.78	-
Reversal of excess amortization on leasehold land	1.24	-	-
Total	**26.00**	**40.94**	**14.46**

NOTE NO 25 COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Opening Stock of Raw materials	407.21	451.17	308.20
Add: Purchases	647.34	488.17	597.28
Less: Closing Stock of Raw materials	424.77	407.21	451.17
Consumption of Raw Materials	**629.78**	**532.13**	**454.31**

NOTE NO 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
A.Increase/(Decrease)in Inventories			
A. Opening Stock			
Work-in-progress	157.66	106.60	175.94
Finished Stocks	229.27	309.09	274.91
	386.93	**415.69**	**450.85**
B. Closing Stock			
Work-in-progress	171.84	157.66	106.60
Finished Stocks	140.84	229.27	309.09
	312.68	**386.93**	**415.69**
Change in Stock (A -B)	**74.25**	**28.76**	**35.16**
Changes in inventories of finished goods, work in progress and Stock-in- trade	**74.25**	**28.76**	**35.16**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

NOTE NO 27 EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Salaries and wages	419.07	364.21	323.39
Directors' Remuneration	12.64	11.58	10.00
Company's Contribution to Provident and other funds	28.98	26.94	24.84
Staff welfare expenses	23.52	19.98	18.26
Total	**484.21**	**422.71**	**376.49**

NOTE NO 28 FINANCE COST

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Interest on Borrowings	86.10	80.47	76.44
Other Borrowing cost	51.34	43.71	23.78
Interest on Lease Liability	4.55	6.13	7.53
Interest on Income tax	3.03	3.12	0.02
Total	**145.02**	**133.43**	**107.77**

NOTE NO 29 DEPRECIATION / AMORTIZATION

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Depreciation on PPE / Amortization of Intangible assets	33.01	30.06	35.89
Amortization of Right of Use Assets	22.51	24.72	22.68
Total	**55.52**	**54.78**	**58.57**

NOTE NO 30 OTHER EXPENSES

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Power and Fuel	23.69	25.23	23.46
Rent	3.93	3.73	2.05
Repairs and Maintenance	17.68	15.47	15.51
Rates and Taxes	7.86	2.84	1.52
Insurance	3.29	1.55	1.18
Travelling Expenses	14.40	24.14	22.69
Printing and Stationery	1.96	2.51	2.30
Communication Expenses	2.77	2.52	2.75
Freight, Packing and Forwarding	1.66	3.00	1.62
Subscription	0.07	0.14	0.27
Housekeeping and security charges	7.67	6.67	6.70
Legal and Professional Expenses	25.76	29.06	22.70
Auditor's remuneration (Refer note below)	1.20	1.20	1.08
Foreign Exchange Loss (Net)	-	-	0.39
Loss on Sale of Asset	-	-	0.02
Business Promotion Expenses	3.33	9.50	12.56
Unrecoverable Debts- written off	9.99	14.84	66.19
Provision for advances	-	-	1.28
Corporate social responsibility cost	2.95	0.50	-
Miscellaneous Expenses	3.17	2.92	4.93
Total	**131.38**	**145.82**	**189.20**

Particulars	For the Year ended 31/03/2021	For the Year ended 31/03/2020	For the Year ended 31/03/2019
Auditor's remuneration:			
As statutory audit fee	1.20	1.20	1.00
Reimbursement of expenses	-	-	0.08
	1.20	**1.20**	**1.08**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Reconciliation between Total equity as reported under previous GAAP and Restated Financial Information

Particulars	Note Reference	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
Total Equity as per Previous GAAP		1,542.90	1,334.43	1,266.06
Financial asset measured at amortised cost	Note 1	(3.75)	(3.89)	(5.01)
Impact of EIR of borrowings measured at amortised cost	Note 2	-	0.02	0.06
Impact on account of lease accounting as per Ind AS 116	Note 3	(4.20)	(1.63)	-
Total Equity as reported in Restated Financial Information		**1,534.95**	**1,328.93**	**1,261.11**

Explanatory notes

Note 1
Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised in retained earnings. The security deposits have been subsequently amortised under effective interest rate method.

Note 2
Under Indian GAAP, the transaction costs related to borrowings were recognised upfront on disbursal and amortised over a period of loan in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest rate method in the statement of profit and loss.

Note 3

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

Reconciliation between Profit as previously reported under previous GAAP and Total comprehensive Income as per Restated Financial Information

Particulars	Note Reference	For the year ended 31-03-2020	For the year ended 31-03-2019
Profit as reported under previous GAAP		212.55	72.46
Actuarial gain/losses on remeasurement of the Defined benefit obligation (Net off tax)	Note 1	0.37	5.11
Financial asset measured at amortised cost	Note 2	0.17	1.12
Impact of EIR of borrowings measured at amortised cost	Note 3	(0.02)	(0.04)
Impact on account of lease accounting as per Ind AS 116	Note 4	(2.59)	(1.63)
Total Ind AS Adjustments in Statement of Profit and Loss		**(2.07)**	**4.56**
Other Comprehensive income			
Actuarial gain/losses on remeasurement of the Defined benefit obligation (Net off tax)	Note 1	(0.37)	(5.11)
Total Comprehensive Income as per Restated Financial Information		**210.11**	**71.91**

Note 1

Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements of actuarial gains and losses on the defined benefit obligations are recognised in other comprehensive income instead of the statement of profit and loss.

Note 2

Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised in retained earnings. The security deposits have been subsequently amortised under effective interest rate method.

Note 3

Under Indian GAAP, the transaction costs related to borrowings were recognised upfront on disbursal and amortised over a period of loan in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest rate method in the statement of profit and loss.

Note 4

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

DATA PATTERNS (INDIA) LIMITED

(Formerly known as Indus Teqsite Private limited)

Notes to Restated Financial Information

All figures are in INR Millions unless specifically stated otherwise

Reconciliation between Cash flows as reported under previous GAAP and Restated Financial Information

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
As per Previous GAAP		
Net cash generated from/(used in) operating activities*	106.73	(73.00)
Net cash generated from/(used in) investing activities	14.10	4.29
Net cash generated from/(used in) financing activities*	(108.84)	50.52
Net increase/(decrease) in cash and cash equivalents	**11.99**	**(18.19)**
As per IND AS		
Net cash generated from/(used in) operating activities*	134.14	(44.96)
Net cash generated from/(used in) investing activities	14.10	4.29
Net cash generated from/(used in) financing activities*	(136.25)	22.49
Net increase/(decrease) in cash and cash equivalents	**11.99**	**(18.19)**
Effect of Transition to Ind AS		
Net cash generated from/(used in) operating activities*	27.41	28.04
Net cash generated from/(used in) investing activities	-	-
Net cash generated from/(used in) financing activities*	(27.41)	(28.04)
Net increase/(decrease) in cash and cash equivalents	-	-

Difference is due to presentation of lease liability payments under financing activity

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Reconciliation of Restated statement of assets and liabilities with IGAAP Financial statements

Particulars	IGAAP Financial Statements		Ind AS Adjustments / Reclassifications		Restated Financial Information	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	278.21	294.21	-	-	278.21	294.21
(b) Intangible Assets	1.59	2.33	-	-	1.59	2.33
(c) Right of Use Assets	-	-	53.68	67.89	53.68	67.89
(d) Other Financial Assets	468.50	394.26	(3.75)	(3.89)	464.75	390.37
	748.30	**690.80**	**49.93**	**64.00**	**798.23**	**754.80**
Current assets						
(a) Inventories	794.14	866.86	-	-	794.14	866.86
(b) Financial Assets			-	-	-	-
(i) Trade receivables	1,156.34	1,029.40	-	-	1,156.34	1,029.40
(ii) Cash and cash equivalents	15.11	3.12	-	-	15.11	3.12
(iii) Other Bank balances	-	-	-	-	-	-
(iv) Other Financial Assets	37.24	3.05	-	-	37.24	3.05
(c) Other current assets	152.57	117.04	-	-	152.57	117.04
	2,155.40	**2,019.47**	**-**	**-**	**2,155.40**	**2,019.47**
TOTAL	**2,903.70**	**2,710.27**	**49.93**	**64.00**	**2,953.63**	**2,774.27**
EQUITY AND LIABILITIES						
Equity						
(a) Share capital	17.00	17.00	-	-	17.00	17.00
(b) Other Equity	1,525.90	1,317.43	(7.95)	(5.50)	1,517.95	1,311.93
	1,542.90	**1,334.43**	**(7.95)**	**(5.50)**	**1,534.95**	**1,328.93**
Liabilities						
Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	5.53	-	-	-	5.53	-
(ii) Other Financial Liabilities	-	-	38.46	59.29	38.46	59.29
(b) Provisions	56.38	47.78	-	-	56.38	47.78
(c) Deferred Tax Liability (Net)	9.01	9.84	(1.41)	(0.54)	7.60	9.30
(d) Other Non Current liabilities	143.24	251.89	-	-	143.24	251.89
	214.16	**309.51**	**37.05**	**58.75**	**251.21**	**368.26**
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	598.58	581.55	-	-	598.58	581.55
(ii) Trade payables			-	-	-	-
(a) Total outstanding dues of micro and small enterprises	5.45	13.80	-	-	5.45	13.80
(b) Total outstanding dues of creditors other than micro and small enterprises	167.13	144.81	-	-	167.13	144.81
(iii) Other Financial Liabilities	80.70	55.78	20.83	10.75	101.53	66.53
(b) Other current liabilities	224.70	247.72	-	-	224.70	247.72
(c) Provisions	14.85	14.39	-	-	14.85	14.39
(d) Current tax Liabilities	55.23	8.28	-	-	55.23	8.28
	1,146.64	**1,066.33**	**20.83**	**10.75**	**1,167.47**	**1,077.08**
TOTAL	**2,903.70**	**2,710.27**	**49.93**	**64.00**	**2,953.63**	**2,774.27**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

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Reconciliation of Restated statement of Profit and Loss with IGAAP Financial statements

Particulars	IGAAP Financial Statements		Ind AS Adjustments / Reclassifications		Restated Financial Information	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
I. Revenue from Contract with Customers	1,560.98	1,310.63	-	-	1,560.98	1,310.63
II. Other Income	40.77	13.34	0.17	1.12	40.94	14.46
III. Total Revenue	**1,601.75**	**1,323.97**	**0.17**	**1.12**	**1,601.92**	**1,325.09**
IV. Expenses:						
a) Cost of materials consumed	532.13	454.31	-	-	532.13	454.31
b) Changes in inventories of finished goods, work in progress and stock-in-trade	28.76	35.16	-	-	28.76	35.16
c) Employee benefits expenses	423.20	383.57	(0.49)	(7.08)	422.71	376.49
d) Finance cost	127.27	100.20	6.16	7.57	133.43	107.77
e) Depreciation / amortization	30.06	35.90	24.72	22.67	54.78	58.57
f) Other expenses	173.23	217.23	(27.41)	(28.03)	145.82	189.20
Total Expenses	**1,314.65**	**1,226.37**	**2.98**	**(4.87)**	**1,317.63**	**1,221.50**
V. Profit before tax	287.10	97.60	(2.81)	5.99	284.29	103.59
VI. Tax expense:						
a) Income Tax	75.38	31.97	0.13	1.97	75.51	33.94
b) Tax pertaining to earlier years		0.81	-	-	-	0.81
c) Deferred Tax	(0.83)	(7.64)	(0.87)	(0.54)	(1.70)	(8.18)
VII. Profit(Loss)for the period	**212.55**	**72.46**	**(2.07)**	**4.56**	**210.48**	**77.02**
VIII. Other Comprehensive Income						
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:						
Re-measurement Gain / (Loss) on Defined Benefit Obligations	-	-	(0.49)	(7.08)	(0.49)	(7.08)
Income tax Effect on above	-	-	0.12	1.97	0.12	1.97
Other Comprehensive Income/(Loss) for the Year	**-**	**-**	**(0.37)**	**(5.11)**	**(0.37)**	**(5.11)**
IX. Total Comprehensive Income for the year	**212.55**	**72.46**	**(2.44)**	**(0.55)**	**210.11**	**71.91**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Reconciliation between Total equity as reported under Annual financial statements and Restated financial Information

Particulars	Note Reference	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 01st April 2018
Total Equity as per annual financial statements		2,079.35	1,536.72	1,330.56	1,261.11
Impact on account of lease accounting as per Ind AS 116	Note 1	(1.65)	(1.77)	(1.63)	-
Total Equity as per Restated financial Information		**2,077.70**	**1,534.95**	**1,328.93**	**1,261.11**

Explanatory notes

Note 1

Under the annual financial statements, Right of Use assets and lease liabilities were recognized as at 01st April 2019 (being the date of transition) for the remaining lease period as per Ind AS 101. Under the restated financial information, the Right of Use assets and lease liabilities were recognized as at 01st April 2018 (being the date of transition).

Reconciliation between Total comprehensive income as reported under Annual financial statements and Restated financial Information

Particulars	Note Reference	For the year ended 31-03-2021	For the year ended 31-03-2020	For the year ended 31-03-2019
Total comprehensive Income as per annual financial statements		546.03	210.26	73.54
Impact on account of lease accounting as per Ind AS 116	Note 1	0.12	(0.15)	(1.63)
Total Comprehensive Income as per Restated financial Information		**546.15**	**210.11**	**71.91**

Note 1

Under the annual financial statements, Right of Use assets and lease liabilities were recognized as at 01st April 2019 (being the date of transition) for the remaining lease period as per Ind AS 101. Under the restated financial information, the Right of Use assets and lease liabilities were recognized as at 01st April 2018 (being the date of transition).

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Reconciliation between Annual and Restated Financial statements - Statement of Assets and Liabilities

Particulars	Annual Financial statements			Adjustments / Reclassification			Restated Financial Information		
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
ASSETS									
Non-current assets									
(a) Property, Plant and Equipment	292.08	278.21	294.21	-	-	-	292.08	278.21	294.21
(b) Intangible Assets	5.55	1.59	2.33	-	-	-	5.55	1.59	2.33
(c) Right of Use Assets	34.42	56.05	70.06	(2.21)	(2.37)	(2.17)	32.21	53.68	67.89
(d) Other Financial Assets	340.71	464.75	390.37	-	-	-	340.71	464.75	390.37
	672.76	**800.60**	**756.97**	**(2.21)**	**(2.37)**	**(2.17)**	**670.55**	**798.23**	**754.80**
Current assets									
(a) Inventories	737.45	794.14	866.86	-	-	-	737.45	794.14	866.86
(b) Financial Assets									
(i) Trade receivables	1,559.35	1,156.34	1,029.40	-	-	-	1,559.35	1,156.34	1,029.40
(ii) Cash and cash equivalents	88.06	15.11	3.12	-	-	-	88.06	15.11	3.12
(iii) Other Bank balances	-	-	-	-	-	-	-	-	-
(iv) Other Financial Assets	50.96	37.24	3.05	-	-	-	50.96	37.24	3.05
(c) Other current assets	177.34	152.57	117.04	-	-	-	177.34	152.57	117.04
	2,613.16	**2,155.40**	**2,019.47**	**-**	**-**	**-**	**2,613.16**	**2,155.40**	**2,019.47**
TOTAL	**3,285.92**	**2,956.00**	**2,776.44**	**(2.21)**	**(2.37)**	**(2.17)**	**3,283.71**	**2,953.63**	**2,774.27**
EQUITY AND LIABILITIES									
Equity									
(a) Share capital	17.00	17.00	17.00	-	-	-	17.00	17.00	17.00
(b) Other Equity	2,062.35	1,519.72	1,313.56	(1.65)	(1.77)	(1.63)	2,060.70	1,517.95	1,311.93
	2,079.35	**1,536.72**	**1,330.56**	**(1.65)**	**(1.77)**	**(1.63)**	**2,077.70**	**1,534.95**	**1,328.93**
Liabilities									
Non-current liabilities									
(a) Financial Liabilities									
(i) Borrowings	97.70	5.53	-	-	-	-	97.70	5.53	-
(ii) Other Financial Liabilities	24.35	38.46	59.29	-	-	-	24.35	38.46	59.29
(b) Provisions	85.15	56.38	47.78	-	-	-	85.15	56.38	47.78
(c) Deferred Tax Liability (Net)	8.69	8.20	9.84	(0.56)	(0.60)	(0.54)	8.13	7.60	9.30
(d) Other Non Current liabilities	273.68	143.24	251.89	-	-	-	273.68	143.24	251.89
	489.57	**251.81**	**368.80**	**(0.56)**	**(0.60)**	**(0.54)**	**489.01**	**251.21**	**368.26**
Current liabilities									
(a) Financial Liabilities									
(i) Borrowings	226.74	598.58	581.55	-	-	-	226.74	598.58	581.55
(ii) Trade payables	-	-	-	-	-	-	-	-	-
(a) Total outstanding dues of micro and small enterprises	2.37	5.45	13.80	-	-	-	2.37	5.45	13.80
(b) Total outstanding dues of creditors other than micro and small enterprises	117.58	167.13	144.81	-	-	-	117.58	167.13	144.81
(iii) Other Financial Liabilities	62.97	101.53	66.53	-	-	-	62.97	101.53	66.53
(b) Other current liabilities	246.41	224.70	247.72	-	-	-	246.41	224.70	247.72
(c) Provisions	9.59	14.85	14.39	-	-	-	9.59	14.85	14.39
(d) Current tax Liabilities	51.34	55.23	8.28	-	-	-	51.34	55.23	8.28
	717.00	**1,167.47**	**1,077.08**	**-**	**-**	**-**	**717.00**	**1,167.47**	**1,077.08**
TOTAL	**3,285.92**	**2,956.00**	**2,776.44**	**(2.21)**	**(2.37)**	**(2.17)**	**3,283.71**	**2,953.63**	**2,774.27**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

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Reconciliation between Annual and Restated Financial statements - Statement of Profit and Loss

	Annual Financial statements			Adjustments / Reclassification			Restated Financial Information		
Particulars	**For the year ended 31st March 2021**	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**	**For the year ended 31st March 2021**	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**	**For the year ended 31st March 2021**	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
I. Revenue from Contract with Customers	2,239.50	1,560.98	1,310.63	-	-	-	2,239.50	1,560.98	1,310.63
II. Other Income	26.00	40.94	14.46	-	-	-	26.00	40.94	14.46
III. Total Revenue	**2,265.50**	**1,601.92**	**1,325.09**	**-**	**-**	**-**	**2,265.50**	**1,601.92**	**1,325.09**
IV. Expenses:									
a) Cost of materials consumed	629.78	532.13	454.31	-	-	-	629.78	532.13	454.31
b) Changes in inventories of finished goods, work in progress and stock-in-trade	74.24	28.76	35.16	0.01	-	-	74.25	28.76	35.16
c) Employee benefits expenses	484.21	422.71	383.57	-	-	(7.08)	484.21	422.71	376.49
d) Finance cost	145.02	133.43	100.23	-	-	7.54	145.02	133.43	107.77
e) Depreciation / amortization	55.68	54.57	35.90	(0.16)	0.21	22.68	55.52	54.78	58.57
f) Other expenses	131.39	145.82	217.23	(0.01)	-	(28.04)	131.38	145.82	189.20
Total Expenses	**1,520.32**	**1,317.42**	**1,226.40**	**(0.16)**	**0.21**	**(4.90)**	**1,520.16**	**1,317.63**	**1,221.50**
V. Profit before tax	745.18	284.50	98.69	0.16	(0.21)	4.90	745.34	284.29	103.59
VI. Tax expense:									
a) Income Tax	189.10	75.51	31.97	-	-	1.97	189.10	75.51	33.94
b) Tax pertaining to earlier years			0.81	-	-	-	-	-	0.81
c) Deferred Tax	0.49	-1.64	(7.63)	0.04	(0.06)	(0.55)	0.53	(1.70)	(8.18)
VII. Profit(Loss)for the period	**555.59**	**210.63**	**73.54**	**0.12**	**(0.15)**	**3.48**	**555.71**	**210.48**	**77.02**
VIII. Other Comprehensive Income									
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:									
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)	(12.77)	(0.49)	-	-	-	(7.08)	(12.77)	(0.49)	(7.08)
Income tax Effect	3.21	0.12	-	-	-	1.97	3.21	0.12	1.97
Other Comprehensive Income/(Loss) for the Year	**(9.56)**	**(0.37)**	**-**	**-**	**-**	**(5.11)**	**(9.56)**	**(0.37)**	**(5.11)**
IX. Total Comprehensive Income for the year	**546.03**	**210.26**	**73.54**	**0.12**	**(0.15)**	**(1.63)**	**546.15**	**210.11**	**71.91**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 31 Income tax and Deferred tax

Income tax recognized in statement of Profit and loss

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income tax expense			
Current period	189.10	75.51	33.94
Changes in estimates related to prior years	-	-	0.81
Deferred tax expense			
Origination and reversal of temporary differences	0.53	(1.70)	(8.18)
Income tax expense	**189.63**	**73.81**	**26.57**

Income tax recognized in Other comprehensive Income

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income tax expense			
Remeasurement of the net defined benefit liability/(asset)	(3.21)	(0.12)	(1.97)
Deferred tax expense			
Origination and reversal of temporary differences	-	-	-
Income tax expense	**(3.21)**	**(0.12)**	**(1.97)**

Reconciliation of estimated income tax to income tax expense

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit before tax as shown in the Statement of Profit and Loss	745.34	284.29	103.59
Income not chargable to tax/ expenses not deductible	(6.75)	15.21	11.31
Total Taxable income	**738.59**	**299.50**	**114.90**
Income tax at the rates applicable	185.89	75.39	31.97
Current tax in Profit and Loss	189.10	75.51	33.94
Tax effect on items recognized in Other comprehensive Income	(3.21)	(0.12)	(1.97)
	185.89	**75.39**	**31.97**

Note No 32 Contingent Liabilities and commitments

Particulars	As at 31 March, 2021	As at 31 March 2020	As at 31st March 2019
Contingent liabilities:			
Disputed Demands under Appeals			
i) Sales Tax	12.14	6.38	6.38
ii) Service Tax	4.76	4.76	4.76
iii) Income Tax	13.81	13.81	-

Sales tax and service tax demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Uncertainity over Income tax treatment
The Company has on-going disputes with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

Bank Guarantees

Particulars	As at 31 March, 2021	As at 31 March 2020	As at 31st March 2019
Bank Guarantees given	1,315.89	1,178.64	1,045.52

B Commitments

Particulars	As at 31 March, 2021	As at 31 March 2020	As at 31st March 2019
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	306.80	-	-

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 33 Employee benefit plans

a) Defined contribution plans

The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	For the year ended		
	31st March 2021	31st March 2020	31st March 2019
Contribution to provident fund recognised in statement of profit and loss	19.08	17.26	14.28

b) Defined benefit plans

Gratuity liability has been provided based on the actuarial valuation carried out at the year end.
The company has a gratuity scheme in respect of which company's contribution is funded through an approved trust fund.

The details of actuarial valuation in respect of Gratuity is furnished hereunder:

	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Change in Defined Benefit Obligation (DBO) during the year:			
Present value DBO at the beginning of the year	**65.79**	**58.89**	**47.42**
Service cost	4.59	4.37	4.81
Interest cost	4.47	4.50	3.67
Remeasurement(gain)/loss	-	-	
Actuarial (gain)/loss arising from experience and financial adjustments	12.64	0.54	6.74
Benefits paid	(1.73)	(2.51)	(3.75)
Present value DBO at the end of the year	**85.76**	**65.79**	**58.89**
ii) Change in fair value of plan assets during the year:			
Fair value of plan assets as at beginning of the year	**1.70**	**2.92**	**3.72**
Expected return on planned assets	0.12	0.23	0.28
Contributions	(0.12)	0.06	(0.33)
Benefits paid	4.00	1.00	3.00
Re-measurement gain/(loss)	(1.73)	(2.51)	(3.75)
Fair value of plan asset at the end of the year	**3.97**	**1.70**	**2.92**
iii) Amount recognised in the balance sheet			
Present value DBO at the end of the year	85.76	65.79	58.89
Fair value of the plan assets at the end of the year	3.97	1.70	2.92
(Liability) / Asset recognised in the Balance sheet - net	**(81.79)**	**(64.09)**	**(55.97)**
iv) Components of employer expenses:			
Current service cost	4.59	4.37	4.81
Interest cost/ (income) on net defined benefit obligation	4.47	4.50	3.67
Expense recognised in Statement of Profit t and Loss	**9.06**	**8.87**	**8.48**
v) Re-measurement on the net defined benefit obligation			
Return on plan assets (excluding interest income)	(0.13)	0.05	(0.34)
Actuarial loss arising from changes in financial assumptions	0.13	4.30	(0.14)
Actuarial loss arising from changes in experience adjustments	12.51	(3.76)	6.88
Re-measurements recognised in other comprehensive income	**12.77**	**0.49**	**7.08**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Financial Statements for the year ended 31st March 2021
All figures are in INR Millions unless specifically stated otherwise

ASSUMPTIONS
The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
Discount rate	7.8%	7.8%	7.8%
Expected rate of return	6.9%	6.9%	7.8%
Expected salary increment	5.0%	5.0%	5.0%
Attrition rate	5.0%	5.0%	5.0%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate		

Sensitivity analysis - DBO at the end of the year

		As at 31st March, 2021	**As at 31st March, 2020**	**As at 31st March, 2019**
i	Discount -1%	(6.15)	(4.73)	(3.80)
ii	Discount +1%	7.14	5.48	4.41
iii	Escalation -1%	3.92	4.87	4.00
iv	Escalation +1%	(5.53)	(1.55)	(3.59)
v	Mortality x 95%	-	-	-
vi	Mortality x 105%	-	-	-
vii	Attrition x 95%	1.18	0.87	1.10
viii	Attrition x 105%	(1.34)	(0.99)	(1.25)
ix	Rs.1,000,000 Benefit Ceiling	-	-	-
x	No Benefit Ceiling	-	-	-

	As at 31st March, 2021	**As at 31st March, 2020**	**As at 31st March, 2019**
Weighted average duration of DBO (in years)	10	10	10
Expected cash flows			
1 Expected employer contribution in the next year			
2 Expected benefit payments			
Year 1	5.87	4.96	10.24
Year 2	9.55	4.04	4.25
Year 3	9.46	6.57	3.43
Year 4	6.13	41.31	5.76
Year 5	13.33	4.56	7.56
Beyond 5 years	125.84	101.46	92.07

The Company is exposed to various risks in providing gratuity benefit which are as follows:

(a) Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(b) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(c) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

Note No 34 Earnings per share

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Profit after taxation	555.71	210.48	77.02
Weighted average number of equity shares outstanding during the period (In Millions) **(Refer Note below)**	46.74	46.74	46.74
Basic and diluted earnings per share- (Face value – Rs.10/- per share) (In INR)	**12**	**5**	**2**

Note:

*The shareholders of the company vide its Annual General meeting held on 12th August 2021 have approved the following

a) Sub Division of nominal value of equity shares with Face value of Rs 10 each to Face value of Rs 2 each
b) Issue of Bonus shares in the ratio of 1:4 (i.e 4 fully paid up equity share for every 1 equity share held)

The shareholders of the company vide its extra ordinary general meeting held on 03rd September 2021 have approved the following
a) Issue of Bonus shares in the ratio of 10:1 (i.e 1 fully paid up equity share for every 10 equity share held)

The Basic and Diluted Earnings per share have been calculated considering the above changes in the number of shares for all the prior periods reported.

Note No 35 Details on unhedged foreign currency exposures

Particulars	Currency	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Amount receivable in foreign currency - Exports	USD	1.54	0.09	0.45
	GBP	0.19	0.34	0.31
Amount payable in foreign currency - Imports	USD	1.21	1.59	1.42
	EUR	0.01	0.03	0.00
	GBP	0.00	0.01	0.00

Note No 36 Segment Reporting

The Chief Operating Decision Maker (CODM) has considered manufacture ,sale and service of defence electronics as the single segment of operation.

A. Information about geographical areas

Net sales to customers by geographic area for the year ended is listed below

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	1,815.66	1,455.63	1,190.59
(b) Outside India	423.84	105.35	120.04
	2,239.50	**1,560.98**	**1,310.63**

The company does not own any non current assets outside India

B.Information about major customers

Customers individually accounting for more than 10% of the revenues of the company for the years ended March 31, 2021, 31st March 2020 and 31st March 2019 is listed below

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
No of customers	3	2	3
% of Revenue from above customers to total revenue from operations	49%	69%	53%

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Note No 37 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The funding requirements are met through internal accruals, long-term and short-term borrowings.

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The following table summarizes the capital of the Company:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**	**As at 31st March 2019**
Total equity	**2,077.70**	**1,534.95**	**1,328.93**
Non Current Borrowings	97.70	5.53	-
Current Borrowings	226.74	598.58	581.55
Current Maturities of Long term Debts (Included in Financial Liabilities)	7.77	1.55	19.78
Total Debt	**332.21**	**605.66**	**601.33**
Total Capital (Equity + Debt)	**2,409.91**	**2,140.61**	**1,930.26**
Equity as a % of total capital	86	72	69
Debt as a % of total capital	14	28	31

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 38 Financial instruments

Categories of financial instruments

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March 2019
A. Financial assets			
Measured at Fair value through profit or loss (FVTPL):	-	-	-
Measured at Fair value through Other comprehensive Income (FVTOCI):	-	-	-
Measured at Amortised cost:			
Security Deposits	15.62	23.20	22.93
Margin Money Deposits	326.59	441.55	367.44
Trade Receivables	1,559.35	1,156.34	1,029.40
Cash and Cash Equivalents	88.06	15.11	3.12
Advances to Employees	4.37	2.13	1.76
Interest accrued but not due	36.05	35.11	1.29
Other advances	1.82	-	-
Other Receivables	7.22	-	-
	2,039.08	**1,673.44**	**1,425.94**
B. Financial liabilities			
Measured at Amortised cost			
Borrowings	324.44	604.11	581.55
Trade Payables	119.95	172.58	158.61
Other Financial Liabilities	87.32	139.98	125.82
	532.71	**916.67**	**865.98**

The total carrying values of the above financial assets and liabilties are equal to their fair values as at their respective reporting date.

Financial risk management objectives
The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates and price risk) as a result of financial instruments.
Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the Company's Risk Management framework.

The Company has an established Risk Management Policy that outlines risk management structure and provides a comprehensive frame work for identification, evaluation, prioritization, treatment of various risks associated with different areas of finance and operations

Credit Risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.
Significant amount of trade receivables are due from Government /Government Departments and Public sector undertakings (PSU) consequent to which the Company does not have a credit risk associated with such receivables.The impairment of trade receivables is based on modified expected credit loss model. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 37
The cash and cash equivalents and margin money deposits are held with banks. The Company has not incurred any losses on account of default from banks on deposits.

Liquidity Risk
Liquidity Risk is the risk that the company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fullfil its commitments. The company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the Company has access to shortterm bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The table below analyses the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

As at 31st March 2021

Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	226.74	-	-
Non Current Borrowings		30.60	67.11
Trade Payables	119.95	-	-
Financial Liabilities (Other than Lease Liabilities)	47.82	-	-
Lease Liabilities	15.15	13.36	10.99

As at 31st March 2020

Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	598.58	-	-
Non Current Borrowings		1.52	4.01
Trade Payables	172.58	-	-
Financial Liabilities (Other than Lease Liabilities)	80.70	-	-
Lease Liabilities	20.83	14.11	24.35

As at 31st March 2019

Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	581.55	-	-
Non Current Borrowings	-	-	-
Trade Payables	158.61	-	-
Financial Liabilities (Other than Lease Liabilities)	55.76	-	-
Lease Liabilities	10.77	20.83	38.46

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company's activities expose it to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk).

Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro etc. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The company's exposure to foreign currency risk in respect of major currencies is given below :

Particulars	Currency	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Amount receivable in foreign currency - Exports	USD	1.54	0.09	0.45
	GBP	0.19	0.34	0.31
Amount payable in foreign currency - Imports	USD	1.21	1.59	1.42
	EUR	0.01	0.03	0.00
	GBP	0.00	0.01	0.00

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 39 Related Party Disclosure

i) The list of related parties as identified by the management for disclosure as under

A) Key management personnel

Mr. Srinivasagopalan Rangarajan (Managing Director)
Mrs. Rekha Murthy Rangarajan (Whole Time Directoe)

B) Relatives of Key management personnel

Mrs. Vasundara Keshava Murthy

Related Party Transactions

The Company has identified all related parties and details of transactions are given below
The following transactions were carried out with the Related Parties.

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
Key Management Personnel (KMP)			
Directors' remuneration	12.65	11.58	10.00
Loans repaid	177.72	99.26	55.92
Loans received	-	75.92	200.57
Interest on loan	28.92	17.19	15.42
Dividend	2.38	2.38	2.38
Outstanding Balance	5.11	153.93	160.06
Relative of Key Management Personnel (KMP)			
Dividend	0.05	0.05	0.05

DATA PATTERNS (INDIA) LIMITED
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Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 40 Additional disclosures under IndAS 115

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information:

As the company operates in a single segment, reconciliation between segment revenue and revenue from contract with customers is not applicable

Reconciling the amount of revenue recognized in the Statement of Profit and Loss with the contracted price:

	For the year ended		
Particulars	**31st March 2021**	**31st March 2020**	**31st March 2019**
Revenue as per Contracted Price	2,239.50	1,560.98	1,310.63
Less: Discounts	-	-	-
Revenue as per Statement of Profit and Loss account	**2,239.50**	**1,560.98**	**1,310.63**

Timing of Revenue Recognition

	For the year ended		
Particulars	**31st March 2021**	**31st March 2020**	**31st March 2019**
Revenue recognized at a point in time	2,087.69	1,510.82	1,242.68
Revenue recognized over a period of time	151.81	50.16	67.95
Total	**2,239.50**	**1,560.98**	**1,310.63**

Recognition of contract liabilities	As at		
Particulars	**31st March 2021**	**31st March 2020**	**31st March 2019**
Contract liabilities at the beginning of the period	**330.98**	**437.56**	**371.87**
Add: Consideration received during the year as advance	380.40	237.53	342.83
Less : Revenue recognised during the period	(246.39)	(344.11)	(277.14)
Contract liabilities at the end of the period	**464.99**	**330.98**	**437.56**

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 41 Leases Disclosure:

The Company has lease contracts for Buildings, furniture and Vehicles used for Administrative purpose. . The Company applies the exemption available for ‘short-term leases wherever applicable.

Set out below are the carrying amounts of the lease liabilities included under financial liabilities and the movements during the period

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Opening Balance	**59.29**	**70.06**	**-**
Add: Recognized during the year	1.04	10.50	90.57
Add:Accretion of Interest	4.55	6.13	7.53
less: Lease Payments	(25.38)	(27.40)	(28.04)
Closing Balance	**39.50**	**59.29**	**70.06**
On the above			
Current	15.15	20.83	10.77
Non Current	24.35	38.46	59.29

Maturity Analysis of Lease liability	Less than one year	1-5 Years
As at 31st March 2021	15.15	24.35
As at 31st March 2020	20.83	38.46
As at 31st March 2019	10.77	59.29

Amount recognized in the statement of Profit and Loss during the year:

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2019
Depreciation on right -of use assets	22.51	24.72	22.68
Interest expenses on Lease liability	4.55	6.13	7.53
Expenses relating to short -term leases	3.93	3.73	2.05
Expenses related to low value assets	-	-	-
Total	**30.99**	**34.58**	**32.26**

Note No 42 Corporate Social responsibility:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Gross amount required to be spent by the company during the year	2.95	0.96	-
Amount spent	0.50	0.50	-

Note No 43 Impact on account of COVID 19:

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March 2020 to contain spread of COVID-19 virus, the operations of the Company was shut down.This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel,closure/lock down of production facilities, sales and profitability.

In the preparation of financial statements, the company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract / penalties for non fulfillment of contractual obligations. Major customers of the company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities the company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company may be different from management estimates in this regard, the company will continue to closely monitor any changes as they emerge.

Note No 44 Events occuring after the reporting period

The Board of Directors have recommended a dividend of Rs 65.30/- per share on equity shares of 10/- each for the Financial Year 2020-21 subject to approval of Members at the Annual General Meeting.

The shareholders of the company vide its Annual General meeting held on 12th August 2021 have approved the following

a) Sub Division of nominal value of equity shares with Face value of Rs 10 each to Face value of Rs 2 each
b) Issue of Bonus shares in the ratio of 1:4 (i.e 4 fully paid up equity share for every 1 equity share held)

The shareholders of the company vide its extraordinary general meeting held on 03rd September 2021 have approved the following

a) Issue of Bonus shares in the ratio of 10:1 (i.e 1 fully paid up equity share for every 10 equity share held)

DATA PATTERNS (INDIA) LIMITED
(Formerly known as Indus Teqsite Private limited)
Notes to Restated Financial Information
All figures are in INR Millions unless specifically stated otherwise

Note No 45 Capitalization Statement

Particulars	As at 31st March 2021
Current Borrowings*	226.74
Non Current Borrowings (Including Current maturity)*	105.47
Total Borrowings - (A)	**332.21**
Equity Share Capital*	17.00
Other Equity*	2,060.70
Total Equity - (B)	**2,077.70**
Ratio: Non-Current borrowings/ Total equity	0.05
Ratio: Total borrowings/ Total equity	0.16

*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended)

Note No 46 Ratios

Earnings per Equity share (Basic and Diluted)

Particulars	31st March 2021	31st March 2020	31st March 2019
Profit after tax for the year ended - **(A)**	555.71	210.48	77.02
Weighted average no of equity shares outstanding as at - **(B)**	46.74	46.74	46.74
Earnings per Equity share (Basic and Diluted) in INR (A/B)	**12**	**5**	**2**

Return on Net Worth

Particulars	31st March 2021	31st March 2020	31st March 2019
Profit after tax for the year ended - **(A)**	555.71	210.48	77.02
Net worth as at* - **(B)**	2,074.69	1,531.93	1,325.91
Return on Net Worth- (A/B)	**26.79%**	**13.74%**	**5.81%**

*Net worth is calculated as the sum of (i) Equity Share capital ; (ii) other equity (excluding capital reserve).

Net Asset value per equity share

Particulars	31st March 2021	31st March 2020	31st March 2019
Net worth as at* - **(A)**	2,074.69	1,531.93	1,325.91
Weighted average no of equity shares outstanding as at - **(B)**	46.74	46.74	46.74
Net Asset value per equity share - (A/B) in INR	**44.38**	**32.77**	**28.37**

*Net worth is calculated as the sum of (i) Equity Share capital ; (ii) other equity (excluding capital reserve).

Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit after tax - **(A)**	555.71	210.48	77.02
Add: Income tax - **(B)**	189.64	73.81	26.57
Add: Finance Cost - **(C)**	145.02	133.43	107.77
Add: Depreciation / Amortization - **(D)**	55.52	54.78	58.57
EBITDA - (A+B+C+D)	**945.89**	**472.50**	**269.93**

EBITDA Margin

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
EBITDA - **(A)**	945.89	472.50	269.93
Total Income - **(B)**	2,265.50	1,601.92	1,325.09
EBITDA Margin (A/B)	**41.75%**	**29.50%**	**20.37%**

Note No 47 Summary of Restated Financial Information

Particulars	31st March 2021	31st March 2020	31st March 2019
Equity Share Capital as at	17	17	17
Net worth as at	2,074.69	1,531.93	1,325.91
Revenue for the year ended	2,239.50	1,560.98	1,310.63
Profit after Tax for the year ended	555.71	210.48	77.02
Earnings Per Share (Basic and Diluted) in INR	12	5	2
Net asset Value per Equity share in INR	44.38	32.77	28.37
Total Borrowings as at#	332.21	605.67	601.33
Return on Net Worth	26.79%	13.74%	5.81%
EBITDA for the year ended	945.89	472.50	269.93

#Total Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Current Borrowings	226.74	598.58	581.55
Non Current Borrowings (Including Current maturities)	105.47	7.09	19.78
Total	**332.21**	**605.67**	**601.33**

For and on behalf of the Board

For R.G.N. Price & Co
Chartered Accountants
FR No.002785S

Srinivasagopalan Rangarajan
DIN : 00643456

Rekha Murthy Rangarajan
DIN : 00647472

K Venkatakrishnan
Partner
M.No. 208591

Place: Chennai
Date: September 15, 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Basic earnings per share (in ₹)	12	5	2
Diluted earnings per share (in ₹)	12	5	2
Return on net worth (%)	26.79%	13.74%	5.81%
Net asset value per share (in ₹)	44.38	32.77	28.37
EBITDA (in ₹ million)	945.89	472.50	269.93

Notes: *The ratios have been computed as under:*

1. *Basic and diluted EPS: Restated profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.*

2. *Return on net worth %: Restated profit for the year attributable to equity shareholders of the Company divided by net worth as attributable to equity shareholders of the Company at the end of the year.*

3. *Net worth = net worth means the aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

4. *Net assets value per share (in ₹): Net asset value per share is calculated by dividing net worth by number of equity shares outstanding at the end of the year.*

5. *EBITDA = EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year.*

6. *Accounting and other ratios are derived from the Restated Financial Information.*

Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of EBITDA

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit for the year (I)	555.71	210.48	77.02
Total tax expense (II)	189.64	73.81	26.57
Exceptional items (III)	0	0	0
Depreciation expense (IV)	55.52	54.78	58.57
Finance expense (V)	145.02	133.43	107.77
EBITDA (I+II+III+IV+V)	945.89	472.50	269.93

Reconciliation of Net debt/ (net cash)

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	97.70	5.53	0
Current borrowing including current maturities of non-current borrowings (II)	234.51	600.13	601.34
Total borrowings III = (I+II)	332.21	605.66	601.34
Cash and cash equivalents (IV)	88.06	15.11	3.12
Bank balances other than cash and cash equivalents (V)	326.59	441.55	367.44
Net Debt / (Net Cash) (VI=III-IV-V)	(82.44)	149.00	230.78

Reconciliation of return on net worth

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	17.00	17.00	17.00
Other equity (II)	2057.69	1514.93	1308.91
Net worth (III)=(I+II)	2074.69	1531.93	1325.91
Restated profit for the year (IV)	555.71	210.48	77.02
Return on net worth (IV/(I+II))	26.79%	13.74%	5.81%

Reconciliation of return on capital employed

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Total assets (I)	3,283.71	2,953.63	2,774.27
Current liabilities (II)	717	1,167.47	1,077.08
Capital employed (III=I-II)	2,566.71	1,786.16	1,697.18
EBIT (IV)	890.36	417.72	211.35
Return on capital employed (V=IV/III)	34.69%	23.39%	12.45%

Reconciliation of net asset value per share

(₹ in million, except share data)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	17.00	17.00	17.00
Other equity (II)	2057.69	1514.93	1308.91
Net worth (III)=(I+II)	2074.69	1531.93	1325.91
Number of equity shares (IV)	46,744,225	46,744,225	46,744,225
Net asset value per share (V= (III)/IV)	44.38	32.77	28.37

Reconciliation of debt equity ratio

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	97.70	5.53	0
Current borrowing including current maturities of non-current borrowings (II) (II)	234.51	600.13	601.34
Total borrowings III = (I+II)	332.21	605.66	601.34
Equity share capital (IV)	17.00	17.00	17.00
Other equity (V)	2,057.69	1,517.95	1,311.93
Equity (VI)=(IV+V)	2,077.70	1,534.95	1,328.93
Debt equity ratio (VII=III/VI)	0.16	0.39	0.45

In accordance with the SEBI ICDR Regulations the audited financial statements of our Company for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the "**Audited Financial Statements**") are available on our website at www.datapatternsindia.com.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider for subscription to or purchase of any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for Fiscal 2021, 2020 and 2019 and as reported in the Restated Financial Information, see "*Restated Financial Statements –Note to Restated Financial Information- Note 39*" beginning on page 265.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Financial Information as of, and for, the years ended March 31, 2021, 2020 and 2019. Our Restated Financial Information for Fiscals 2021, 2020 and 2019, have been prepared under Indian Accounting Standards ("**Ind AS**"), the Companies Act and the SEBI ICDR Regulations. For further details, please see "Other Financial Information" on page 271.*

You should read the following discussion and analysis of our financial condition and results of operations together with such Restated Financial Information, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. For further details, see "Risk Factors – External Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, 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 61.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 28 and 34, respectively.

Overview

We are among the few vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. With net profitability growth of approximately 164% between Fiscal 2020 and Fiscal 2021, we are one of the fastest growing companies in the Defence and Aerospace Electronics sector in India. (*Source: F&S Report*) We have proven in-house design and development capabilities and experience of more than three decades (including through our erstwhile subsidiary) in the defence and aerospace electronics space. Our offerings cater to the entire spectrum of defence and aerospace platforms – space, air, land and sea. Between Fiscal 2019 and Fiscal 2021, we recorded the highest growth in revenues, EBIDTA margin, ROCE and ROE amongst key Indian defence and aerospace companies, with a growth in our revenues of 71% during this period. (*Source: F&S Report*)

We have design capabilities across the entire spectrum of strategic defence and aerospace electronics solutions including processors, power, radio frequencies ("**RF**") and microwave, embedded software and firmware and mechanical engineering. Our core competencies include electronic hardware design and development, software design and development, firmware design and development, mechanical design and development, product prototype design and development, functional testing and validation, environment testing and verification and engineering services opportunities.

Our capabilities across the spectrum of defence and aerospace electronics solutions from design to delivery allows us significant competitive advantage in terms of overall development time and cost and also allows us to offer competitive pricing when bidding for defence and aerospace projects. We believe that platform specific products and products certified for ongoing programmes allow us to be the preferred OEM supplier for such qualified product requirements, driving growth and revenue visibility over many years.

We have end-to-end capabilities to build and deliver complete systems, with our design and manufacturing capabilities being completely in-house. Our electronic solutions are developed by specialist teams working on areas including complex 20+ layer printed circuit board ("**PCB**") designs, field-programmable gate arrays ("**FPGA**") based firmware algorithms, all layers of software including operating system porting, device drivers, networking layers, application software, graphical user interface, cartography, signal processing, streaming protocols and waveform engineering. Our capabilities across the spectrum of aerospace and defence electronics solutions from design to delivery allows us significant competitive benefits in terms of overall development time and cost and also allows us to offer competitive pricing when bidding for aerospace and defence projects.

We have diversified our products and solutions mainly due to our design and development capabilities, and qualified and experienced workforce. As on July 31, 2021, we had 760 employees with more than 450 qualified engineers, including 383 members in our Design & Engineering department. Our design and development capabilities have allowed us to develop complete systems as well as sub-systems for various strategic defence and aerospace electronics solutions. These systems have found applications on various platforms and programmes such as the Tejas Light Combat Aircraft ("**LCA**"), the Light Utility Helicopter ("**LUH**"), BrahMos missile programme, precision approach radars and various communications intelligence ("**COMINT**") and electronic intelligence ("**ELINT**") systems.

We have invested in and developed a reusable building block model leading to capabilities / competence across various product domains. This approach has allowed us to achieve better margins due to spreading out of development costs over multiple programmes, in addition to saving on development time for new products. Several of our existing products or their component modules or building blocks are pre-approved by our customers, especially defence-sector public sector undertakings ("**DPSUs**") and government ministries and departments, also allowing us the benefit of reduced lead times for development of new products. For example, we have developed products using these building blocks for the LCA, the LUH, BrahMos' missile programme, including land and air based missile launch systems and automatic test equipment, tracking radars, weather radars, automatic test equipment and nano satellites for the Indian government space organisation, DRDO's radars and Electronic Warfare systems, and onboard equipment for various aircraft, missiles and torpedoes and Airborne Early Warning and Control Systems ("**AWACS**"). These products are already qualified, certified and incorporated into the end platforms by our customers. We believe that our integrated approach across complete product life cycle and expertise in contemporary technologies enhances our competitiveness with respect to traditional import and transfer of technology ("**ToT**") dependent DPSUs and private sector entities. Further, a large number of our orders are on single vendor basis and are typically not awarded on an open tender basis.

Some of our notable achievements include:

Indigenously developed fire control system for the BrahMos missile programme

Designed and developed the second launch pad countdown system for delivery to the Indian government space organizarion

Designed and developed Primary Surveillance Radar for coastal surveillance for the Indian government space organization

Developed Seaking automated test equipment for INS Shikra

Laser guided bomb kit tester

Satellite bus management system

Digital flight control computer

Various test equipment indigenously designed and developed by our Company

Many of our electronics solutions are also capable of being deployed in civilian fields, including wind profile radars, doppler weather radars, and data buoy sub-systems and tsunami warning sub system applications. These products benefit from the reliability engineering built into defence products, assuring a long life and stable performance over many years. Our process driven approach has allowed us to be future ready with application of our products across defence and civilian systems. As a result, we or our Promoters have received several awards and recognitions including:

- Make in India Award by TiECON, Chennai;
- Outstanding contributions and achievements by SIATI in 2017;
- Most Growth Oriented Company award from planmytrainings.com in 2019; and
- Professional Excellence Award from the Institute of Directors, in 2019.

With an order book of ₹ 5,822.97 million as on July 31, 2021, which has increased from ₹ 1,786.98 million as on April 1, 2018 to ₹ 4,979.87 million as on March 31, 2021 at a CAGR of 40.72%, indicating a highly scalable business model. We believe that our ability to obtain prospective orders on the on-going programmes are favourable as typically such processes have limited indigenous competition, and high entry barriers due to the development and qualification cycle of both product and platform. Our orders in hand reflect products that have progressed from the development to production phase, thereby enabling rapid growth of turnover and profits. Further, 14.76%, 7.13% and 9.16% of our total revenue from operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, being contributed by our global clients. Our order book as on July 31, 2021 was as follows:

Particulars	Number of orders	Value (₹ million)
Production Contracts	32	3,942.65
Development Contracts	18	1,207.67
Service Contracts	48 (including 29 Build to Print orders)	672.65
Total Order Book:		5,822.97

Our manufacturing facility consists of a 100,000 square feet factory built on 5.75 acres of land in Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in defence and aerospace applications. Our facility includes an Electronic Manufacturing Services ("**EMS**") line, clean rooms, board, box and rack level integration capability and environmental testing making us self-sufficient in our requirement of high quality and high complexity production. In house functional testing for all our products is carried out, usually using internally developed automatic testing equipment. Environmental test facilities are also available for the requirements of JSS-55555 / MIL-STD-461 / MIL-STD-810 including for Highly Accelerated Life Test ("**HALT**") and Highly Accelerated Stress Screening ("**HASS**"). The modern production and test infrastructure caters to production and validation of defence and aerospace electronics systems. We are certified for or follow various standards across product life cycles, including for aerospace systems under AS9100D by TUV-SUD, International Printed Circuit ("**IPC**") Standards for Printed Circuit Board ("**PCB**") design and DO 178B for software for airborne systems.

We are also in the process of upgrading and expanding our facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems and satellite integration facility. Our testing capabilities are also proposed to be further strengthened. We are proposing to acquire an additional 2.81 acres of adjacent land for further expansion.

We were the company with the fastest growth rate in revenues, EBITDA, ROCE and ROE amongst companies in the Defence and Aerospace Electronics sector in India. (*Source: F&S Report*) Some of our key financial metrics are as below:

(*₹ in million, except percentage data*)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
	Amount	**Amount**	**Amount**
Revenue from operations	2,239.50	1,560.98	1,310.63
Production	1,701.32	1,444.81	845.22
Development	365.01	1.32	364.45
AMC	173.17	114.85	100.96
Total revenue	2,265.50	1,601.92	1,325.09
EBITDA	945.88	472.50	269.93
EBITDA margin	41.75%	29.50%	20.37%
Profit After Tax	555.71	210.48	77.02
PAT margin	24.53%	13.14%	5.81%
ROE	26.75%	13.71%	5.80%
ROCE	34.69%	23.39%	12.45%
Total borrowings	**332.21**	**605.66**	**601.34**
Net Debt / (Net Cash)	**(82.44)**	**149.00**	**230.78**

Notes:
EBITDA = PAT + Taxes +Finance Cost + Depreciation
EBITDA margin = (EBITDA/Total Revenue) x 100
ROE = Net Income/ Shareholders Equity i.e., (PAT / Total Net worth)
ROCE =EBIT/Capital Employed
Capital Employed = Total Assets – Current Liabilities

We also benefit from the significant industry experience of our management team, including our Promoters and Directors. Our Promoter and Chairman and Managing Director, Mr. Srinivasagopalan Rangarajan, holds a Bachelor's Degree in Chemical Engineering from the University of Madras and a Master's Degree (MS) in Industrial Management from the Indian Institute of Technology, Madras and our Promoter and Director, Mrs. Rekha Murthy Rangarajan, holds a Bachelor's Degree of Arts from the Bangalore University and a Master's Degree of Arts in Applied Psychology from the University of Madras, both our individual Promoters and have been associated with the defence and aerospace electronics industry for more than three decades. Many of our senior personnel, including our Chief Technology Officer, Mr. Desinguraja Parthasarthy, our Chief Operating Officer, Mr. Vijay Ananth K, and our Senior Vice President- Business Development, Mr. Thomas Mathuram Susikaran, each with many years of relevant industry experience, have been associated with us for more than two decades.

Factors Affecting Our Results of Operations

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled "*Our Business*" and "*Risk Factors*" on pages 158 and 34, respectively.

Developments in relation to the COVID-19 pandemic

The COVID-19 pandemic and the preventative or protective actions that governments around the world have taken to counter the effects of the pandemic have resulted in an extended period of business disruption and a decrease in economic activity in several countries, including in India. In order to contain the spread of the COVID-19 pandemic, the Government of India along with State Governments declared a lockdown of the country in March 2020, including severe travel and transport restriction and a directive to all citizens to shelter in place. The lockdown has since been extended several times with gradual relaxations of the restrictions conducted through phases. As a result, the current COVID-19 pandemic has adversely affected workforces, consumer sentiment, economies and financial markets around the world and has led to uncertainty in the global economy and significant volatility in global financial markets.

Our business operations suffered certain temporarily disruptions in the period between March 2020 and June 2021, due to COVID-19 related lockdowns. Though our manufacturing facility was functioning largely, our R&D centres and branch offices had to be shut down, pursuant to the directives from the central/local authorities which, has in turn, impacted our ability to maintain continued operations resulting in some loss of productivity and cash flows.

Events beyond our control may unfold in the future, which makes it difficult for us to predict the extent to which the COVID-19 pandemic will impact our Company’s operations and results. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations.

Domestic and global demand for our products

We primarily cater to the requirements of the Indian market. We derive most of our revenues under the contracts from the Government and associated entities such as defence public sector undertakings, MOD and ISRO. Our revenues are distributed between government organisations, private sector companies and exports in defence and space sectors. We derived 52.58%, 36.71% and 48.10% of our total revenue from operations from government organisations for Fiscals 2021, 2020 and 2019, respectively and 47.42%, 63.29% and 51.90% of our total revenue from operations from private sector organisations for Fiscals 2021, 2020 and 2019. While our revenues are distributed between the government organisations, private sector companies and exports in defence and space sectors, there may be variations in the proportion in which the different sources contribute to our revenue basis factors such as market demand and policy changes in India and outside India.

Changes in applicable regulations have had and may have an impact on our business and results of operations. Our results of operations have been favourably affected by the Government’s initiatives. India is witnessing path -breaking reforms in the defence sector. Recently, MoD has announced the Defence Acquisition Procedure which has come into effect from October 1, 2020. This procedure focuses on significantly boosting indigenous production and turning India into a global manufacturing hub of weapons and military platforms. This procedure has been aligned with the vision of the Government’s Aatmanirbhar Bharat (self-reliant India) initiative and to empower Indian domestic defence industry through ‘Make in India’ projects. We believe that this policy will provide a significant boost to indigenous manufacturing companies such as ours and that with domain expertise, R&D and manufacturing capabilities we are poised to take full benefit of the same. We believe this represents a significant opportunity for our continued growth as we expand our products and solutions portfolio to designing, developing and/or manufacturing new products and solutions, which in turn will enable us to establish new customer bases.

The Indian defence budget has been growing at the rate of 7% in the past five years, from $ 46.07 billion in Fiscal 2017 to 64.62 billion in Fiscal 2022. The defence budget has four main components, namely, MoD (Civil), Defence Services Revenue, Capital Outlay on Defence Services, and Defence Pensions, with the allocation directly benefiting the industry being more relevant for the indigenous defence and aerospace industry as compared to the total defence budget. The total allocation which directly benefits the industry has grown at rate of 7%, with the growth rate in Fiscal 2020 and Fiscal 2021 being 10.5% and 4.9% respectively, while the increase in Fiscal 2022 is a staggering 14.9%. Additionally, Fiscal 2021 was characterized by an overspend of 18.6 % above the budgeted capital allocation on back of the emergency purchases following the face off with China. Frost & Sullivan expects the capital and stores allocation component of the Indian defence budget to grow to $ 33.19 billion and $ 9.57 billion respectively by FY 2031, with the cumulative amount available to industry players during the forecast period being $ 339 billion. (*Source: F&S Report*)

While we believe that our programmes are well aligned with India's national defence and space policies, shifts in domestic spending and tax policy, changes in security levels, defence, and intelligence priorities, general economic conditions and developments, and other factors may affect a decision to fund, or the amount of funding available to, existing or proposed defence programmes.

Although we cater to our overseas customers directly, we may seek to expand this customer base by tying up with or entering into partnership with partners located around the world. Our future growth also depends on penetrating new international markets as well as remaining a key supplier to strategic sectors, adapting existing products to new applications, and introducing new products that achieve market acceptance.

Raw Material costs

We undertake procurement of raw materials from various sources with the suppliers selected on a purchase order basis. The cost of materials consumed by us in our operations was ₹ 629.78 million, ₹ 532.13 million and ₹ 454.31 million for the Fiscals 2021, 2020 and 2019, respectively. Our cost of materials consumed constituted 28.12%, 34.09% and 34.66% and our other expenses constituted 5.87%, 9.34% and 14.43% of our revenue from operations for the Fiscals 2021, 2020 and 2019, respectively.

Shortage in supply of raw materials we use in our business may result in an increase in the price of the products. Most of our contracts are fixed price with certain of our contracts with the Ministry of Defence having an exchange rate variation clause. On account of this, our ability to pass on increased raw material costs is limited and will correspond to an increase or decrease in our profit in absolute terms. For example, increase in raw material prices tend to increase our expenditures by approximately the same amount, resulting in our expenditures being a higher percentage of our revenues, consequently decreasing our profit margin.
We have been in the industry for over three decades and have a pool of long-standing suppliers. Further, when selecting new suppliers, we take into consideration their reputation, product quality, price, reliability, infrastructure, delivery time and credit terms.

Our results of operations may be impacted by our ability to formulate and adjust business strategies in accordance with market demand as influenced by changing Government regulations and policies and competitive landscape.

Technological obsolescence

While our contracts with the Ministry of Defence tend to be long-term, component obsolescence in electronics is a common occurrence. Our contracts require us to provide warranty without any additional costs for a fixed period of time, typically between 12 and 36 months. Component obsolescence or platform obsolescence is subject to a variety of factors, mostly not being in our control, including rapid changes to aerospace and defence electronics.

In the event of any significant component obsolescence, we are required to incur additional costs, which may be at no additional cost to the customer, during the period of warranty, to update and replace such component. Our costs towards warranty and obsolescence maintenance was ₹ 0.18 million and ₹ 0.09 million in Fiscal 2021 and Fiscal 2020, respectively. Although we factor in component obsolescence in our initial project costs or estimates at the time of bidding, our ability to pass on increased costs of newer technologies or components, has a direct impact on our profitability and results of operations.

We also attempt to learn from component obsolescence in the ordinary course and any replacement or newer products or components are subsequently incorporated into our other offerings.

Research, Design and Development

Our business depends to a significant degree on our ability to successfully conduct research, design and development with respect to our products. Our capability to do design and development helps us build products tailored to customer requirements and enable our engagement with defence organisation involved in design and development and other organisations, thereby creating a possibility of larger business of developed product or technology. However, this process is both time consuming and costly and involves a high degree of business risk. To develop new products and upgrade existing products, we commit substantial time, funds and other resources. Our investments in research and development for future products could result in higher costs without a proportionate increase in revenues.

In addition, we must adapt to rapid changes in our industry due to technological advances. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability if commensurate revenue is not generated from the new design efforts.

Imposition of liquidated damages and invocation of performance bank guarantees/indemnity bonds by our customers.

Most of our contracts with our customers require our Company to pay liquidated damages in the event of delay in delivery of products. The value of the liquidated damages typically ranges from 0.5% per week of delay to a maximum of 5% to 10 % of the value of the undelivered portion of the contract. Additionally, we are required to secure a performance bond in the form of bank guarantee from nationalised/ scheduled commercial banks for between 5% to 10% of the total order value (which has been reduced to 3% on account of the ongoing pandemic) towards performance of the equipment until completion of warranty period indicated in such contracts.

We cannot assure you that in future such contracts will have the same margin or profitability. Any time and / or cost overruns on our contract could have a material adverse effect on our business, financial condition and results of operations. While we have not faced any instances of imposition of liquidated damages or invocation of our performance bank guarantees in the past three years, there can be no assurance that delays at our end may end result in imposition of such costs. The incurring of such liabilities pursuant to the imposition of liquidated damages as well as invocation of such performance bank guarantees and indemnity bonds in relation to our contracts could have an adverse effect on our business, operations, revenues and earnings.

Strength of our order book

Our results of operations are affected by the strength of our order book. Set forth below are details of our order book as on July 31, 2021.

Particulars	Number of orders	Value (₹ million)
Production Contracts	32	3,942.65
Development Contracts	18	1,207.67
Service Contracts	48 (including 29 Build to Print orders)	672.65
Total Order Book:		5,822.97

Our order book has been increasing year on year, which can be attributed to increasing customer confidence on our Company along with favourable Government of India reforms in the sector. Investors should not consider our order book as an accurate indicator of our future performance or future revenue. The successful conversion of these orders into revenue and getting new orders will depend on the demand from our customers, which is beyond our control and is subject to uncertainty as well as changes in Government policies and priorities. Going forward, our order book may be affected by delays, cancellations, renegotiations of the contracts as well as the long gestation period in concluding such contracts, if any.

Cost and availability of skilled manpower

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have therefore been focused on the recruitment, training and retention of a skilled employee base. As of July 31, 2021, we employed 615 full-time employees and 145 contract labourers. Our expenses towards salaries and wages was ₹ 419.07 million, ₹ 364.21 million and ₹ 323.39 million for the Fiscals 2021, 2020 and 2019, respectively. In addition to our full -time employees, we hire workers on a contractual basis, largely for manufacturing and testing.

We believe that our Company's growth and work environment combined with our employee satisfaction rate has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees. If there are any labour shortages, it could increase our production cost and hinder our productivity and ability to meet customers' delivery schedules, any or all of which may have an adverse impact on our results of operations.

Expansion of production capacity

Our manufacturing facility consists of a 100,000 square feet factory built on 5.75 acres of land in Chennai, which has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in defence and aerospace applications. We are also in the process of upgrading and expanding our facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems, satellite integration facility. Our manufacturing and testing capabilities will be further strengthened with this expansion. We are proposing to acquire an additional 2.81 acres of adjacent land for further expansion. We believe our investment in infrastructure will enable us to cater to the growing demand from our customers and enhance our product portfolio, which in turn is expected to result in an increase in our revenue and profits. For further details, see "*Our Business – Design, Engineering and manufacturing Capabilities – Proposed Expansion*" and "*Objects of the Offer - Details of the Objects of the Fresh Issue – Upgrading and expanding of our existing facilities at Chennai*" on pages 174 and 93, respectively.

Significant Accounting Policies

Basis of preparation and compliance

The Restated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The Restated Financial Statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in the Restated Financial Statements.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, our Company takes in to account the characteristics of the assets or liability if market participants would take those characteristics into the account when pricing the asset or liability at the measurement date.

Our 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 minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and 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, our 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 the fair value measurement at a whole) at the end of each reporting period.

For the purpose of fair value disclosures, our 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.

The Restated Financial Statements are presented in Indian Rupees (INR) which is the functional currency of our Company and the currency of the primary economic environment in which our Company operates.

Current & non-current classification:

An asset or liability is classified as current if it satisfies any of the following conditions:

a) the asset/liability is expected to be realised/ settled in our Company's normal operating cycle;
b) the asset is intended for sale or consumption;
c) the asset/liability is held primarily for the purpose of trading;
d) the asset/liability is expected to be realized/ settled within twelve months after the reporting period;
e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
f) In the case of a liability, our Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, our Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, Plant and Equipment (PPE)

i. PPE are tangible items that:

   a) are held for use in the supply of services or for administrative purposes and
   b) are expected to be used during more than one period.

ii. The cost of an item of PPE is recognised as an asset if, and only if:

   a) it is probable that future economic benefit associated with the item will flow to the entity; and
   b) the cost of the items can be measured reliably.

iii. For transition to IndAS framework, our Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2018 (transition date) measured as per the previous IGAAP, as its deemed cost as on the transition date.

iv. PPE are stated at cost less accumulated depreciation and accumulated impairment loss if any. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which such costs are incurred. Any gain or loss on disposal of an item of PPE is recognized in the statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in para no Ind AS 16 – Property, Plant and Equipment.

An item of tangible or intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item is determined as the difference between the sale proceeds and the carrying amount of the asset, if any and is recognised in the Statement of Profit and Loss.

Capital work in progress and Capital advance

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advance given towards acquisition of PPE outstanding at each Balance Sheet date is disclosed as Other Non-Current Asset.

Depreciation

Depreciation on each part of an item of PPE is provided using the Straight-Line Method based on the useful life of the asset leaving a residual value not exceeding 5%, as provided in Schedule II of the Companies Act, 2013 and is charged to the Statement of Profit and Loss.

Depreciation on addition is provided on a pro-rata basis from the month of installation / acquisition of an asset. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the month of deduction / disposal. Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by our Company is classified as Investment Property. It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to our Company.

Depreciation is provided on straight line method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. Though our Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

Non Current assets held for sale

Our Company classifies an item of PPE as a non-current asset held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at their carrying value / fair value less cost to be incurred for its disposal. An item of non-current asset held for sale is not subject to any depreciation during the period it is held for sale.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment loss if any. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed annually, and the effect of any change in the estimate is accounted for on a prospective basis. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to our Company.
Intangible assets identified to have infinite economic useful lives are tested for an annual impairment exercise and any impairment loss identified is recognized in the statement of profit and loss.

Impairment of non-current Assets

At the end of each reporting period, our Company reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized annually and whenever there is an indication that the asset may be impaired.

Inventories

Raw materials and other inventories are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

a) Raw material, Stores and spares – First in First Out Basis.

b) Finished goods and Work-in-process – Cost of production which comprises of direct material costs, direct wages and applicable overheads.

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition'.

Goods in transit are recognized at cost.

Financial instruments

Financial assets

a) <u>Initial recognition</u>

Initial Recognition

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

*Financial Asset measured at Amortised Cost ("**AC**")*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("**EIR**") method.

*Financial assets at fair value through other comprehensive income ("**FVTOCI**")*

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and the interest on the principal outstanding.

*Financial assets at Fair Value Through Profit or Loss ("**FVTPL**")*

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

b) <u>Impairment of financial assets</u>

Financial assets, other than those recognized at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, our Company has adopted a modified approach for assessing expected credit loss.

De-recognition of financial assets

Our Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the ownership of the financial asset.

Financial liabilities

a) Initial recognition

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

b) Classification as debt or equity

Debt and equity instruments issued by our Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability or an equity instrument.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

d) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when our Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Revenue Recognition

Revenue from Contract with Customers

Revenue recognition underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged.

Sale of Goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and our Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The revenue is measured based on the transaction price, which is the consideration, adjusted for discounts if any, as specified in the contract with the customer. Revenue is disclosed net of taxes collected from customers.

Sale of Services

Our company recognizes revenue when performance obligation as promised is satisfied with a transaction price and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from annual maintenance contract is recognized proportionately over the period in which such services are rendered.

Other Income

Dividend

Dividend income from investments is recognized when the right to receive the same is established.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to our Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, taking into account the amount outstanding and effective interest rate.

Employee Benefits:

a) Short term employee benefits

Un-discounted short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as expense during the period when the employees render service. Corresponding liabilities are presented as Current Employee Benefit Obligations in the balance Sheet.

b) Post-employment benefits

i. Defined Contribution Plans: Contribution to Defined Contribution Schemes towards retirement benefits in the form of Provident fund is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders related service.

ii. Defined Benefit Plans:

   Annual contributions are made to the approved Gratuity Funds as permitted by Indian Law. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the balance sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of actuarial gains / losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through other comprehensive income in the period in which they occur.

The following components of the net defined benefit obligation are recognized as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

c) Other Long-term Employee Benefits

Entitlement to privilege leave is recognised when it accrues to the employees. Privilege leave can be accumulated subject to restriction as mentioned in the leave policy. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. 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 capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

Foreign Currency Transactions

a) Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at the reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

c) Recognition of exchange difference

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks, which are recognised in Other comprehensive income and later to statement of profit and loss.

Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

c) a possible obligation arising from past events, unless the possibility of out flow of resources is remote.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets ("**ROU**") representing the right to use the underlying assets, during the lease period.

b) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at the fair value of future lease payments discounted by the incremental cost of borrowing less any accumulated depreciation and impairment losses. The corresponding lease liability carried is adjusted for any re-measurement as at the date of the Balance sheet. A Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use asset is also subject to impairment.

c) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right -of-use assets have been presented appropriately in the balance sheet.

d) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Land and Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short term leases are recognized as expense as and when incurred.

e) Company as Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

Taxes on Income

Taxes on income comprise of current and deferred taxes.

a) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for the period. Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to taxes payable in respect of previous years.

b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets include unused tax credits.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

c) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Segment Reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision maker ("**CODM**") in the Company to make decisions for performance assessment and resource allocation. Accordingly, the company has identified the manufacture and sale of goods and services in defence electronics as the only segment in which the Company operates.

Earnings per Share ("EPS")

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equities shares issued during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are based on classification made in a manner considered most appropriate to Company's business.

Use of estimates

The preparation of financial statements in conformity with IndAS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss in (a) the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities is recognized by adjusting the carrying amount of the related asset, liability in the period of the change.

Key estimates and judgements

Key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a) Useful life of Property, Plant and Equipments

The Company reviews the estimated useful lives of Property, plant and equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

b) Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

c) Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with income tax and regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such issues are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in the Notes to the financial statements.

d) Impairment of Financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

First time adoption of IND AS framework

These financial statements, for the year ended March 31, 2021, are the first financial statements the Company prepared in accordance with Ind AS framework. For periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with relevant Rules made there under ("**Previous GAAP**").

Accordingly, the Company has prepared financial statements which comply with Ind AS framework applicable for periods ending on March 31, 2021, together with the comparative period data as at and for the year ended March 31, 2020, March 31, 2019 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2018, being the Company's date of transition to Ind AS framework. An explanation of how the transition from previous GAAP to Ind AS framework has affected the Company's financial position, financial performance and cash flows is set out below:

a) Transition election

b) Reconciliation of Other equity as previously reported under previous GAAP to Ind AS framework

c) Reconciliation of Profits as previously reported under previous GAAP to Ind AS framework

d) Reconciliation of Cash flows as previously reported under previous GAAP to Ind AS framework

Optional exemptions availed under Ind AS 101 – First time adoption of Indian accounting standard

The Company in applying Ind AS principle for measurement of recognised assets and liabilities is subject to certain optional exemptions, apart from mandatory exceptions, availed by the Company as detailed below:

a) Deemed Cost for property, plant and equipment, investment property, and intangible assets

b) Business combinations

c) Fair value measurement of financial assets or financial liabilities at initial recognition

Deemed Cost for property, plant and equipment, investment property, and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, our Company has elected to measure all of its property, plant & equipment at their previous GAAP carrying value as on the transition date as prescribed under para D7AA of Ind AS 101.

Business combinations

The Company has elected to apply Ind AS relating to business combinations (Ind AS 103) prospectively from April 01, 2018. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward without adjustment.

Leases

The Company has elected to recognize Right of Use assets and Lease Liabilities as at date of transition to Ind AS (April 1, 2018) as prescribed under para D9B in Ind AS 101

Mandatory exemptions

The mandatory exceptions applicable to the Company are given below:

a) Estimates

b) Derecognition of assets and liabilities

c) Classification and measurement of financial assets and liabilities

d) Impairment of Financial assets

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 previous GAAP.

Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of Financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Classification and measurement of Financial assets

Company measures and classifies all financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS as prescribed by Ind AS 101.

Impairment of Financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Summary of our Results of Operations

The following table sets forth selected financial data from our restated statement of profit and loss account for Fiscals 2021, Fiscal 2020 and Fiscal 2019:

	Particulars	**For the year ended March 31, 2021 (₹ in million)**	**% of Total Revenue**	**For the year ended March 31, 2020 (₹ in million)**	**% of Total Revenue**	**For the year ended March 31, 2019 (₹ in million)**	**% of Total Revenue**
I	Revenue from Contract with Customers	2,239.50	98.85%	1,560.98	97.44%	1,310.63	98.91%
II	Other Income	26.00	1.15%	40.94	2.56%	14.46	1.09%
III	**Total Revenue**	**2,265.50**	**100.00**	**1,601.92**	**100.00**	**1,325.09**	**100.00**
IV	**Expenses:**						

	Particulars	For the year ended March 31, 2021 (₹ in million)	% of Total Revenue	For the year ended March 31, 2020 (₹ in million)	% of Total Revenue	For the year ended March 31, 2019 (₹ in million)	% of Total Revenue
(a)	Cost of materials consumed	629.78	27.8%	532.13	33.22%	454.31	34.29%
(b)	Changes in inventories of finished goods, work in progress and stock-in-trade	74.24	3.28%	28.76	1.8%	35.17	2.65%
(c)	Employee benefits expenses	484.21	21.37%	422.71	26.39%	376.49	28.41%
(d)	Finance cost	145.02	6.40%	133.43	8.33%	107.77	8.13%
(e)	Depreciation / Amortization	55.52	2.45%	54.78	3.42%	58.57	4.42%
(f)	Other expenses	131.39	5.80%	145.82	9.10%	189.19	14.28%
	Total Expenses	**1,520.16**	**67.1%**	**1,317.63**	**82.25%**	**1,221.50**	**92.18%**
V	**Profit before tax**	**745.34**	**32.9%**	**284.29**	**17.75%**	**103.59**	**7.82%**
VI	**Tax Expense**						
(a)	Income Tax	189.10	8.35%	75.51	4.71%	33.94	2.56%
(b)	Tax pertaining to earlier years	-	-	-	-	0.81	0.06%
(c)	Deferred Tax	0.53	0.12%	(1.70)	(0.11%)	(8.18)	(0.61%)
VII	**Profit / (Loss) for the period**	**555.71**	**24.53%**	**210.48**	**13.14%**	**77.02**	**5.81%**
	Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods						
	Re-measurement Gain / (Loss) on Defined Benefit Obligations	(12.77)	(0.56)%	(0.49)	(0.03)%	(7.08)	(0.53)%
	Income tax on above	3.21	0.14%	0.12	0.01%	1.97	0.15%
	Total Other comprehensive income/(loss) (XII)	**(9.56)**	(0.42)%	**(0.37)**	(0.02)%	**(5.11)**	(0.38)%
	Total comprehensive income for the year	**546.15**	**24.11%**	**210.11**	**13.12%**	**71.91**	**5.43%**

Components of Income and Expenditure

Income

Our income comprises of revenue from contracts with customers and other income. We generate majority of our income from sale of products and sale of services in defence electronics. Our income from sale of services comprise primarily of fees from annual maintenance contracts for the products supplied by us and Build to Print contracts from the Department of Space (DoS). Under Build to Print contacts, we manufacture the modules out of the materials supplied by the customer free of cost, test the products and supply it to the customer.

Revenue from contract with customers

Revenue from contract with customers comprises of (i) sale of products, and (ii) sale of services.

The following table sets out the break-up of revenue from contract with customers and as a percentage of revenue from operations for the periods indicated:

Particulars	For the year ended March 31, 2021 (₹ in million)	% of total Revenue from Operations	For the year ended March 31, 2020 (₹ in million)	% of total Revenue from Operations	For the year ended March 31, 2019 (₹ in million)	% of total Revenue from Operations
Sale of products	1,961.59	87.59%	1,430.23	91.62%	1,148.48	87.63%
Sale of services	277.91	12.41%	130.75	8.38%	162.15	12.37%
Total Revenues from contract with customers	**2,239.50**	**100.00**	**1,560.98**	**100.00**	**1,310.63**	**100.00**

Other Income

Other income includes (i) interest income from bank deposits, (ii) interest income from other deposits, (iii) net foreign exchange gain, (iv) profit on sale of fixed assets and (v) reversal on excess amortisation on leasehold land.

Expenditure

Our expenses comprise of (i) cost of goods sold (which include materials consumed and changes in inventories of finished good) (iii) employee benefits expenses, (iv) finance cost, (v) depreciation / amortization and (vi) other expenses.

Cost of materials consumed

Cost of materials consumed consists of changes between the opening and closing balances of our stock of raw materials for our products. The chief raw materials utilised by us are integrated circuits ("**ICs**"), printed circuit boards ("**PCBs**"), diodes, oscilliators, resisters, capacitors, connectors, cables, etc.

Changes in inventories of finished goods, work in progress and stock-in-trade

Cost of production which comprises of direct material costs, direct wages and applicable overheads. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition'

Employee benefits expenses

Employee benefit expenses comprises of (i) salaries and wages, (ii) directors' remuneration, (iii) Company's contribution to provident fund and other fund, and (iv) staff welfare expenses.

Finance cost

Finance cost includes interest on borrowings, other borrowing costs, interest on lease liabilities and interest on income tax.

Depreciation / Amortization

Depreciation and amortization expenses primarily include depreciation expenses on our plant, property and equipment and amortization expenses on our intangible assets and right of use assets.

Other expenses

Our other expenses include Power and Fuel costs, Rent, Repairs and Maintenance of our equipment, Travelling Expenses for employees, Communication Expenses, Freight, Packing and Forwarding charges, Housekeeping and security charges, Legal and Professional Expenses, Business Promotion Expenses, Bad debts written off and miscellaneous expenses.

Fiscal 2021 compared to Fiscal 2020

Key developments

Our business operations suffered certain temporary disruptions between March 2020 and June 2021 on account of the temporary shutdown of the manufacturing facilities or R&D centres on account of the lockdown imposed by the central/state authorities to combat the spread of COVID-19. As our business is largely conducted through face-to-face and personal meetings, discussions with clients and in some contracts factory acceptance and environment tests, physically witnessed by our customers or their quality assurance team, there was a temporary disruption in our operations during the initial phase of the pandemic. However, we reshaped our business fairly quickly, through the use of technological solutions to effectively engage with our clients. Our client interactions improved significantly, as we were able to connect with them on a frequent basis, which also enabled faster decision making and improvement in our overall performance.

While our revenue was slightly affected in the first half of Fiscal 2021, due to efforts taken by us, there was a significant improvement in our overall financial performance during the fiscal.

Income

Revenue from operations:

Our overall revenue from operations increased to ₹ 2,239.50 million for Fiscal 2021 from ₹ 1,560.98 million for Fiscal 2020, representing an increase of 43.46%. This increase in our revenue from operations can be attributed to the following reasons:

Sale of products

Our income from sale of products increased to ₹ 1,961.59 million for Fiscal 2021 from ₹ 1,430.23 million for Fiscal 2020, representing an increase of 37.15% due to increased quantum of repeat production contracts of products developed by us in the past that we had in Fiscal 2021 as compared to Fiscal 2020.

Sale of services

Our income from sale of services increased to ₹ 277.91 million for Fiscal 2021 from ₹ 130.75 million for Fiscal 2020, representing an increase of 112.55%, mainly due to revenue from AMC contracts such as with BrahMos missile programme as well as service income from major development contracts, including non-recurring engineering costs for the EW projects with the DLRL, DRDO.

Other income

Our other income decreased to ₹ 26.00 million for Fiscal 2021 from ₹ 40.94 million for Fiscal 2020, representing a decrease of 36.48%. This decrease in other income was primarily due to a reduction in the net gain from foreign exchange to ₹ 2.56 million for Fiscal 2021 from ₹ 13.52 million in Fiscal 2020, due to decrease in exchange rate from around ₹ 75.39 per USD as at April 1, 2020 to ₹ 73.50 as at March 31, 2021 and realisation of export receivables at such higher rates than the rate at which they were booked. Additionally, our interest income from bank deposits decreased marginally to ₹ 21.67 million for Fiscal 2021 from ₹ 25.47 million for Fiscal 2020, due to decreasing interest rates and reduction of overall deposits maintained with banks from ₹ 441.55 million to ₹ 326.59 million.

Expenditure

Cost of raw materials consumed

Our expenses towards consumption of raw materials increased to ₹ 629.78 million in Fiscal 2021 from ₹ 532.13 million in Fiscal 2020, in line with the increase in our operations.

Changes in inventories of finished goods, work in progress and stock-in-trade

Change in inventories of finished goods, stock in trade and work-in-progress amounted to ₹ 74.25 million for Fiscal 2021 in comparison to ₹ 28.76 million for Fiscal 2020. This was primarily due to approximately maintaining the same level in the opening and closing stock of finished goods, stock-in-trade and work-in progress during the periods and was in line with our increased production consequent to higher deliveries.

Employee benefit expenses

Employee benefit expenses increased to ₹ 484.21 million for Fiscal 2021 from ₹ 422.71 million for Fiscal 2020, representing an increase of 14.55%, which was primarily on account of an increase in our expenses towards salaries and wages to ₹ 419.07 million for Fiscal 2021 from ₹ 364.21 million for Fiscal 2020, which was in line with our increase in employee strength to 617 as at March 31, 2021 from 590 as at March 31, 2020 and also due to wage increments in the ordinary course.

Finance cost

Finance cost increased by ₹ 11.59 million to ₹ 145.02 million for Fiscal 2021 from ₹ 133.43 million for Fiscal 2020. This increase in our finance costs was primarily due to an increased interest component on our borrowings due to overall expansion of our volume of business and settlement of some of the high cost borrowings during Fiscal 2021.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by ₹ 0.74 million to ₹ 55.52 million for Fiscal 2021 from ₹ 54.78 million for Fiscal 2020, representing an increase of 1.35%, primarily on account of increase in depreciation on property, plant and equipment / amortisation of intangible assets, being to ₹ 33.01 million for Fiscal 2021 from ₹ 30.06 million for Fiscal 2020 as offset by a decrease of ₹ 2.21 million towards amortisation of ROU assets, to ₹ 22.51 million for Fiscal 2021 from ₹ 24.72 million for Fiscal 2020.

Other expenses

Other expenses decreased by ₹ 14.44 million to ₹ 131.38 million for Fiscal 2021 from ₹ 145.82 million for Fiscal 2020, representing a decrease of 9.89%, mainly from the cost control measures introduced owing to the COVID-19 pandemic. The lockdown measures in place during the COVID-19 pandemic, resulted in: (i) decline in business promotion and marketing expenses by ₹ 6.17 million on account of lower expenses incurred in connection with on-ground promotional and client acquisition events, (ii) decreased traveling expenses of ₹ 9.74 million, (ii) decreased power and fuel expenses of ₹ 1.53 million over Fiscal 2020 and (iii) decreased freight, packing and forwarding expenses of ₹ 1.35 million over Fiscal 2020.

Restated Profit before tax

For the reasons discussed above, profit before tax increased by 162.18% to ₹ 745.34 million in Fiscal 2021 compared to ₹ 284.29 million in Fiscal 2020, an increase from 17.75% of total revenue in Fiscal 2020 to 32.9% in Fiscal 2021.

Tax expenses

Our total tax expenses increased by ₹ 115.83 million to ₹ 189.64 million for Fiscal 2021 from ₹ 73.81 million for Fiscal 2020. Our income tax liability increased by ₹ 113.60 million to ₹ 189.10 million for Fiscal 2021 from ₹ 75.51 million for Fiscal 2020. Our deferred tax expenses increased by ₹ 2.23 million to ₹ 0.53 million for Fiscal 2021 from ₹ (1.70) million for Fiscal 2020 mainly due to increase in deferred tax liabilities in Fiscal 2021.

Profit for the period

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 345.23 million or 164.02% to ₹ 555.71 million for Fiscal 2021 from ₹ 210.48 million for Fiscal 2020.

Other comprehensive income / (loss) for the year

Our other comprehensive loss for the year increased to ₹ (9.56) million for Fiscal 2021 from ₹ (0.37) million due to remeasurement loss on defined benefit obligations, being actuarial valuation of gratuity liabilities, of ₹ (12.77) million in Fiscal 2021 from ₹ (0.49) million for Fiscal 2020, along with income tax obligation thereon.

Total comprehensive income for the year

On account of the above, our total comprehensive income for the year was ₹ 546.15 million for Fiscal 2021 up from ₹ 210.11 million for Fiscal 2020.

Fiscal 2020 compared to Fiscal 2019

Income

Revenue from operations:

Our overall revenue from operations increased to ₹ 1,560.98 million for Fiscal 2020 from ₹ 1,310.63 million for Fiscal 2019, representing an increase of 19.10%. This increase in our revenue from operations can be attributed to the following reasons:

Sale of products

Our income from sale of products increased to ₹ 1,430.23 million for Fiscal 2020 from ₹ 1,148.48 million for Fiscal 2019, representing an increase of 24.53% due to increase in the repeat production contracts of the products designed and developed by our Company in the past.

Sale of services

Our income from sale of services decreased to ₹ 130.75 million for Fiscal 2020 from ₹ 162.15 million for Fiscal 2019, representing a decrease of 19.36%, due to NRE charges of ₹ 38.48 million in a development contract for an EW programme for DRDO billed in Fiscal 2019.

Other income

Our other income increased to ₹ 40.94 million for Fiscal 2020 from ₹ 14.46 million for Fiscal 2019, representing an increase of 183.13%. This increase in other income was primarily due to a net gain from foreign exchange of ₹ 13.52 million in Fiscal 2020 as compared to nil gain in Fiscal 2019, due to realisation of outstanding export proceeds billed at a higher foreign exchange conversion rate. Additionally, our interest income from bank deposits increased to ₹ 25.47 million for Fiscal 2020 from ₹ 13.34 million for Fiscal 2019, due to increase in bank deposits on account of deposits created towards margin for additional bank guarantee limits sanctioned by banks.

Expenditure

Cost of raw materials consumed

Our expenses towards consumption of raw materials increased to ₹ 532.13 million in Fiscal 2020 from ₹ 454.31 million in Fiscal 2019, in line with an increase in the scale of our operations.

Changes in inventories of finished goods, work in progress and stock-in-trade

Change in inventories of finished goods, stock in trade and finished goods amounted to ₹ 28.76 million for Fiscal 2020 in comparison to ₹ 35.16 million for Fiscal 2019. This was primarily due to better utilisation of the stock for the contracts executed.

Employee benefit expenses

Employee benefit expenses increased to ₹ 422.71 million for Fiscal 2020 from ₹ 376.49 million for Fiscal 2019, representing an increase of 12.28%, which was primarily on account of an increase in our expenses towards salaries and wages to ₹ 364.21 million for Fiscal 2020 from ₹ 323.39 million for Fiscal 2019, which was in line with our increase in employee strength to 590 as at March 31, 2020 from 573 as at March 31, 2019.

Finance cost

Finance cost increased by ₹ 25.66 million to ₹ 133.43 million for Fiscal 2020 from ₹ 107.77 million for Fiscal 2019. This increase in our finance costs was primarily due to an increased interest component on our borrowings due to overall expansion of our indebtedness to ₹ 605.66 million as on March 31, 2020 from ₹ 601.34 million as on March 31, 2019 and increase in other borrowing costs consisting mainly of additional Bank guarantee commission and the processing fee paid to banks for the additional non-fund facilities sanctioned to our Company to ₹ 43.71 million in Fiscal 2020 to ₹ 23.78 million in Fiscal 2019.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by ₹ 3.79 million to ₹ 54.78 million for Fiscal 2020 from ₹ 58.57 million for Fiscal 2019, representing a decrease of 6.47%. This was primarily due higher depreciation cost in Fiscal 2019 on account of completion of useful life of certain assets, such as furniture, office equipment, computers and other electronic test equipment, leading to higher write offs. On account of decrease in depreciation on property, plant and equipment / amortisation of intangible assets to ₹ 30.06 million for Fiscal 2020 from ₹ 35.89 million for Fiscal 2019 as offset by an increase of ₹ 2.04 million towards amortisation of ROU assets to ₹ 24.72 million for Fiscal 2020 from ₹ 22.68 million for Fiscal 2019.

Other expenses

Other expenses decreased by ₹ 43.38 million to ₹ 145.82 million for Fiscal 2020 from ₹ 189.20 million for Fiscal 2019, representing a decrease of 22.92%, primarily on account of lower write off of ₹ 14.84 million of liquidated damages in Fiscal 2020 from ₹ 66.19 million in Fiscal 2019, which was on account of a one-time write off in Fiscal 2019 of certain amounts payable by customers towards liquidated damages under contracts with such customers, which had been previously considered as recoverable by our Company, decreased business promotion expenses of ₹3.06 million over Fiscal 2019 as offset by higher travelling expenses of ₹ 1.45 million over Fiscal 2019, increased legal and professional expenses from ₹ 6.36 million over Fiscal 2019 and corporate social responsibility costs of ₹ 0.50 million in Fiscal 2020, as opposed to nil costs in Fiscal 2019.

Restated Profit before tax

For the reasons discussed above, profit before tax increased by 174.44% to ₹ 284.29 million in Fiscal 2020 compared to ₹ 103.59 million in Fiscal 2019.

Tax expenses

Our total tax expenses increased by ₹ 47.24 million to ₹ 73.81 million for Fiscal 2020 from ₹ 26.57 million for Fiscal 2019. Our income tax liability increased by ₹ 41.57 million to ₹ 75.51 million for Fiscal 2020 from ₹ 33.94 million for Fiscal 2019. Our deferred tax expenses increased by ₹ 6.48 million to ₹ (1.70) million for Fiscal 2020 from ₹ (8.18) million for Fiscal 2019 mainly due to net increase in the deferred tax liability in Fiscal 2020.

Profit for the period

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 133.46 million or 173.29% to ₹ 210.48 million for Fiscal 2020 from ₹ 77.02 million for Fiscal 2019.

Other comprehensive income / (loss) for the year

Our other comprehensive loss for the year decreased to ₹ (0.37) million for Fiscal 2020 from ₹ (5.11) million due to remeasurement loss on defined benefit obligations, being actuarial valuation of gratuity liabilities of ₹ (0.49) million in Fiscal 2020 from ₹ (7.08) million for Fiscal 2019, along with income tax obligation thereon.

Total comprehensive income for the year

On account of the above, our total comprehensive income for the year was ₹ 210.11 million for Fiscal 2020 up from ₹ 71.91 million for Fiscal 2019.

Liquidity and Capital Resources

As of March 31, 2021, our cash and cash equivalents were ₹ 88.06 million.

We fund our operations and capital requirements primarily through cash flows from operations. We expect that cash flow from operations will continue to be our principal sources of cash in the long term. Further, our business is asset light in nature and requires lesser amount of capital expenditure on a yearly basis. We evaluate our funding requirements periodically in light of our net cash flow from operating activities.

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

(₹ in million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Operating profit before working capital changes	922.43	445.08	255.47
Cash generated from / (used in) operations	739.07	162.55	(33.89)
Direct Taxes Paid	(189.79)	(28.41)	(11.07)
Net cash generated from operating activities	549.28	134.14	(44.96)
Net cash from investing activities	(27.40)	14.10	4.29
Net cash flow from financing activities	(448.93)	(136.25)	22.49
Net increase / (decrease) in cash and cash equivalents	72.95	11.99	(18.18)
Cash and cash equivalents - Opening Balance	15.11	3.12	21.30
Cash and cash equivalents - Closing Balance	88.06	15.11	3.12

Net cash flow from operating activities

Fiscal 2021

Net cash generated from operating activities was ₹ 549.28 million for Fiscal 2021. While our profit before tax was ₹ 745.34 million for Fiscal 2021, our operating profit before working capital changes stood at ₹ 922.43 million. This was primarily due to adjustments for depreciation expenses of ₹ 55.52 million, interest and finance charges of ₹ 145.02 million reduced for profit on sale of assets of ₹ (1.24) million and interest income of ₹ (22.21) million. Changes in working capital for Fiscal 2021 primarily consisted of increase in receivables of ₹ 403.01 million, decrease in other financial assets of ₹ 110.33 million and an increase in non-current liabilities of ₹ 130.44 million. Further, this was adjusted by direct taxes paid of ₹ (189.79) million. Our increase in receivables was on account of a larger quantum of revenue being booked in the last quarter of the Fiscal 2021 as compared to previous quarters. However, receivables as number of days to revenue in Fiscal 2021 was 254 days against 270 days in Fiscal 2020.

Fiscal 2020

Net cash generated from operating activities was ₹ 134.14 million for Fiscal 2020. While our profit before tax was ₹ 284.29 million for Fiscal 2020, our operating profit before working capital changes stood at ₹ 445.08 million. This was primarily due to adjustments for depreciation expenses of ₹ 54.78 million, interest and finance charges of ₹ 133.43] million reduced for profit on sale of assets of ₹ (1.78) million and interest income of ₹ (25.64) million. Changes in working capital for Fiscal 2020 primarily consisted of increase in receivables of ₹ 126.94 million, increase in other financial assets of ₹ 108.57 million and an decrease in non-current liabilities of ₹ 108.65 million. Further, this was adjusted by direct taxes paid of ₹

28.41 million. Our increase in receivables was on account of higher revenue being booked in the last quarter of Fiscal 2020 as compared to previous quarters. However, receivables as number of days to revenue in Fiscal 2020 was 270 days against 287 days in Fiscal 2019.

Fiscal 2019

Net cash generated from operating activities was ₹ (44.96) million for Fiscal 2019. While our profit before tax was ₹ 103.59 million for Fiscal 2019, our operating profit before working capital changes stood at ₹ 255.47 million. This was primarily due to adjustments for depreciation expenses of ₹ 58.57 million, interest and finance charges of ₹ 107.77 million reduced for profit on sale of assets of Nil and interest income of ₹ 14.46 million. Changes in working capital for Fiscal 2019 primarily consisted of decrease in receivables of ₹ 132.62 million, increase in other financial assets of ₹ 214.71 million and an increase in non-current liabilities of ₹ 107.26 million. Further, this was adjusted by direct taxes paid of ₹ 11.07 million. Our increase in receivables was on account of higher revenue being booked in the last quarter of Fiscal 2020 as compared to previous quarters. However, receivables as number of days to revenue in Fiscal 2019 was 287 days against 376 days in Fiscal 2018.

Net cash flow used in Investing Activities

Fiscal 2021

Net cash used in investing activities was ₹ 27.40 million in Fiscal 2021, which consisted of purchase of property, plant and equipment and software amounting to ₹ 56.83 million, offset by interest income on deposits of ₹ 22.21 million and proceeds from sale of property, plant and equipment of ₹ 7.22 million.

Fiscal 2020

Net cash from investing activities was ₹ 14.10 million in Fiscal 2021, which consisted of purchase of property, plant and equipment and software amounting to ₹ 14.47 million, offset by interest income on deposits of ₹ 25.64 million and proceeds from sale of property, plant and equipment of ₹ 2.93 million.

Fiscal 2019

Net cash from investing activities was ₹ 4.29 million in Fiscal 2019, which consisted of purchase of property, plant and equipment and software amounting to ₹ 10.20 million, offset by interest income on deposits of ₹ 14.46 million and proceeds from sale of property, plant and equipment of ₹ 0.03 million.

Net cash flow used in Financing Activities

Fiscal 2021

Net cash used in financing activities in Fiscal 2021 was ₹ (448.93) million, which was due to interest charge on borrowings of ₹ (145.02) million, repayment of short term borrowings of ₹ (371.84) million, dividend paid of ₹ (3.40) million and lease liability payment of ₹ (20.83) million as offset by proceeds from long term borrowings amounting to ₹ 92.16 million.

Fiscal 2020

Net cash used in financing activities in Fiscal 2020 was ₹ (136.25) million, which was due to interest charge on borrowings of ₹ (133.43) million, proceeds of short term borrowings of ₹ 17.02 million, dividend paid of ₹ (4.09) million and lease liability payment of ₹ (21.28) million as offset by proceeds from long term borrowings amounting to ₹ 5.53 million.

Fiscal 2019

Net cash used in financing activities in Fiscal 2020 was ₹ 22.49 million, which was due to interest charge on borrowings of ₹ (107.77) million, proceeds of short term borrowings of ₹ 174.60 million, dividend paid of ₹ (4.09) million and lease liability payment of ₹ (20.51) million as offset by repayment of long term borrowings amounting to ₹ (19.74) million.

Contractual Obligations

The following table sets forth a maturity profile of our contractual obligations and commercial commitments as of the respective periods mentioned:

Particular	Maturity				Total
	On Demand	Less than 1 year	One to five years	More than five years	
As at March 31, 2021					
Non-Current Liabilities	-	44.95	52.75	-	97.70
Lease Liabilities	-	15.15	24.35	-	39.49
Short Term Borrowings	212.96	13.78	-	-	226.74
Trade Payable	-	119.95	-	-	119.95
Financial Liabilities (other than lease liabilities)	-	47.82	-	-	47.82
Total	**212.96**	**241.65**	**77.10**	**-**	**531.71**
As at March 31, 2020					
Non-Current Liabilities	-	-	5.53	-	5.53
Lease Liabilities		20.83	38.46	-	59.29
Short Term Borrowings	369.17	229.40	-	-	598.57
Trade Payable	-	172.58	-	-	172.58
Financial Liabilities (other than lease liabilities)	-	80.70	-	-	80.70
Total	**369.17**	**503.50**	**43.99**	**-**	**916.67**
As at March 31, 2019					
Non-Current Liabilities	-	-	-	-	-
Lease Liabilities		10.77	59.29	-	70.06
Short Term Borrowings	421.48	160.07	-	-	581.54
Trade Payable	-	158.61	-	-	158.61
Financial Liabilities (other than lease liabilities)	-	55.76	-	-	55.76
Total	**421.48**	**385.22**	**59.29**	**-**	**865.98**

Provisions and Contingent Liabilities

Provisions

Provisions are accounted for in respect of present obligations arising out of past events where it is probable that an outflow of resources will be required to settle the obligation and the amounts of which can be reliably estimated. Provisions are determined on the basis of best estimate of the outflow of economic benefits required to settle the obligation as at the date of the relevant balance sheet. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Contingent liabilities

Except as set out below, there were no claims against our Company not acknowledged as debt as on March 31, 2021:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Contingent liabilities:			
Disputed Demands under Appeals			
i) Sales Tax	12.14	6.38	6.38
ii) Service Tax	4.76	4.76	4.76
iii) Income Tax	13.81	13.81	-
Bank Guarantees given	1,315.89	1,178.64	1,045.52
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	306.80	-	-

Off-Balance Sheet Transactions

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm‘s lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see the section, "*Other Financial Information – Related Party Transactions*" on page 273.

Quantitative and Qualitative Disclosures

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Our Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk).

Currency Risk

Our Company is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro etc. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Our Company’s exposure to foreign currency risk in respect of major currencies is given below:

Particulars	Currency	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Amount receivable in foreign currency – Exports	USD	1.54	0.09	0.45
	GBP	0.19	0.34	0.31
Amount payable in foreign currency – Imports	USD	1.21	1.59	1.42
	EUR	0.01	0.03	0.00
	GBP	0.00	0.01	0.00
	YEN	-	-	-
	CHF	-	-	-

Interest risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Significant amount of trade receivables are due from Government /Government Departments and Public sector undertakings (PSU) consequent to which our Company does not have a credit risk associated with such receivables.The impairment of trade receivables is based on modified expected credit loss model. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 37 to the Restated Financial Statements.

The cash and cash equivalents and margin money deposits are held with banks. Our Company has not incurred any losses on account of default from banks on deposits.

Liquidity Risk

Liquidity Risk is the risk that the company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that our Company will face difficulty in raising financial resources required to fullfil its commitments. Our company’s exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, our Company has access to shortterm bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

For details of our Company’s financial liabilities based on their contractual maturities, please see “– *Contractual Obligations*” on page 301. The amounts disclosed are contractual undiscounted cash flows.

Competitive Conditions

We compete against domestic and international players for market share. Competition is at two levels; (i) during the development stage in DRDO requirements from small and medium size companies building custom solutions and/or integrating the solutions around imported COTS products and (ii) from large corporates offering complete systems, often under a partnership with international OEMs, for products and programmes directly procured by MoD.

While there are several companies which manufacture some of the products that we sell in various geographical markets, we do not have any direct competitor for our complete range of products in the Indian context. These products are developed with international specifications to compete with international equivalents for Indian requirements. Further, our ability to offer a wide range of products and end-to-end solutions to our customers meeting their varying requirements, differentiate us from our competition. For details, see "*Our Business – Competition*" on page 185.

Seasonality

We are not subject to seasonal fluctuations in results of operations and cash flow.

Unusual or Infrequent Events or Transactions

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*", on pages 277 and 34, respectively.

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which, in our judgment, would be considered "unusual" or "infrequent".

Changes in accounting policies

Except as disclosed under "*Financial Statements*" on page 226, there are no changes in the accounting policies in the last three Fiscals.

Known Trends or Uncertainties

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

Significant regulatory changes

Except as disclosed in "*Key Regulations and Policies in India*" on page 191, there have been no regulatory changes that have materially affected our business.

Significant economic and regulatory changes

Other than as disclosed in "*– Factors affecting our Results of Operations*", "*Risk Factors*" and "*Key Regulations and Policies in India*" on pages 277, 34 and 191, respectively, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations, to our knowledge.

New Product or Business Segments

Other than as described in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Future Relationships Between Costs and Income

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our business prospects, results of operations and financial condition.

Significant Economic Changes that materially affected or are likely to affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Except as disclosed in "*Risk Factors*" on page 34 and under "*- Factors affecting our Results of Operations – Developments in relation to the COVID-19 pandemic*" on page 278, there are no significant economic changes that have materially affected our Company's operations or are likely to affect income from continuing operations.

Total turnover of each major industry segment in which our Company operates

For details of the total turnover, see the section titled "*Financial Information*" on page 271.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in income from operations during the last three Fiscals are as explained in the sub-section titled "*- Factors affecting our Results of Operations*" on page 277.

Significant dependence on single or few suppliers or customers

For details of risk of significant dependence on few customers, see the section titled "*Risk Factors- We depend on a limited number of customers such as DRDO, Defence PSUs - MoD, BrahMos Aerospace and ISRO for a significant portion of our revenue. The loss of any of our major customers due to any adverse development or significant reduction in business from our major customers may adversely affect our business, financial condition, results of operations and future prospects*" on page 35.

Reservations, qualifications or adverse remarks by Auditors

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021, except as set out below. Our auditors have not qualified their opinions for any of the years in respect of the matters set out below. While we have encountered certain temporary disruptions in our business operations dues to COVID-19 related lockdowns, we reshaped our business fairly quickly, through the use of technological solutions to effectively engage with our clients. Our client interactions improved significantly, as we were able to connect with them on a frequent basis, which also enabled faster decision making and improvement in our overall performance. While our revenue was slightly affected in the first half of Fiscal 2021, due to efforts taken by us, there was a significant improvement in our overall financial performance during the fiscal.

Fiscal 2021

Emphasis of Matter

We draw attention to Note no. 42 in the financial statements where in our Company has disclosed the impact of COVID-19 pandemic on its current and future financial performance. Considering the uncertainties involved in the future economic scenario which is based on various external factors outside the control of our Company, the management's assumptions and estimates on operational and financial performance of our Company would largely depend on future developments as they emerge as stated in the said note.

Note 42

Impact on account of COVID 19

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March 2020 to contain spread of COVID-19 virus, the operations of our Company was shut down. This has impacted the normal business operations of our Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability.

In the preparation of financial statements, our Company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract / penalties for non-fulfilment of contractual obligations. Major customers of our Company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities our Company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of our Company may be different from management estimates in this regard, our Company will continue to closely monitor any changes as they emerge.

Fiscal 2020

Emphasis of Matter

We draw attention to Note no.43 in the Special Purpose Ind AS Financial Statements where in our Company has disclosed the impact of COVID-19 pandemic on its current and future financial performance. Considering the uncertainties involved in the future economic scenario which is based on various external factors outside the control of our Company, the management's assumptions and estimates on operational and financial performance of our Company would largely depend on future developments as they emerge as stated in the said note. Our opinion is not modified in respect of this matter.

Note 43

Impact on account of COVID 19

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March 2020 to contain spread of COVID-19 virus, the operations of the Company was shut down. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability.

In the preparation of financial statements, the company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract / penalties for non-fulfillment of contractual obligations. Major customers of the company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities the company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company may be different from management estimates in this regard, the company will continue to closely monitor any changes as they emerge.

Significant Developments after March 31, 2021

Except as disclosed below and in this Draft Red Herring Prospectus, there are no significant developments or circumstances that have arisen since March 31, 2021, the date of the last financial statements included in this Draft Red Herring Prospectus:

The Board of Directors have recommended a dividend of ₹ 65.30 per Equity Share on the equity shares of face value of ₹10 each for the Financial Year 2020-21 subject to approval of Members at the Annual General Meeting.

Further, except as disclosed in this Draft Red Herring Prospectus, there are no circumstances that have arisen since March 31, 2021, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

CAPITALISATION STATEMENT

(₹ in million, except ratios)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer[(2)]
Total Borrowings		
Current borrowings[#] (A)	226.74	[●]
Non-current borrowings (including current maturities of long-term borrowings)[#] (B)	105.47	[●]
		[●]
Total Borrowings (C)	**332.21**	[●]
Total Equity		
Equity share capital	17.00	[●]
Other Equity[#]	2,060.70	[●]
Total Equity (D)	**2,077.70**	[●]
Ratio: Non-Current Borrowings (including current maturities of long-term borrowings)**/Total Equity (B)/(D)**	0.05	[●]
Ratio: Total Borrowings/ Total Equity (C)/ (D)	0.16	[●]

[#] These terms carry the same meaning as per Schedule III of the Companies Act 2013, as amended.

Note:
1. *The above has been derived from the Restated Financial Statements.*
2. *To be updated upon finalization of the offer price*

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, *inter alia*, meeting its working capital requirements, matching short term cash flows mismatches in working capital requirements, covering forex exposure for foreign remittances and for general corporate purposes. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, such as, *inter alia*, effecting a change in our shareholding pattern, change in the management of our board and change in our capital structure in connection with or post the Offer. For details regarding the resolution passed by our Board on September 14, 2015 authorizing the borrowing powers of our Board, see "*Our Management –Borrowing Powers of our Board*" on page 211.

As on August 31, 2021, the aggregated outstanding borrowings of our Company amounted to ₹ 558.24 million. Set forth below is a brief summary :

Category of borrowing	**Sanctioned Amount As on 31st August 2021 (Rs. in million)**	**Outstanding amount As on 31st August 2021 (Rs. in million)**
i) Working Capital Limits		
Fund based		
Cash Credit	511.00	442.62
Total fund based working capital limits	511.00	442.62
ii) Other facilities		
Term loan	426.65	115.62
Total indebtedness	**937.65**	**558.24**

^*As certified by our Statutory Auditor by way of certificate dated September 19, 2021*

For details of our outstanding borrowings as on August 31, 2021 see "*Financial Statements*" on page 226.

Principal terms of the facilities sanctioned to our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company

1. ***Interest:*** In terms of the facilities availed by us, the interest rate is typically in the range of 7.4% to 11.75% per annum.

2. ***Tenor:*** The working capital facilities availed by us are available for a period ranging from 1 month to 5 years. The tenor of the term loans availed by us are typically for a period of 5 years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:

   a) Create pari-passu first charge on the current assets of the Company, both present and future;
   b) Create pari-passu charge on fixed assets except vehicles/ assets financed by other Banks/ NBFCs under the Hire Purchase Scheme;
   c) Create pari passu first charge on 5.75 acres of leasehold land and building in the name of our Company at the address Plot H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai 603103, Tamil Nadu
   a) Create pari passu charge over over Flat 3-A, Akshaya Apartments, measuring 815 sq ft at Krishnaswamy Avenue, Mylapore owned by Rekha Murthy Rangarajan;
   b) Execute demand promissory notes for a specified amount in the form approved by the relevant lender; and
   c) Execute personal guarantees in the names of our directors, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan

   This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Pre-payment:*** The prepayment fee attracted in respect of certain loans is either nil or in case of take-over of working capital facilities by other banks, 2.00% of the entire working capital or outstanding balance at the time of such takeover, as applicable.

5. ***Re-payment:*** The facilities are typically repayable on demand.

6. ***Events of Default:*** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia:*

   a) Occurrence of default in the payment of any monies in respect of the facilities on the due dates (whether at stated maturity, by acceleration or otherwise) for payment thereof or otherwise
   b) Default in the performance of any covenant, condition, or agreement on the part of the borrower in accordance with transaction documents
   c) Any change in the management of the borrower or if the management of the undertaking is taken over or is nationalized by the Central or State Government
   d) Any person makes or threatens to make any application under the Insolvency and Bankruptcy code, 2016 and/or any notice is received in relation to the same

   The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

   Additionally, our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans are not triggered.

7. ***Restrictive Covenants*:** Certain borrowing arrangements entered into by us contain restrictive covenants, including, inter alia, that the borrower cannot without prior written consent or intimation*:*

   a) Enter into any merger or amalgamation or do a buy-back;
   b) Change the general nature of its business or undertake any expansion or invest in any other entity;
   c) Permit any change in its ownership or control or management or enter into arrangement whereby its business or operations are managed or controlled, directly or indirectly by any other person;
   d) Make any amendments to its constitutional documents;
   e) Avail any loan and/or stand as surety or guarantor for any third party liability or obligation and/or provide any loan or advance to any third party;
   f) Encumber its assets;
   g) Undertake guarantee obligations or extend letter of comfort, on behalf of any other company/ person/ trust/ any third party
   h) Declare dividend;
   i) Effect any changes in its capital structure and management set-up
   j) Effect any change in its constitution

   This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us. For details, see "*Risk Factors – Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition*" on page 43.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below). Further, except as stated 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 any outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated July 16, 2021:

Any pending litigation or arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company, Directors and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

(a) the aggregate monetary claim made by or against our Company, Directors and/or Promoters, as the case may be, in any such pending litigation or arbitration proceeding is equal to or in excess of 2.5% of the total revenue of our Company, in the most recently completed Financial Year as per the Restated Financial Statements, which is ₹ 56.64 million; or

(b) in such litigation the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (a) 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,

have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.

For the purposes of the above, pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements. The consolidated trade payables of our Company as on March 31, 2021 was ₹ 119.95 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 6 million as on March 31, 2021.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

NIL

Litigation by our Company

A. *Outstanding criminal proceedings*
NIL

B. *Outstanding material civil litigation*

NIL

Litigation involving our Promoters

Litigation against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Promoters. Further, no actions have been initiated against our Promoters by any regulatory/ statutory authorities and there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five financial years including any outstanding action.

Litigation involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Directors. Further, no actions have been initiated against our Directors by any regulatory/ statutory authorities.

Tax Proceedings

(in ₹ million)

Nature of cases	Number of cases	Amount involved
Company		
Direct Tax	2	13.12
Indirect Tax	4	15.40
Directors		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL
Promoter		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL
Total	6	28.52

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 6 million, which is 5% of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements, i.e. as of March 31, 2021, were considered 'material' creditors. Based on the above, there are 4 material creditors of our Company as on March 31, 2021, to whom an aggregate amount of ₹ 67.2 million was outstanding. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2021 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Dues to micro, small and medium enterprises ("MSMEs")	19	2.37
Dues to Material Creditors (as defined below)	4	67.20
Dues to other creditors	191	50.38
Total	**214**	**119.95**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at www.datapatternsindia.com.

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Material Developments

Other than as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 274, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and/ or regulatory authorities obtained by our Company which are considered necessary for the purpose of undertaking our business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, various applications have been made to various authorities for updating the name of our Company, subsequent to the merger with our Erstwhile Subsidiary and the conversion of our Company into a public limited company. Further, certain of our approvals may have expired or may expire in the ordinary course of business and our Company has either already made an application to the appropriate authorities for renewal of such key approvals or is in the process of making such renewal applications.

Approvals relating to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 316.

Incorporation details

1. Certificate of incorporation dated November 11, 1998 issued by the RoC to our Company in the name of 'Indus Teqsite Private Limited'.

2. Fresh certificate of incorporation dated August 4, 2021 issued by the RoC, consequent upon change of name from 'Indus Teqsite Private Limited' to 'Data Patterns (India) Private Limited', pursuant to the merger of our Company with our Erstwhile Subsidiary Data Patterns (India) Private Limited.

3. Fresh certificate of incorporation dated September 13, 2021 issued by the RoC, consequent upon change of name from 'Data Patterns (India) Private Limited' to 'Data Patterns (India) Limited', pursuant to conversion of our Company from a private limited company to a public limited company.

4. The CIN of our Company is U72200TN1998PLC061236

Material Approvals in relation to our Company

1. Tax related approvals

(i) The permanent account number of our Company is AAACI6684D.
(ii) The tax deduction account number of our Company is CHEI04737F*.
(iii) Professional tax registration of our Company is 08-124-PE-028*.
(iv) The GST registration number of our Company is 33AAACI6684D1ZP, for the state of Tamil Nadu, where our Registered and Corporate Office is located.
(v) The Importer-Exporter Code for our Company is 5198000299*

2. Manufacturing facilities and business-related material approvals*

Following is the list of material approvals obtained by our Company for the manufacturing facilities located at our Registered and Corporate Office

(i) Factory license (Registration number- KPM09055) issued under the Factories Act, 1948 by Directorate Industrial Safety and Health, Gujarat State .

(ii) Certificate of stability under section 7(1) of the Factories Act and Rules 12B (3) and (4) of the Tamil Nadu Factories Rules, 1950

(iii) Planning permission from the Local Planning Authority vide its letter dated April 15, 2010.

(iv) Drawing approval from the Thiruporur Panchayat Union vide its letter dated January 5, 2011 for the construction of an information technology park in our Registered and Corporate Office

(v) Approval from the Department of Public Health and Medicine for the construction of the manufacturing facility at our Registered and Corporate office vide letter dated December 9, 2009

(vi) License to work a lift (Registration number: 1591/TBM/Lift/2017)

(vii) Fire License (License number: 515/2021) granted under section 13 of the Tamil Nadu Fire Service Act 1985

(viii) Registration of our Registered and Corporate Office as a Medium Manufacturing Enterprise under the Ministry of Micro, Small and Medium Enterprises

(ix) Approval of our Registered and Corporate Office as a 100% export-oriented unit for computer software under the Software Technology Park Scheme of the Government of India

(x) Certification from TÜV SÜD South Asia Private Limited for the implementation of the Information Security Management System in accordance with ISO/IEC 27001:2013 for our Registered and Corporate Office

(xi) Certification from TÜV SÜD South Asia Private Limited for the implementation of the Quality Management System in accordance with AS9100D and ISO 9001:2015 for our Registered and Corporate Office

(xii) Certification from National Accreditation Board for Testing and Calibration Laboratories ("NABL Certification") for the general requirements for the competence of testing and calibration laboratories in accordance with ISO 17025:2017 for our Registered and Corporate Office

(xiii) Accreditation from U.R. Rao Satellite Centre, Department of Space, Government of India for manual soldering & Assembly Wiring of Onboard Electronic packages for spacecraft application

(xiv) Accreditation from Vikram Sarabhai Space Centre, Department of Space, Government of India for fabrication (Soldering, SRC Production testing & Conformal Coating) of 51 types of Avionics packages for launch vehicle application

(xv) Our approvals/NoC from the State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT), Department of Industrial Safety &Health, TN Fire & Rescue Services, Department of Public Health & Preventive Medicine and TN Pollution Control Board for Air and Water related to the expansion plans have been received to start and/or continue the construction of the new building planned by us.

3. Labour/employment related approvals

(i) Registration under applicable shops and establishments legislation for our offices, issued by the ministry or department of labour of relevant State government, wherever applicable. These licenses are periodically renewed, whenever applicable.

(ii) Registration for employees' provident fund with the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with code number TN/23788A. *

(iii) Registration for employees' insurance with the relevant regional office of the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948 with code number 51000856060000606. *

4. Environment related approvals

We have obtained consents under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 from the Tamil Nadu Pollution Control Board where our Registered and Corporate office is located. *

5. Intellectual Property related approvals

For details in relation to intellectual property rights, see "Our Business" page 158 and "*Risk Factors – Internal Risk Factors – Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business and competitive position*" on page 50.

6. Approvals applied for but not received

Except for the approval from the Directorate of Town and Country Planning (MLPA) for the construction of the new building planned by us, there are no approvals that have been applied for by our Company but not received as on the date of this Draft Red Herring Prospectus.

7. Approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no approvals that have expired but have not been renewed by our Company.

8. Approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no approvals which our Company were required to obtain or apply for, but which have not been obtained or been applied for.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on July 16, 2021 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated September 15, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 16, 2021. The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on September 15, 2021.

Each of the he Selling Shareholder has, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 62.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not 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.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders confirm that they have not been 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 other governmental authority in India.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and each of the Selling Shareholders confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- Except as disclosed in this Draft Red Herring Prospectus, our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

(₹ in million)

S. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
A.	Net tangible assets(1)	2,080.28	1,540.96	1,335.9
B.	Monetary assets(2)	88.06	15.11	3.12
C.	Monetary assets as a percentage of net tangible assets (B/A)	4.23%	0.98%	0.23%
D.	Net worth(3)	2,074.69	1,531.93	1,325.91
E.	Restated pre-tax operating profits(4)	864.36	376.78	196.90

Notes:

1. *"Restated net tangible assets" means the sum of all the net assets of our Company excluding intangible assets and right of use assets reduced by total liabilities excluding deferred tax liability (Net) of the Company.*
2. *"Monetary assets" means cash and cash equivalents and bank balances other than cash and cash equivalents.*
3. *"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, write-back of depreciation and amalgamation.*
4. *"Restated pre-tax operating profit" means restated profit before tax excluding other income and finance expense.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company has entered into tripartite agreements dated August 31, 2021 and September 1, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;

(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(x) 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 SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED AND IIFL SECURITIES LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 20, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

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 OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.datapatternsindia.com, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, associates or third parties in the ordinary course of business have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, and their respective associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Chennai and Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, CFO, Bankers to our Company, the BRLMs, Registrar to the Offer, Frost & Sullivan have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert to the Offer

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

Our Company has received written consent dated September 19, 2021 from R.G.N Price & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 15, 2021 on our Restated Financial Information; and (ii) their report dated September 19, 2021 on the statement of 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.

Our Company has received written consent dated September 19,2021 from B. Muniraja, Chartered Engineer, to include their name as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this DRHP, 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 with respect to the certificates issued by him in relation to the details of manufacturing facilities of our Company.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in “*Capital Structure*” on page 75, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue 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 subscription for any of the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any corporate promoters or any listed subsidiary.

Price information of past issues handled by the BRLMs

1) JM Financial Limited

1. Price information of past issues handled by JM Financial Limited

Sr. No.	Issue name	Issue Size (` million)	Issue price (`)	Listing Date	Opening price on Listing Date (in `)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Krsnaa Diagnostics Limited[9]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	Not Applicable	Not Applicable
2.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	Not Applicable	Not Applicable
3.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	92.54% [5.87%]	Not Applicable	Not Applicable
4.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	Not Applicable	Not Applicable
5.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	Not Applicable	Not Applicable
6.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	Not Applicable	Not Applicable
7.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	Not Applicable	Not Applicable
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
9.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	37.12%[20.87%]
10.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68%[6.94%]	177.57%[17.88%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹15 per Equity Share.*
8. *A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *Not Applicable – Period not completed*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	8	1,37,495.07	-	-	1	2	3	2	-	-	-	-	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

2) IIFL Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited.

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%,[+0.11%]	+16.81%, [+10.11%]	+31.56%,[+21.45%]
2	Suryoday Small Finance Bank Ltd	5,808.39	305.00	March 26, 2021	292.00	-18.38%,[-1.14%]	-26.87%, [-98.46%]	N.A.
3	Nazara Technologies Ltd	5,826.91	1,101.00	March 30, 2021	1,990.00	+62.57%,[0.13%]	+38.22%, [6.84%]	N.A.
4	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%,[-0.64%]	+76.97%, [+6.85%]	N.A.
5	Macrotech Developers Ltd	25,000.00	486.00	April 19, 2021	436.00	+30.22%,[+5.21%]	+75.43%,[+10.89%]	N.A.
6	Shyam Metalics and Energy Ltd	9,085.50	306.00	June 24, 2021	380.00	+40.95%,[+0.42%]	N.A.	N.A.
7	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	+48.10%;[-0.43%]	N.A.	N.A.
8	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	-18.04%,[+4.93%]	N.A.	N.A.
9	Krsnaa Diagnostics Limited	12,133.35	954.00	August 16, 2021	1,005.55	-9.42%,[+4.93%]	N.A.	N.A.

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
10	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	N.A.	N.A.	N.A.

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. The Nifty 50 index is considered as the benchmark index. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited.*

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019–20	5	65,827.61	-	-	2	-	1	2	1	1	1	-	-	2
2020-21	8	47,017.65	-	-	4	2	1	1	-	-	-	2	3	1
2021-22	7	1,14,700.38	-	-	2	-	3	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
.
NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	JM Financial Limited	www.jmfl.com
2.	IIFL Securities Limited	www.iiflcap.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021,as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts beyond the date of receipt of the complaint, the Book Running Lead Managers shall be liable to compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay, , to the extent applicable.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be four Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Manvi Bhasin, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer related problems. For details, see "*General Information*" on page 67.

Our Company has constituted a Stakeholders' Relationship Committee comprising of four directors as members of whom two are Independent Directors, to review and redress shareholder and investor grievances. For details, see "*Our Management - Stakeholders' Relationship and Share Transfer Committee*" on page 215.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 355.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 225 and 355, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 2 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil 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/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

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

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 98.

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, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 355.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Link Intime India Private Limited:

- Tripartite agreement dated August 31, 2021 amongst our Company, NSDL and Link Intime India Private Limited.
- Tripartite agreement dated September 1, 2021 amongst our Company, CDSL and Link Intime India Private Limited.

Our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC.

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 Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

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

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

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of 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/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. 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, 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 above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company 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 Daysof the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling

Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 12.00pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

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/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days during the Bid / Offer Period.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 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 BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; 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 offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Selling Shareholders shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 75 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 355.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ 3000 million comprising of a Fresh Issue of up to [●] Equity Shares and an Offer for Sale of up to 6,070,675 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of up to [●] Equity Shares of up to [●] Equity Shares aggregating up to ₹[●] million (constituting up to [●]% of our post-Offer paid-up Equity Share capital). The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 2 each.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 600 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the BRLMs and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to applicable law.

The Offer is being made through the Book Building Process.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor 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 (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
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 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 336

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, 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 Offer (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 ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply(3) (4)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs 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	Resident Indian individuals, Eligible 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 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 Offer*

(1) *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 "Offer Structure" on page 333.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer 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 beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form*

and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, 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 Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "*Terms of the Offer*" on page 327.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI 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.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, allocate up to 60% of the QIB

Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send

SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). 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 Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

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 till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in 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. The Equity Shares are being offered and sold only outside the United States in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales occurs.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters and members of the Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 354. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and 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 Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs 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 the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

(c) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date, and was completed on the same day.

(e) Our Company, in consultation with the BRLMs, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors was completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made, was made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) could apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

32. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/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 Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. 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;
18. 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);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
20. Do not submit a Bid using UPI ID, if you are not a RIB;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
28. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
29. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);
30. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
31. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
32. Do not Bid if you are an OCB.

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 were 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 RIBs 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 RIBs 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);
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 RIBs 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/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 67.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "*General Information –Book Running Lead Managers*" on page 68.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) [●] editions of [●], a Tamil newspaper, Tamil being the regional language of Tamil Nadu, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer

advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;
- If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter’s contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- Except for the Equity Shares to be allotted pursuant to the Offer and the Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

Undertakings by the Selling Shareholders

The Selling Shareholders undertakes in respect of itself as a ‘selling shareholder’ and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI
- the Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the BRLMs.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

> "*Any person who—*
> *(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
> *(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
> *(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name*
> *shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall

not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

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 DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020.

FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. Under the current FDI Policy, for the defence industry subject to industrial license under the Industries (Development & Regulation) Act, 1951 and Manufacturing of small arms and ammunition under the Arms Act, 1959, foreign direct investments up to 74% is permitted under the automatic route, subject to compliance with certain prescribed conditions. Government approval route is required beyond 74% wherever it is likely to result in access to modern technology or for other reasons to be recorded.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.
The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, 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 of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

UNDER THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

DATA PATTERN (INDIA) LIMITED

The following regulations comprised in these Articles of Association by way of Part A, Part B and Part C, were adopted pursuant to the shareholders' resolution passed at the extra ordinary general meeting of the Company held on August 12, 2021, in substitution for, supersession of and to the entire exclusion of, the earlier Articles of Association of the Company.

The regulations contained in the table marked "F" in the First schedule of the Companies Act, 2013 shall apply to the Company except so far as the same are directly or indirectly excluded in these Articles or in case of inconsistency with the provision of these Articles, in which case the provisions contained in these Articles will prevail.

In these Articles, unless there is something in the subject or context inconsistent therewith:

(a) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(b) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

The validity of these Articles shall be as follows:

Until the issuance of the notice for commencement of trading of the Equity Shares of the Company by the BSE Limited and/or the NSE Limited pursuant to an IPO of the Company ("**Listing Date**"), Part A, Part B and Part C of these Articles shall be effective. Provided, however, that until the Listing Date/IPO, any event of inter-se conflict between these three parts shall be resolved as below:

1. Any conflict between the terms of Part A and Part B, the terms of Part B shall prevail. And

2. Any conflict between the provisions of (i) Part C and Part A of the Articles; (ii) Part B and Part C; and (iii) between Part C of the Articles and Table F of the Act, the provisions of this Part C shall override and prevail over the provisions of Part A and Part B of the Articles and Table F of the Act.

On the Listing Date/ in the event of occurrence of an IPO, the Part B and Part C shall become ineffective automatically, without any further corporate action by the Company or by the shareholders and Part A shall continue to be in effect.

PART A

GENERAL ARTICLES

DEFINITIONS AND INTERPRETATION

1. In these regulations -

"**Act**" means the Companies Act, 2013, including any statutory modifications, re-enactments or amendments thereof from time to time, together with the corresponding rules and notifications;

"**Articles**" mean the Articles of Association of the Company;

"**Board**" means the board of directors of the Company, as constituted from time to time and includes any committees thereof;

"**Control**" shall have the meaning ascribed to the term under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.

"**Company**" means Data Pattern (India) Limited;

"**Director(s)**" means a director of the Company appointed or nominated from time to time in accordance with the terms of these Articles and the provisions of the Act;

"**Equity Shares**" shall mean fully paid-up equity shares of the Company having a face value of Rs 10 each;

"Investor" means Florintree Capital Partners LLP, a limited liability partnership established in accordance with the Limited Liability Partnership Act, 2008 with LLPIN: AAM-3116 and having its registered office at B1, 6th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, Maharashtra, India;

"**Memorandum**" means the memorandum of association of the Company , as amended or altered from time to time in accordance with the provisions of the Act.

"**Law**" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, including the Securities Contracts (Regulation) Act, 1956, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian Accounting Standards or any other applicable generally accepted accounting principles.

"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

"**Seal**" means the Common Seal of the Company.

SHARE CAPITAL

2. The authorised share capital of the Company shall be such amount and be divided into such Equity Shares as may, from time to time, be provided in Clause V of Memorandum with power to increase and reduce the capital of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as provided by the Company.

3. 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 either at a premium or at par or subject to the compliance with Section 53 of the act, at a discount and at such time as they may from time-to-time think fit.

4. (i) 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, --

   (a) one certificate for all his shares without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

   (ii) Every certificate shall be signed by 2 (two) directors and 1 (one) authorized signatory of the Company and shall specify the shares to which it relates and the amount paid-up thereon. The common seal shall be affixed in the presence of the persons required to sign the certificate and shall be in such form as the directors may prescribe and approve.

   (iii) 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. (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. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles 5 and 6 shall mutatis mutandis apply to debentures of the Company, to the extent applicable.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

6. 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. (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 one way and partly in the other

8. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

9. (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.

10. 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.

11. 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.

12. The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

13. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any from of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country.

LIEN

14. (i) The Company shall have a first and paramount lien:

(a) on every share (not being a fully paid share), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof 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.

Provided further that, unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such shares.

(ii) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and the 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.

15. The fully paid-up shares shall be free from all lien and that in case of partly paid shares, the Company’s lien shall be restricted to money called or payable at a fixed price in respect of such shares.

16. 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.

17. (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.

18. (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.

19. No shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

21. (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 14*(fourteen days')* notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. (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.

25. (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.

26. The Board-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 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.Provided that the money paid in advance of calls may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared. The Directors may at any time repay the amount so advanced.

27. No shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

The provisions of Articles 24 and 25 shall mutatis mutandis apply to the calls on debentures of the Company.

28. Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

29. **Further Issue of Shares**:

a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-

A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed under Law, and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

B. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause A above shall contain a statement of this right;

Provided nothing in this sub-clause shall be deemed to extend the time within which the offer should be accepted or authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner, which is not disadvantageous to the shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and such other conditions, as may be prescribed under Law; or

(iii) to any persons, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined in compliance with Law:

A. If it is authorised by a Special Resolution in a General Meeting; or

B. Where no such resolution is passed, then if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.]

b) The notice referred to in sub-clause A. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company

Provided that the terms of issue of such debentures or loan containing such an option have either been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a General Meeting or approved by Central Government before the issue of such debentures or the raising of loan, or is in conformity rules, if any, made by the government in this behalf.

d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the rules and the applicable provisions of the Act.

30. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within such period as prescribed under applicable Laws. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

TRANSFER OF SHARES

31. The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

32. (i) The instrument of transfer of any share in the Company shall be in writing and shall be executed by or on behalf of both the transferor and transferee and the provisions of the Act and statutory modifications thereof shall be duly complied with in respect of all transfer of shares and registration thereof.

(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.

33. 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.

34. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, whether in pursuance of any power of the company under these Articles or otherwise refuse to register the transfer of, or the transmission by operation of Law of the right to, any securities or interest of a shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

35. The Board may decline to recognise any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 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.

36. 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.

37. The Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of securities to the Board in each meeting.

38. There shall be a common form of transfer in accordance with the Companies Act and rules made thereunder.

39. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and subdivisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

TRANSMISSION OF SHARES

40. 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) 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.

41. (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.

42. (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.

43. 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

44. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

45. 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.

46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Law.

47. (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.

48. (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.

49. (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.

50. The provisions of these Articles 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

51. Subject to these Articles, the Company may, from time to time, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

52. 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, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(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, and diminish the amount of its share capital by the amount of the shares so cancelled.

53. 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.

54. 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

55. (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 sub-clause (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.

56. (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

57. Subject to these Articles and subject to the provisions of sections 68 to 70 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 and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by Law.

GENERAL MEETINGS

58. All general meetings other than annual general meeting shall be called extraordinary general meeting.

59. The Board may, whenever it thinks fit, call an extraordinary general meeting.

PROCEEDINGS AT GENERAL MEETINGS

60. (1) 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.

(2) The quorum for the general meetings shall be as provided in the Act.

61. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

62. 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.

63. 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.

64. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have second or casting vote.

ADJOURNMENT OF MEETING

65. (1) 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.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) 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.

(4) Save as aforesaid, and as provided in 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

66. Section 47 of the Act shall not apply to the Company.

67. 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.

68. 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.

69. (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.

70. 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.

71. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

72. 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

(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

73. 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.

74. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

75. 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.

FIRST BOARD OF DIRECTORS

76. Subject to the provisions of these Articles and the Act, and until otherwise determined by the Company in General Meeting, the number of the Directors of the Company shall not be less than three and not more than 15 (fifteen). The first Directors of the Company are:

1. S. Rangarajan
2. Rekha Rangarajan

BOARD OF DIRECTORS

77. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 and shall not be more than 15.

78. Provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Law. Further, such appointment of such Independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

79. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

(3) 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.

80. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act

81. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

82. (1) Subject to the provisions 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.

(2) 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

83. (1) The Board may appoint an alternate director to act for a director (hereinafter in these Articles referred to as "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

84. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

85. The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold

office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Law. Further, such appointment of such Independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

86. Further, the Investor shall be entitled to appoint one Director on the board of the Company (for so long as it holds at least 7.5% of the issued and paid up share capital of the Company calculated on a fully diluted basis) subject to the receipt of shareholders' approval through a special resolution by the shareholders, in the first general meeting of the Company held after date on which the Equity Shares are listed on the stock exchanges, pursuant to completion of an initial public offering of the Equity Shares of the Company.

POWERS OF BOARD

87. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

88. The Board may, from time to time and at its discretion, subject to the provisions of Sections 73, 179, 180, and 185 of the Act, raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company Any such money be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

89. Subject to the Act and these Articles, The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the under-taking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being or issue debentures with the right to conversion into or allotment of shares without the sanction of the Company by a special resolution in the General Meeting.

PROCEEDINGS OF THE BOARD

90. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

91. The Chairperson or any one director with the previous consent of the Chairperson, may or the secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

92. The quorum for a Board meeting shall be as provided in the Act.

93. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.

94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

95. 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.

96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

(2) 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 number to be Chairperson of the meeting.

97. (1) 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.

(2) 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.

(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.

98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(2) 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.

99. (1) A committee may meet and adjourn as it thinks fit.

(2) 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.

100. 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.

101. 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.

102. 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.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

103. Subject to the provisions of the Act—

(1) 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. The Board may appoint one or more chief executive officers for its multiple businesses.

(2) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(3) 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.

MANAGING DIRECTOR

104. (1) Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.

(2) Subject to the provisions of Act and Rules and Schedule of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

(3) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

THE SEAL

105. (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 three directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVES

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

107. 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.

108. (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.

109. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, alldividends 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.

110. 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.

111.(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.

112. 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.

113. 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.

114. No dividend shall bear interest against the Company.

UNPAID OR UNCLAIMED DIVIDEND

115. If the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

116. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Companies Act, viz. “Investors Education and Protection Fund”.

117. No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by Law.

118. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund, in terms of Companies Act.

TERM OF ISSUE OF DEBENTURE

119. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

MANAGEMENT

120. The Business of the Company shall be carried on by the Board of Directors through a Managing Director, and / or in such manner as they shall think fit, subject to the control and superintendence of the Board of Directors at all times.

121. Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.

122. 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 the Board may think 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.

123. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director or other senior management personnel, for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

124. A provision of the Act or these Articles 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.

ACCOUNTS

125. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board or by the Company in general meeting.

WINDING UP

126. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

(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

127. 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 favour 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 following contracts which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at the Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

a) Offer Agreement dated September 20, 2021 amongst our Company, the Selling Shareholders and the BRLMs.

b) Registrar Agreement dated September 17, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

d) Share Escrow Agreement dated [●] amongst the Selling Shareholders our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

g) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

B. Material Documents

a) Certified copies of the MoA and AoA, as amended until date.

b) Certificate of incorporation dated November 11, 1998 issued to our Company, under the name Indus Teqsite Private Limited by the RoC.

c) Fresh certificate of incorporation dated August 4, 2021 issued by the RoC, consequent upon change consequent upon change of name from ‘Indus Teqsite Private Limited’ to ‘Data Patterns (India) Private Limited’, pursuant to the merger of our Company with our Erstwhile Subsidiary

d) Fresh certificate of incorporation dated September 13, 2021 issued by the RoC, consequent upon change of name from ‘Data Patterns (India) Private Limited’ to ‘Data Patterns (India) Limited’, pursuant to conversion of our Company from a private limited company to a public limited company.

e) Scheme of Amalgamation entered into between our Company and the Erstwhile Subsidiary under under sections 230 to 232 and other relevant provisions of the Companies Act, 2013

f) NCLT, Division Bench-I, Chennai order dated April 13, 2021 approving the Scheme of Amalgamation

g) Copies of the annual reports of the Company for Fiscals March 31, 2021, March 31, 2020 and March 31, 2019

h) Shareholders' agreement dated June 2, 2021, between our Company, Florintree Capital Partners LLP, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan

i) Waiver and termination agreement dated September 8, 2021 between our Company, Florintree Capital Partners LLP, Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan

j) Investment Agreement dated April 13, 2004 between our Company, Srinivasagopalan Rangarajan, Rekha Murthy Rangarajan, Shivanand Shankar Mankekar, Kedar Shivanand Mankekar and Laxmi Shivanand Mankekar

k) Waiver and termination agreement dated September 11, 2021 between our Company, Srinivasagopalan Rangarajan, Rekha Murthy Rangarajan, Shivanand Shankar Mankekar, Kedar Shivanand Mankekar and Laxmi Shivanand Mankekar

l) Resolutions of the Board of Directors dated July 16, 2021 authorising the Offer and other related matters.

m) Resolution of Board of Directors dated August 12, 2021, taking on record the approval for the Offer for Sale by the Selling Shareholders.

n) Shareholders' resolution dated September 15, 2021 in relation to the Fresh Issue and other related matters.

o) Resolution of the Board of Directors dated September 15, 2021, approving the DRHP.

p) Resolution of the IPO Committee, dated September 20, 2021, approving the DRHP.

q) Consents and authorisations from the Selling Shareholders, authorising their participation in the Offer. For further details, please see "The List of Selling Shareholders" on page 19

r) Written consent dated September 19, 2021 from R.G.N Price & Co, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 15, 2021 on our Restated Financial Statements; and (ii) their report dated September 19, 2021 on the Statement of 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.

s) Consent of the Selling Shareholders, the Directors, the BRLMs, the Syndicate Members, legal counsels, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, lenders of the Company, Promoters, Key Managerial Personnel, Company Secretary and Compliance Officer, Chief Financial Officer, Frost & Sullivan as referred to in their specific capacities.

t) Report titled "Defence and Space Market Report" dated September 16, 2021.

u) Consent letter dated September 16, 2021 of Frost & Sullivan in respect of the "Defence and Space Market Report

v) Statement of possible special tax benefits dated September 19, 2021 from R.G.N Price & Company, included in this Draft Red Herring Prospectus

w) The examination report dated September 15, 2021 of the Statutory Auditors R.G.N Price & Company, Chartered Accountants on the Restated Financial Statements

x) Certificate from the practising company secretary dated September 19, 2021.

y) Certificate from the chartered engineer dated September 19, 2021.

z) Certificate from Statutory Auditors in relation to utilization of loans dated September 19, 2021 aa) Certificate from Independent Chartered Accountant on working capital requirements dated September 19, 2021

bb) Due Diligence Certificate dated September 20, 2021 addressed to SEBI from the BRLMs.

cc) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively

dd) Tripartite agreement dated August 31, 2021 amongst our Company, NSDL and the Registrar to the Offer

ee) Tripartite agreement dated September 1, 2021 amongst our Company, CDSL and the Registrar to the Offer

ff) SEBI final observation letter dated [●]

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Srinivasagopalan Rangarajan
Chairman and Managing Director

Place: Chennai
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rekha Murthy Rangarajan
Whole-time Director

Place: Chennai
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mathew Cyriac
Nominee Director

Place: Mumbai
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sabitha Rao
Independent Director

Place: Trivandrun
Date:September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sastry Venkata Rama Vadlamani
Independent Director

Place: Bangalore
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sowmyan Ramakrishnan
Independent Director

Place: Mumbai
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prasad Raghava Menon
Independent Director

Place: Hyderabad
Date: September 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Venkata Subramanian Venkatachalam
Chief Financial Officer

Place: Chennai
Date: September 20, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Srinivasagopalan Rangarajan, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Srinivasagopalan Rangarajan

Place: Chennai

Date: September 20, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Rekha Murthy Rangarajan, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Rekha Murthy Rangarajan

Place: Chennai
Date: September 20, 2021

DECLARATION BY THE OTHER SELLING SHAREHOLDER

The Other Selling Shareholders hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in this Draft Red Herring Prospectus about or in relation to themselves, as the Other Selling Shareholder and their portion of the Offered Shares, are true and correct. They assume no responsibility as an Other Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF THE INDIVIDUAL SELLING SHAREHOLDERS, ACTING THROUGH VENKATA SUBRAMANIUM VENKATACHALAM AND REKHA MURHTY RANGARAJAN, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

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Name: Venkata Subramanian Venkatachalam

Place: Chennai

Date: September 20, 2021

DECLARATION BY THE INDIVIDUAL SELLING SHAREHOLDERS

The Individual Selling Shareholders hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in this Draft Red Herring Prospectus about or in relation to themselves, as the Other Selling Shareholder and their portion of the Offered Shares, are true and correct. They assumes no responsibility as an Individual Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF THE INDIVIDUAL SELLING SHAREHOLDERS, ACTING THROUGH VENKATA SUBRAMANIUM VENKATACHALAM AND REKHA MURHTY RANGARAJAN, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

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Name: Venkata Subramanian Venkatachalam

Place: Chennai

Date: September 20, 2021