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

ELECTRONICS MART INDIA LIMITED

Our Company was originally formed as a sole proprietorship under the name of 'M/s Bajaj Electronics' at Hyderabad in 1980 and it was converted into a partnership firm under the name of 'M/s Bajaj Electronics' ("**Bajaj Electronics**") pursuant to partnership deed dated March 25, 2011 and was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, Hyderabad (South) on April 13, 2011. Pursuant to the deed of partnership dated July 31, 2017, constitution of 'M/s Bajaj Electronics' was modified to admit new partners and a memorandum acknowledging receipt of documents for change in constitution of partnership was issued by Registrar of Firms, Hyderabad (South), on August 2, 2017. 'M/s Bajaj Electronics was thereafter converted into a public limited company under the Companies Act, 2013 with the name Electronics Mart India Limited pursuant to certificate of incorporation issued by Central Registration Centre, Registrar of Companies dated September 10, 2018. For details in relation to change in name of our Company, see "*History and Certain Corporate Matters*" on page 159.

Registered Office: D. No: 6-1-91, Shop No. 10, Ground Floor, Next to Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad – 500 004, Telangana, India; **Tel**: 040-2324 2512
Corporate Office: 6-3-666/A1 to 7, 3rd and 4th Floors, Opposite NIMS Hospital, Punjagutta Main Road, Hyderabad – 500 082 Telangana, India; **Tel**: +91 040 2323 0244
Contact Person: Rajiv Kumar, Company Secretary and Compliance Officer; **Tel**: +91 040 4875 1125
E-mail: cs@bajajelectronics.in; **Website**: www.electronicsmartindia.com; **Corporate Identity Number**: U52605TG2018PLC126593

OUR PROMOTERS: PAVAN KUMAR BAJAJ AND KARAN BAJAJ

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ELECTRONICS MART INDIA LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 5,000 MILLION (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE [●] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITION OF THE TELUGU NEWSPAPER [●] (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

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

This is an Issue in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). The Issue is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to 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, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account (including UPI ID for RIBs using UPI Mechanism), in which the corresponding Bid Amounts will be blocked by the SCSBs or the Sponsor Bank, as applicable. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "*Issue Procedure*" on page 301 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue 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 "*Basis for Issue Price*" on page 88), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 22.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares to be issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated **[●]** and **[●]**, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be **[●]**. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 349**.**

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
ANANDRATHI	IIFL SECURITIES	JM FINANCIAL	KFINTECH Inspired By Passion. Driven By Technology.
Anand Rathi Advisors Limited 10th Floor, Trade D Tower Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** + 91 22 6626 6666 **E-mail**: emil.ipo@rathi.com **Investor Grievance E-mail**: grievance.ecm@rathi.com **Website**: www.rathi.com **Contact Person:**Sumeet Lath/ Shikha Jain **SEBI Registration No.**: INM000010478	**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**: emil.ipo@iiflcap.com **Investor Grievance E-mail**: ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact Person**: Shirish Chikalge/ Mukesh Garg **SEBI Registration No.**: INM000010940	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025, Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** emil.ipo@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**KFin Technologies Private Limited** *(Formerly known as Karvy Fintech Private Limited)* Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: emi.ipo@kfintech.co **Investor Grievance E-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person:** M Murali Krishna **SEBI Registration No.**: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

** Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

*** Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, 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 Direct Tax Benefits", "Statement of Special Indirect Tax Benefits", "Financial Statements", "Basis for Issue Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 99, 153, 91, 96, 189, 88, 276 and 318, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "EMIL"	Electronics Mart India Limited, a company incorporated under the Companies Act, 2013 having its Registered Office at D. No: 6-1-91, Shop No. 10, Ground Floor, Next to Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad, Telangana – 500 004, India
"we", "us" or "our"	Unless the context requires otherwise, refers to our Company and our Subsidiaries, as applicable, as at and during the relevant period/ Financial Year

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, the Listing Regulations, and as described in "*Our Management*" on page 164
"Auditors" or "Statutory Auditors"	Statutory auditors of our Company, namely, Walker Chandiok & Co LLP, Chartered Accountants
"Board" or "Board of Directors"	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
CEO	Chief Executive Officer of our Company
"CFO" or "Chief Financial Officer"	Chief Financial Officer of our Company
"Company Secretary and "Compliance Officer"	Company Secretary and Compliance Officer of our Company
Corporate Office	6-3-666/A1 to 7, 3rd and 4th Floors, Opposite NIMS Hospital, Punjagutta Main Road, Hyderabad – 500 082, Telangana
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act and as described in "*Our Management*" on page 164
Director(s)	The directors on our Board, as appointed from time to time
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Executive Director	An executive director of our Company
Group Companies	Our group companies as disclosed in *"Our Group Companies"* on page 187
Independent Directors	Non-executive independent directors on our Board, appointed as per the Companies Act and the Listing Regulations, and as described in "*Our Management*" on page 164
IPO Committee	The IPO committee of our Company as described in "*Our Management*" on page 164
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, as described in "*Our Management*" on page 164
Managing Director	A Director of our Company, as identified under Section 2(54) of the Companies Act
Materiality Policy	The policy on materiality adopted by our Board by way of a resolution dated April 14, 2021 with regard to the following:

Term	Description
	1. disclosures relating to material litigation to be made in this Draft Red Herring Prospectus; 2. identification of our Group Companies; and 3. disclosures relating to material creditors of our Company pursuant to the requirements of the SEBI ICDR Regulations and for the purpose of disclosures to be made in this Draft Red Herring Prospectus
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the Listing Regulations, as described in "*Our Management*" on page 164
Non-executive Director	A director on our Board, as appointed from time to time, other than the Executive Directors and the Managing Director
Promoters	Pavan Kumar Bajaj and Karan Bajaj
Promoter Group	Persons and 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 184
"Registered Office"	D. No: 6-1-91, Shop No. 10, Ground Floor, Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad, Telangana – 500 004, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Telangana at Hyderabad
Restated Consolidated Financial Information/ Restated Financial Information	Restated consolidated summary statement of assets and liabilities of our Company and Subsidiaries, as at March 31, 2021, March 31, 2020 and March 31, 2019, and the related restated consolidated summary statements of profits and losses and cash flows, including other comprehensive income for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with its notes, annexures and schedules derived from respective audited financial statements, prepared in accordance with the applicable provisions of the Companies Act, Ind AS and restated in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI and the SEBI ICDR Regulations
Senior Management Personnel	Senior management personnel of our Company
Shareholders	Shareholders of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the Listing Regulations and as described in "*Our Management*" on page 164
Subsidiaries	Subsidiaries of our Company, as of the date of this DRHP and as identified under the provisions of the Companies Act, namely: Cloudnine Retail Private Limited and EMIL CSR Foundation

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a red herring prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot", "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to 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
Anand Rathi Advisors	Anand Rathi Advisors Limited
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. For details, see "*Issue Procedure*" on page 301
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/ Issue Period
Anchor Investor Application Form	Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue	The day being one Working Day prior to the Bid/ Issue Opening Date, on which Bids by

Term	Description
Period	Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue 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 Issue Price but not higher than the Cap Price The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price a date being, not later than two Working Days after the Bid/Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis 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
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 RIB 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 Bidder(s)	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Issue	Collectively, Escrow Collection Bank(s), Public Issue 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 Issue and which is described in "*Issue Procedure*" on page 301
Bid	Indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to 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 Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the 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/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation, and in case of any such extension, the extended Bid/ Issue Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations Our Company in consultation with the BRLMs may, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the

Term	Description
	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 Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB 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 Issue is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Issue, namely, Anand Rathi Advisors Limited, IIFL Securities Limited and JM Financial Limited
Broker Centres	Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (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, on or after the Anchor Investor Bid/ Issue Period
Cap Price	Higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the BRLMs, the Syndicate Member(s), the Sponsor Bank, the Escrow Collection Bank, the Public Issue Bank and the Refund Bank, for appointment of the Sponsor Bank in accordance with the UPI Circulars, collection of the Bid Amounts and where applicable, remitting refunds (if any) 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 websites of the Stock Exchanges
Cut-off Price	Issue 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 is entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic 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 SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated 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 Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through

Term	Description
	the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus following which Equity Shares will be Allotted in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"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 Issue, including any addenda or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an Issue / invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitute an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue 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
Escrow Account	Non lien and non-interest-bearing accounts to be opened with the Escrow Collection Company(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 a clearing member 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 in relation to the Issue for Bids by Anchor Investors, 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, subject to any revision(s) thereto not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
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 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
Issue	The issue comprising an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregate up to ₹ 5,000 million by our Company
IIFL Securities	IIFL Securities Limited
JM Financial	JM Financial 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 Issue Price
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 on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less Issue expenses. For details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 75
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

Term	Description
	NRIs)
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Issue 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 Issue Price
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs, FVCIs, VCFs, and FPIs
Issue	The initial public Issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Shares (including a share premium of ₹ [●]) aggregating up to ₹ 5,000 million
Issue Agreement	Agreement dated September 20, 2021, amongst our Company and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Issue
Issue Price	The final price (within the Price Band) 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 Issue Price which will be decided by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus The Issue 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 Red Herring Prospectus
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, 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 Issue Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	No lien and non-interest-bearing account to be opened with the Public Issue Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account will be opened, in this case being [●]
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price
"Qualified Institutional Buyers" or "QIBs" 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 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	No lien and non-interest bearing account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers and Sub-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 16, 2021, amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
"Registrar and Share Transfer	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the

Term	Description
Agents" or "RTAs"	Designated RTA Locations as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
"Registrar to the Issue" or "Registrar"	KFin Technologies Private Limited
"Retail Individual Bidder(s)" or "RIB(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 Issue (including HUFs applying through their *karta* and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) 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/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which Issue the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website. The said list shall be updated on the SEBI website
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank	[●], being a Banker to the Issue, 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 Mechanism 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 into amongst our Company, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company and the Underwriters to be entered into 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, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on 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
UPI Mechanism	The bidding mechanism that may be used by an RIB submitted with intermediaries with UPI as a mode of payment in accordance with the UPI Circulars to make an ASBA Bid in the

Term	Description
	Issue
UPI PIN	Password to authenticate a UPI transaction
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/ Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars

Technical/ Industry Related Terms/ Abbreviations

Term	Description
ACLS	Access Control Lists
App(s)	Software application(s)
ARPPU	Average Revenue Per Paying User
ARPU	Average Revenue Per User
ASCI	Advertising Standards Council of India
CAC	Consumer acquisition cost
CAGR (Compounded Annual Growth Rate)	CAGR = (End Value/Start Value)^(1/Periods) -1
COVID-19	The novel Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
CPT	Cost per trial.
CRISIL Report	Report titled "*Assessment of Electronic Retailing in India*" dated August, 2021 issued by CRISIL Limited
CSR	Corporate Social Responsibility
EBITDA	Earnings before interest, tax, depreciation and amortization, exceptional items and other income
EBITDA Margins	Percentage margin derived by dividing EBITDA by revenue from operations.
FICCI	Federation of Indian Chambers of Commerce & Industry
Fixed asset turnover ratio	Revenue from the sale of products/Average property, plant and equipment, where average property, plant and equipment is the (opening net carrying amount of property, plant and equipment + closing net carrying amount of property, plant and equipment)/2
HR	Human Resources
IAP	In-app Purchase
Inventory days	Inventory days are calculated by dividing the closing inventory by cost of goods sold and multiplied by 365 days.
IP	Intellectual property
M&A	Mergers and Acquisitions
OTP	One Time Password
POS	Point of sale
Q1, Q2, Q3, Q4	The first, second, third and fourth quarter of a financial year, respectively
Return on Capital Employed	(Profit before tax and exceptional items + finance cost of financial liabilities measured at amortized cost and finance cost of lease liabilities minus other income) / Capital employed, where capital employed is total equity attributable to equity holders of holding company plus non-current borrowings (including current maturities) and current borrowings minus cash and cash equivalents.
Return on Equity	Profit for the year attributable to the shareholders of the company divided by the equity attributable to the equity shareholders.
Same Store Growth	Same store growth represents sales growth taken over a period pertaining to all stores that are being opened prior to the first day of the previous Financial Year and were operational in both the Financial Years.

Term	Description
SKU	Stock keeping unit
UI	User Interface
UX	User Experience
VLANS	Virtual Local Area Networks
VPN	Virtual private Network
WAP	Wireless Access Portal
WHO	World Health Organisation
YoY	Year on Year

Conventional and General Terms or Abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees
ACH	Automated Clearing House
AIFs	Alternative Investments Funds, as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
APAC	Asia Pacific
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year	A calendar year is a one-year period that begins on January 1 and ends on December 31, based on the commonly-used Gregorian calendar
Category I AIF	AIFs who are registered as "Category I 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 AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Copyright Act	The Copyright Act, 1957
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
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	Depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPFMP Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	Employees State Insurance Act, 1948
EPS	Earnings Per Share
"Euro" or "€"	Euro, the official currency of 19 of the 28 member states of the European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 28, 2020 effective from October 15, 2020, issued by the DPIIT
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-Debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
FIR	First Information Report
"Financial Year" or "Fiscal"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year

Term	Description
"FY"	
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
GAAR	General Anti Avoidance Rules
Gazette	Gazette of India
"GBP" or "£"	Great British Pound, the official currency of the United Kingdom
"GoI" or "Government or Central Government"	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family(ies)
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards referred to in the Companies Act and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public Issue
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
ITGC	Information technology general control
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MSTPTCE Act	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, small or medium enterprise
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on 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 Issue
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
RTA	Registrars to an Issue and Share Transfer Agents
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

Term	Description
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 FVCI Regulations	SEBI (Foreign Venture Capital Investors) Regulations 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
SEBI Merchant Banker Regulations	SEBI (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	The *erstwhile* 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	BSE and NSE
STT	Securities transaction tax
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Trade Mark Act	Trade Mark Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. Securities Act	U.S. Securities Act of 1933
“U.S.”, “USA” or “United States”	United States of America
“USD” or “US$“ or “$”	United States Dollars, the official currency of the United States
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

Certain Conventions

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Ind AS and U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles, policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting principles, policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. See, "*Risk Factors-Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.*" at page 44.

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 22, 132 and 239, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

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. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Non-GAAP Financial Measures

We use a variety of financial and operational performance indicators such as EBITDA, segment EBITDA, NAV and net worth (together, "**Non-GAAP Measures**") to measure and analyze our operational performance from period to period, and to manage our business. Our management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian B2C industry to evaluate our financial and operating performance. The key financial and operational performance indicators and ratios are defined along with a brief explanation in the section "*Definitions and Abbreviations*" on page 1.

These financial and operational performance indicators have limitations as analytical tools. As a result, these financial and operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in its financial statements.

Further, these financial and operational performance indicators are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance or profitability measures under Ind AS, IFRS or U.S. GAAP. While these financial and operational performance indicators may be used by other companies operating in a similar industry, they may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by us and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP or IFRS.

Currency and Units of Presentation

All references to:

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

Our Company has presented all 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 millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

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 the respective foreign currencies:

Currency	**As at**			
	June 30, 2021	**March 31, 2021[(1)]**	**March 31, 2020[(1)]**	**March 31, 2019[(1)]**
1 USD	74.33	73.53	75.39	69.17

Source: RBI reference rate and https://www.fbil.org.in/

[(1)] *In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered*

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications and sources, including the report titled '*Assessment of Electronic Retailing in India'* (the "**Report**") issued in August 2021 by CRISIL Limited (the "**Industry Expert**") which has been exclusively prepared for the purpose of the Offer and which has been commissioned and paid for by our Company, and which is subject to the following disclaimer:

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For risks in this regard, see "*Risk Factors – This Draft Red Herring Prospectus contains information from an industry report prepared by CRISIL, commissioned by us for the purpose of the Offer for an agreed fee. The accuracy, reliability or completeness of third-party statistical, financial and other industry information in this Draft Red Herring Prospectus is not guaranteed."* on page 41.

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.

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 22.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Issue Price*" on page 88 includes information relating to our listed industry peer. Such information has been derived from publicly available sources.

Notice to Prospective Investors

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved. The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered, may not be Issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issued and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to corresponding 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 industries we serve 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. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We are dependent on external suppliers for its product requirements. Any delay or failure on the part of the external suppliers to deliver products, may materially and adversely affect our business, profitability and reputation.

2. A large part of our revenues is dependent on a limited number of brands. The loss of any of our major brands or a decrease in the supply or volume from such brands, will materially and adversely affect our revenues and profitability.

3. We operate in a competitive industry and our market share may be adversely impacted in case we do not keep ourselves appraised of the latest consumer trends and technology and if we fail to compete effectively in the markets in which we operate.

4. We plan to expand into new geographies and may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

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 22, 132 and 239, 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 our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of our 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, 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 (in respect of statements/ disclosures made by it in this Draft Red Herring Prospectus) shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

ISSUE DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports 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 Issue", "Our Business", "Industry Overview", "Capital Structure", "The Issue", "Financial Statements", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 22, 75, 132, 99, 68, 55, 189, 276, 301 and 318, respectively.

Primary business of our Company

We are the 4th largest consumer durable and electronics retailer in India and as of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh *(Source: CRISIL Report).*

We offer a diversified range of products with includes more than 6,000 SKUs across product categories like large appliances, mobiles, small appliances, IT and other from more than 70 consumer durable and electronic brands. As on August 15, 2021, our Company operated 99 stores with 88 Multi-Brand Outlets (MBOs) and 11 Exclusive Brand Outlets (EBOs) across 31 cities / urban agglomerates with a retail business area of 0.99 million sq. ft.

We have been one of the fastest growing consumer durable & electronics retailers in India with a revenue CAGR of 25.60% from Financial Year 2015 to Financial Year 2020 *(Source: CRISIL Report)*. Even when the nation was grappling with the COVID-19 pandemic and a nationwide lockdown, our Company was able to achieve an operating revenue of ₹ 32,018.76 million in Financial Year 2021 and surpassed its last reported operating revenue of ₹ 31,724.77 million in Financial Year 2020, representing 0.93%, year-on-year growth. We have consistently demonstrated profitability with a robust operating performance. EMIL has the highest EBITDA margins in Financial Year 2020 amongst its peers *(Source: CRISIL Report)*.

Summary of the Industry in which our Company operates

Despite short-term impact, long-term industry growth story remains intact. India's retail industry clocked a healthy 9.5% compound annual growth rate between fiscals 2016 and 2020, backed by rising urbanisation, nuclearisation, increased disposable incomes, and improving affordability and consumer sentiment. With the implementation of the nationwide lockdown on account of the Covid-19 pandemic, retail consumption had taken a hit. In the long run, CRISIL Research believes growth will accelerate to 12-14% CAGR from fiscal 2021 till 2026, as economic activity picks up and inflation remains low to moderate

CRISIL Research estimates the size of India's consumer durables industry, including large consumer durables mobile phones, and smaller appliances, at ~ Rs 2.4 trillion as of Financial Year 2021. The industry recorded ~12% CAGR between fiscal 2015 and 2019 backed by increasing disposable incomes, lower penetration, widening product base, competitive pricing, lowering replacement cycles, etc. However, the industry recorded a decline of 20% in fiscal 2021 on account of pandemic. The consumer durables industry to log an accelerated 13-15% CAGR during fiscals 2021-2026 to reach Rs 4.5-5 trillion.

Names of the Promoters

Our Promoters are Pavan Kumar Bajaj and Karan Bajaj. For further details, see "*Our Promoters and Promoter Group*" on page 184.

Issue Size

Issue of up to [●] Equity Shares of face value of ₹ 10 for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 5,000.00 million. The Issue shall constitute [●] % of the post-Issue paid-up Equity Share capital of our Company. For details, see "*Issue Structure*" on page 299.

Objects of the Issue

The Net Proceeds are proposed to be utilised in the following manner:

(In ₹ million)

S. No.	Particulars	Amount to be funded from the Net Proceeds*	Estimated amount to be utilized from Net Proceeds		
			FY 2022	FY 2023	FY 2024
1.	Funding of capital expenditure for expansion and opening of stores and warehouses	1,338.69	440.41	471.94	426.34
2.	Funding incremental working capital requirements	2,000.00	750.00	1,250.00	-
3.	Repayment / prepayment, in full or part, of all or certain borrowings availed by our Company	500.00	500.00	-	-
4.	General Corporate Purposes*	[●]	[●]	[●]	[●]
	Total Net Proceeds	[●]	[●]	[●]	[●]

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

For further details, see "*Objects of the Issue*" on page 75.

Aggregate pre-Issue shareholding of our Promoters and Promoter Group

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

S. No.	Name	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
Promoters			
1.	Pavan Kumar Bajaj	152,057,999	50.69
2.	Karan Bajaj	147,878,566	49.29
Total (A)		**299,936,565**	**99.98**
Promoter Group			
1.	Renu Bajaj	13,287	Negligible
2.	Astha Bajaj	13,287	Negligible
3.	Devina Bhardwaj	13,287	Negligible
4.	Isha Sameer Kalra	13,287	Negligible
Total (B)		**53,148**	**0.01**
Total (A + B)		**299,989,713**	**99.99**

Select Restated Financial Information

The following details of our capital, net worth, net asset value per Equity Share and total borrowings as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and total revenue from operations, profit for the year attributable to the shareholders of the Company and earnings per Equity Share (basic and diluted) as at and for Fiscals 2021, 2020 and 2019 are derived from the Restated Consolidated Financial Information:

(In ₹ million except per share data)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity Share capital	3,000.03	3,000.03	3,000.03
Net Worth[1]	4,919.18	4,330.76	3,404.97
Revenue from Operations	32,018.76	31,724.77	28,236.48
Profit for the year attributable to the shareholders of the Company	586.21	816.08	770.96
Earnings per share (in ₹)			
- Basic	1.95	2.72	2.57
- Diluted	1.95	2.72	2.57
Net asset value per equity share (in ₹)[2]	16.40	14.44	11.35
Total Borrowings (net-off transaction costs) [3]	5,479.45	5,205.45	3,770.61

Notes:
1. *Net Worth means total equity attributable to the owners of the Company*

2. *Net asset value per equity share means total equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the year.*
3. *Total borrowings means Non-current borrowings including current maturities of long term debt and current borrowing and excludes transaction cost.*

For details, see "*Financial Statements*" on page 189.

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

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information. For further details, see "*Financial Statements*" on page 189.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Promoters, Directors and Subsidiaries as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	NIL	NIL
Claims related to direct and indirect taxes	1	3.43
Other pending material litigation proceedings	1	2.00
Total	**2**	**5.43**
Cases by our Company		
Criminal proceedings	1	0.65
Other pending material proceedings	NIL	NIL
Total	**1**	**0.65**
Cases against our Subsidiaries		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	NIL	NIL
Claims related to direct and indirect taxes	NIL	NIL
Other pending material litigation proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases by our Subsidiaries		
Criminal proceedings	NIL	NIL
Other pending material proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Promoters		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	1	Not quantifiable
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	NIL	NIL
Claims related to direct and indirect taxes	NIL	NIL
Other pending material litigation	1	2.00
Total	**2**	**2.00**
Cases by our Promoters		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Directors		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	1	Not quantifiable
Direct and indirect taxes	NIL	NIL
Other pending material litigation	1	2.00
Total	**2**	**2.00**
Cases by our Directors		
Criminal proceedings	NIL	NIL

Type of Proceedings	Number of cases	Amount* (₹ in million)
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**

**To the extent quantifiable*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 276.

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 22 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities (as per Ind AS 37) and capital commitments of our Company as on March 31, 2021 derived from the Restated Consolidated Financial Information are set forth below:

(₹ in million)

Sr. No.	Particulars	Contingent liabilities as at March 31, 2021
1.	Claims against our Company not acknowledged as debts	7.95
	Total	**7.95**

***Note**: The Group has received an order from the National Anti-Profiteering Authority of the Central Goods and Services Tax Act, 2017 during the year ended 31 March 2021 demanding an amount of ₹3.43 million alleging certain non-compliances with the anti-profiteering regulations of the Goods and Services Act, 2017. The management has filed necessary appeals in this regard with the appropriate appellate authorities which is pending for adjudication as at the date of the financial statements. However, on the basis of its internal assessment of the nature of the allegations, the facts of the case and an independent advise received in this regard, management is confident of resolving this matter in favour of the Group.*

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on March 31, 2021, see "*Restated Consolidated Financial Information –Note 32 - Contingent liabilities*" on page 229.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Consolidated Financial Information, is as follows:

Particulars	For the year ended 31 March 2021 (₹ in million)	For the year ended 31 March 2020 (₹ in million)	For the year ended 31 March 2019 (₹ in million)
Pavan Kumar Bajaj Reimbursement of expenses	-	-	0.18
Drawings	NA	NA	223.57
Share of profit	NA	NA	191.17
Rent paid	12.54	12.54	3.72
Security deposit given	-	-	10.46
Sale of products	-	0.12	-
Karan Bajaj Share of profit	NA	NA	167.55
Security deposit given	-	-	0.83
Rent paid	0.99	0.99	0.08
Sale of products	-	1.94	-
Guarantee's received	-	55.66	-
Loans received	-	0.05	-
Astha Bajaj Share of profit	NA	NA	0.01
Sale of products	-	0.06	-
Transaction with key management personnel Managerial Remuneration*# (Short-term employee benefits)	85.83	114.55	114.37
Renu Bajaj Remuneration*	-	-	0.64
Share of profit	NA	NA	0.01

Particulars	For the year ended 31 March 2021 (₹ in million)	For the year ended 31 March 2020 (₹ in million)	For the year ended 31 March 2019 (₹ in million)
Security deposit given	-	-	0.74
Rent paid	0.88	0.88	0.63
Isha Sameer Kalra Share of profit	NA	NA	0.01
Sameer Kalra Share of profit	NA	NA	0.01
Devina Vijay Bharadwaj Share of profit	NA	NA	0.01
Prem Bajaj Salaries and wages*	2.62	2.50	1.50
Mirza Ghulam Muhammad Baig			-
Director's sitting fees	0.27	0.28	0.08
Sale of products	-	0.11	-
Director's sitting fees			
Anil Nath	0.30	0.24	0.10
Suman Kumar	0.16	0.21	0.07

**Excluding employer's contribution to defined contribution plans and provision made for defined benefit plans.*
#Includes medical expense reimbursement amounting to ₹17.53 million for the year ended 31 March 2020.
NA - Not applicable

For further details of the related party transaction of our Company, see "*Restated Consolidated Financial Information –Note – 34 – Related party disclosures*" on page 230.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by our Promoters, in the last one year

The weighted average price at which the Equity Shares have been acquired by our Promoters, in the one year preceding the date of this Draft Red Herring Prospectus is provided below:

Particulars	Number of Equity Shares acquired	Weighted average price per Equity Share (₹)[#]
Pavan Kumar Bajaj	NIL	NIL*
Karan Bajaj	NIL	NIL**

[#]As certified by Komandoor & Co LLP (Chartered Accountants), by way of their certificate dated September 20, 2021.
**NIL as no Equity Shares were acquired by Pavan Kumar Bajaj in the one year preceding the date of this DRHP.*
*** NIL as no Equity Shares were acquired by Karan Bajaj in the one year preceding the date of this DRHP.*

Details of pre-Issue Placement

Our Company is not contemplating a pre–IPO placement.

Average cost of acquisition of Equity Shares of our Promoters

The average cost of acquisition per Equity Share by our Promoters, as at the date of this Draft Red Herring Prospectus, is:

Name of the Promoters	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)[#]
Pavan Kumar Bajaj	152,057,999	10[*]
Karan Bajaj	147,878,566	10[*]

[#]As certified by Komandoor & Co LLP (Chartered Accountants), by way of their certificate dated September 20, 2021.
** The Company had issued 300,003,000 equity shares of ₹ 10 each fully paid up to the partners of the erstwhile partnership firm M/s Bajaj Electronics at the face value pursuant to conversion of the said firm into the company. The said shares are issued in proportion to the balances to the credit of Partners in their capital accounts of erstwhile firm as on the date of*

conversion i.e., September 10, 2018.

For further details of the average cost of acquisition for our Promoters, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" at page 69.

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

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

Split / Consolidation of Equity Shares in the last one year

There has been no split or consolidation of the Equity Shares of our Company in the last one year.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before evaluating us and our business and making an investment in the Equity Shares. The risks described below may not be exhaustive, or the only ones that we currently face or are relevant to us, the Equity Shares or the industry segments in which we currently operate. 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. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and investors may lose all or part of their investment. Further, some events may be material collectively rather than individually.

Prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Key Regulations and Policies", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Outstanding Litigation and Other Material Developments" on pages 132, 99, 153, 239 and 276, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Issue, including the merits and the risks involved, and consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information. For further details, please see "Financial Statements" on page 189. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 15.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report 'Assessment of Electronic Retailing in India' dated August 2021 prepared exclusively for the purpose of the Issue and released by CRISIL (the "**CRISIL Report**"), which has been commissioned and paid by us in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year.*

INTERNAL RISK FACTORS

1. The COVID-19 pandemic and the resulting deterioration of general economic conditions has in the past financial years affected our business and may continue to materially affect our business, results of operations, financial condition, and / or our cash flows in future periods.

This pandemic has resulted in a significant economic downturn in India and globally, and has also led to significant disruptions and volatility in capital and financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout the world implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in place orders, promotion of social distancing.

On March 14, 2020, the Government of India declared COVID-19 as a "notified disaster" and initially announced a 21-day lockdown on March 24, 2020, which was followed by successive extensions. Recently, throughout March and April 2021, due to an increase in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business, results of operations, financial condition, cash flows and reputation.

The national lockdown impacted our sales as products under the electronics industry, did not constitute "essential products" and our principal channels of sale were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments, thereby inflicting adverse impact on revenue and profitability. Our operations at all of our stores were impacted during the lockdown period due to the COVID-19 restrictive guidelines issued by the respective state Governments.

During the Fiscal 2021, due to COVID-19 restrictions imposed by the Central Government and State Governments, our stores were either not operational or partially operational where the business hours of our stores were restricted. The details of the operational and partially operational stores are shown in the table below:

Month	Number of Stores	Non-operational stores	Partially operational stores
Apr-20	74	74	0
May-20	74	38	36
Jun-20	75	20	55
Jul-20	75	20	55
Aug-20	78	4	10
Sep-20	84	3	0

During the second wave of the COVID-19 pandemic, the restriction on the operating hours of our stores were as follows:

State of Telangana:

Dates	Operational time
May 12, 2021 till May 30, 2021	6.00 AM to 10.00 AM
May 31, 2021 till June 9, 2021	6.00 AM to 02.00 PM
June 10, 2021 till June 19, 2021	6.00 AM to 06.00 PM

State of Andhra Pradesh:

Dates	Operational time
May 5, 2021 till June 10, 2021	6.00 AM to 12.00 Noon

Due to this business interruption, our revenue from operations for Fiscal 2019, Fiscal 2020 and Fiscal 2021 was ₹ 28,236.48 million, ₹ 31,724.77 million and ₹ 32,018.76 million, respectively. The growth in the revenue from operations of our Company fell down from 12.35% for the period Fiscal 2019 - Fiscal 2020 to 0.93% for Fiscal 2020-Fiscal 2021.

In addition, since most of our product offerings being discretionary in nature to an extent, we may not achieve pre-COVID- 19 level of footfalls in our stores and consequently, the pre-COVID-19 level of sales. The consumers may not choose to shop discretionary products as compared to essentials, immediately after lifting of lockdown owing to *inter alia*, the economic slowdown and job cuts leading to less disposable income for discretionary spends.

Apart from financial loss incurred by our Company due to the lock down of stores, the impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;

- supply chain disruptions for us and our customers;

- our strategic expansion/ proposed expansion getting delayed;

- delays in delivery of products, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;

- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and

- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

We have incurred, and may continue to incur, certain increased expenses arising from the COVID-19 pandemic, including implementing additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. However, we will continue to closely monitor the impact that COVID-19 may have on our business, financial condition, liquidity and results of operations. The future impact of the COVID-19 pandemic on our business will depend on a range of factors, which we may not be able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, trade tensions, global supply chain disruptions, and the nature and severity of measures adopted both in India and internationally. In addition, while we will not be able to predict the impact that the COVID-19 pandemic will have on our customers, and their financial condition; any material effect on these parties could adversely impact us. Adverse consequences of, and conditions resulting from, the COVID-19 pandemic may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided.

Further, we generate all of our revenue in India. The effects of the COVID-19 pandemic in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. However, considering the significant uncertainty relating to the severity of the near- and long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, we are unable to accurately predict the duration or scope of the COVID-19 pandemic or the near-term or long-term impact of the COVID-19 pandemic 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 this "*Risk Factors*" section.

2. ***Our Company is dependent on external suppliers for its product requirements. Any delay or failure on the part of the external suppliers to deliver products, may materially and adversely affect our business, profitability and reputation.***

   We do not manufacture any of the products we sell. The products sold by us at our stores are sourced from a wide variety of suppliers. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, 86.27%, 84.64% and 83.62% of our total purchase amounting to ₹ 24,559.17 million, ₹ 23,496.65 million and ₹ 20,627.35 million, respectively, is attributable to our top ten suppliers in such period, respectively. Any delay or failure on the part of our suppliers to deliver products in a timely manner or any deterioration in the quality of products supplied by the suppliers, may materially and adversely affect our business, profitability and reputation. Further, any deterioration in the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Certain factors affecting supplies and thereby impeding our access to products are political and economic instability in India or political instability in certain states of India in which our suppliers are located, the financial instability of the suppliers, labour problems experienced by our suppliers, the availability of raw materials to the suppliers, merchandise quality issues, transport availability and cost, transport security, inflation, and other factors. The operations of our suppliers are further subject to various operating risks, including breakdowns and failure of equipment, industrial accidents, employee unrest, severe weather conditions, natural disasters etc. For instance, the COVID-19 pandemic impacted our suppliers' business as a result of the nationwide lockdown imposed by the Government of India. These factors may not only result in delay of supply of products we sell, but may also affect their quality. Further, the violation of or any suspected violation of labour laws or other applicable regulations by our suppliers, could also have an adverse effect on our business.

3. ***A large part of our revenues is dependent on a limited number of brands. The loss of any of our major brands or a decrease in the supply or volume from such brands, will materially and adversely affect our revenues and profitability.***

At present, we derive most of our revenues from the sale of products from limited number of brands. For the year ended March 31, 2021, the revenue from our top five brands was ₹ 19,638.98 million which was 64.84% of our revenue from sale of products – consumer electronics and durables, for the year ended March 31, 2020, it was ₹ 19,380.62 million which was 65.09% of our revenue from sale of products – consumer electronics and durables and for the year ended March 31, 2019, it was ₹ 18,042.28 million which was 68.13% of our revenue from sale of products – consumer electronics and durables. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship with these brands or develop and maintain relationships with other new brands. The loss of a significant brand or a number of significant brands due to any reason will result in sales getting impacted which will have a material adverse effect on our business prospects and results of operations. We cannot assure you that we will be able to maintain historic levels of business from such significant brands, or that we will be able to significantly reduce our dependence on such limited number of brands in the future.

4. ***There are certain proceedings involving our Company, our Promoters which if determined against us, may have an adverse effect on our business, cash flows and results of operations.***

There are outstanding legal proceedings involving our Company. We are also involved in certain consumer cases in the ordinary course of our business. Brief details of material outstanding litigation that have been initiated by and against our Company are set forth below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	NIL	NIL
Claims related to direct and indirect taxes	1	3.43
Other pending material litigation proceedings	1	2.00
Total	**2**	**5.43**
Cases by our Company		
Criminal proceedings	1	0.65
Other pending material proceedings	NIL	NIL
Total	**1**	**0.65**
Cases against our Subsidiaries		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	NIL	NIL
Claims related to direct and indirect taxes	NIL	NIL
Other pending material litigation proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases by our Subsidiaries		
Criminal proceedings	NIL	NIL
Other pending material proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Promoters		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	1	Not quantifiable
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	NIL	NIL
Claims related to direct and indirect taxes	NIL	NIL
Other pending material litigation	1	2.00
Total	**2**	**2.00**
Cases by our Promoters		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Directors		
Criminal proceedings	NIL	NIL

Type of Proceedings	Number of cases	Amount* (₹ in million)
Actions taken by statutory or regulatory authorities	1	Not quantifiable
Direct and indirect taxes	NIL	NIL
Other pending material litigation	1	2.00
Total	**2**	**2.00**
Cases by our Directors		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**

**To the extent quantifiable*

For details, see "*Outstanding Litigation and Material Developments*" on page 276 of the DRHP.

We cannot assure you that these proceedings will be decided in our favour. 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 proceedings could divert management time and attention and consume financial resources in their defence or prosecution. We cannot assure you that any of these matters will be settled in our favour or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations, cash flows and financial condition.

5. ***We propose to use ₹ 1,338.69 million of the Net Proceeds of the Issue towards opening of new stores / warehouse. We are yet to purchase real estate or enter into long-term leasehold arrangements or enter into rental agreements at locations suitable for new stores for our expansion in relation to setting up and operation of our proposed new stores / warehouse. In case we are unable to open the stores / warehouse in a timely manner as mentioned in the chapter "Objects of the Issue", we may fall short of the revenue targets of the Company and this would have an adverse effect on our business, financial condition, results of operations and growth prospects***

We plan to use ₹1,338.69 million of the Net Proceeds towards setting up new stores / warehouses in Telangana, Andhra Pradesh and the NCR region by Fiscal 2024. The Net Proceeds will be utilized towards capital expenditure to be incurred for expansion and opening of the proposed new stores and warehouses, including costs relating to interior works of the stores; which we expect to be the primary costs to be incurred in setting up of the proposed new stores. The fund requirement mentioned in the chapter titled, "*Objects of the Issue*" is based on the certificate dated September 13, 2021 received from an independent chartered engineer, M. Nagi Reddy, and our internal estimates for specifications and item requirements, based on our prior experience of setting-up similar retail stores / warehouses, and has not been appraised by any bank or financial institution. This is 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. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for the new stores/warehouses and deployment on account of a variety of factors. For further details, see "*Objects of the Issue"* on page 75.

As we expand our store network, we will be exposed to various challenges, including those relating to identification of potential markets and suitable locations for our new stores, obtaining land / buildings or leases for such stores, competition, different cultures and customer preferences, regulatory regimes, business practices, hiring of new staff and customs. Our success also depends on our ability to identify and acquire key retail spaces in a timely manner at such shopping locations with attractive commercial propositions, suitable locations and reasonable costs. As a new store location should satisfy various parameters to make an attractive commercial proposition, finalisation of location and property acquisition for our new stores is an evolving process which may not progress at the same pace as it did in the past or at the expected pace. Further, the ownership model requires greater capital for opening of each store due to which we may not be able to expand at our historical rates. If we are unable to identify and obtain suitable locations for our expansion on terms commercially beneficial to us, it may adversely affect our expansion and growth plans.

As a consequence of any increased costs or delays in implementation, the actual costs to set up new stores/warehouses may be higher than our management's estimates, as a result of which, our financial condition and results of operations and cash flows could be materially and adversely impacted. Further, delay in setting up new stores will impact the revenue targets of the Company which may also have an adverse impact on the revenues of the Company.

We are yet to obtain requisite approvals under applicable laws in relation to the setting up and operation of our new stores/warehouses. We cannot assure you that we will be able to obtain the consent and acknowledgements 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. No assurance can be given that at the time of grant of consent, the regulatory authorities will not impose any restrictions on us.

Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. In addition, as we enter new locations, we will face competition from regional, national or international players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. Further, there could be delays in setting up the new stores/warehouses as a result of, among other things, contractors' failing to perform, disputes with workers, or force majeure events, any of which could give rise to cost overruns and delays in our implementation schedule.

6. We operate in a competitive industry and our market share may be adversely impacted in case we do not keep ourselves appraised of the latest consumer trends and technology and if we fail to compete effectively in the markets in which we operate.

We operate in a competitive industry which is characterized by rapid shifts in consumer trends and technology and our market share may be adversely impacted at any time by the significant number of competitors in our industry that may compete more effectively than us. These frequent changes and their impact on consumer demand may result into both price and demand volatility, leading to change in the competitive scenario. Due to the expansive nature of our business, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. We compete with national and local department stores, independent retail stores and internet businesses that market similar lines of merchandise as us. Many of our competitors are, and many of our potential competitors may be, larger, and may have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly and devote greater resources in marketing and sale of their products or adopt more aggressive pricing policies than we can. We face a variety of competitive challenges, including:

- pricing our products to remain competitive while achieving a customer perception of comparatively higher value;
- anticipating and quickly responding to changing consumer demands;
- maintaining favorable brand recognition and effectively marketing our products to consumers in diverse markets;
- providing strong and effective marketing support;
- maintaining high levels of consumer traffic to our retail and online stores; and
- local stores which may have a fixed clientele base and wider penetration in certain geographical areas;

Similarly, some of our organized competitors may also have advantages over us on account of, more prominent locations of their stores, more efficient distribution networks, better trained employees, greater geographic reach, broader product ranges or access to a large pool of financial resources. Further, certain regional and national competitors have already expanded in untapped new markets. As a result, we will need to put in efforts to create brands and propositions that will provide access to high value products and also create a customer connect to our brand identity.

7. We plan to expand into new geographies and may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

We plan to expand into new geographies in the future. The risks involved in entering new geographies and expanding operations in those areas, may be higher than expected. As we enter new locations, we will face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

8. Competition from online retailers who are able to offer products at competitive prices and are also able to offer wide range of products may adversely affect our business and our financial condition, results of operations and cash flows.

We are witnessing a growth in the competition from online retailers who have been able to offer products at competitive prices. Due to various factors, including efficient logistics management and strategic tie-ups, online retailers are not only able to offer more discounts, but also a wider range of consumer durables. Due to the above reasons, online retailing has been witnessing noticeable growth in the recent years and increased competition from them could reduce footfalls and sales in our stores. There is no assurance that we would be able to effectively offset the advantages that our competitors in the online business may have and grow our business in a similar fashion like our online competitors, or that the competition we face would not drain our financial or other resources. If we are unable to adequately address such competitive pressures, our business, financial condition, results of operations and cash flows may be adversely affected.

9. We presently do not own the trademark or logo under which we currently operate and if third parties, including our current or future competitors are able to circumvent our protection measures which are put in place for the protection of trademark, logo and intellectual property and other proprietary rights, our business and reputation would be adversely affected.

In the business in which we operate, all our trademarks and other intellectual property rights are our material assets and are crucial to our business operations. We depend on a combination of trademark laws and domain name protection laws to protect our logo, brand name and domain names. While we have applied for the registration of various trademarks in India, registration of such trademarks are pending as of the date of this Draft Red Herring Prospectus. Our Company has one trademark registration for "EMI", under class 9 of the Trade Mark Act, 1999; however we have not made any application for the registration of our Company's logo and tradename 'Electronics Mart India Limited' till the date of the DRHP. For further details, see the sections titled "*Government and Other Approvals" and* "*Our Business*" on pages 281 and 132, respectively. Even with such precautions, we cannot assure you that our trademarks and intellectual property will not be copied or obtained by third parties. We may in the future need to resort to litigation or other proceedings to enforce, protect or defend our intellectual property rights, and/or to protect the Company against third party infringements, which may be expensive and resource-consuming and might create uncertainty as to the ownership of such rights.

We are currently involved in legal proceedings against Bajaj Electricals Limited who have filed a commercial suit against our Company, our Promoters and Astha Bajaj, who is a Director on the Board of our Company, before the Bombay High Court, alleging infringement of its trade mark "BAJAJ ELECTRICALS". In the commercial suit, Bajaj Electricals Limited has prayed for a perpetual order to restrain our Company, directors, subsidiaries and other associated persons or entities mentioned therein from infringing and passing off its said registered trademarks by manufacturing, marketing, selling and/or dealing in any products bearing the said trademark or using any name/mark containing the word "BAJAJ" for any goods/products or service/ business activity including on any e-commerce/online platform, except for using the trade mark/trading name "BAJAJ ELECTRONICS" for the electronic retail business/retail stores in the State of Andhra Pradesh and Telangana, alone. Further, Bajaj Electricals has also prayed the Hon'ble Court to direct our Company to withdraw the trade mark application no. 4038570 under Class 9 of the Trademarks Act, 1999 with immediate effect; and pay damages amounting to ₹ 2.00 million. Subsequently, an interim application seeking ad-interim reliefs against our Company was also filed by Bajaj Electricals Limited, until final disposal of the suit. Our Company filed a written statement denying all the submissions made in the suit and the interim application and the suit and interim application are currently pending before the Bombay High Court. If the legal proceedings are not decided in our Company's favour, we may not be able to use the trade mark "BAJAJ ELECTRONICS" outside the states of Andhra Pradesh & Telangana. For further details, see the section titled "*Outstanding Litigation and Material Developments*" on page 276.

In addition, these measures may not be sufficient to offer us meaningful protection or provide us with any competitive advantages. If we are unable to adequately protect our intellectual property and other proprietary rights, our competitive position, reputation and our business could be adversely affected, as third parties may be able to commercialize and use the brand that is substantially the same as ours to compete with us without incurring the development and branding costs that we have incurred. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, misappropriated or violated, could be disclosed in an unauthorized manner to third parties, or our intellectual property rights may not be sufficient to permit us to take advantage of current market trends or to otherwise to provide us with competitive advantages, which could result in business disruptions and loss of our business to our competitors.

10. ***Our business is highly dependent on the brand owners effectively maintaining, promoting or developing their brands and maintaining standard quality products including launching new electronic products at regular intervals. In case any of our brand partners is unable to do so, our sales would get impacted which would have an adverse impact on the operations and financial performance of our Company.***

Many factors are important for maintaining, developing and enhancing the brands, including by increasing brand awareness through brand building initiatives and ensuring customer satisfaction by providing quality customer service. There can be no assurance that companies which are owners of various leading electronic products will be able to effectively promote, develop their brands or maintain standard quality of the electronic products. If any of the offerings which we launch from our stores from time to time do not meet standards for quality and performance or customers' subjective expectations, our Company's reputation and customer retention may be impacted. If we fail to maintain our reputation or increase positive awareness of electronic products, or the quality of the electronic products declines due to our brand partners unable to maintain the required quality at their end, our business, financial condition and cash flows, results of operations may be adversely affected.

11. ***Our Promoters, Directors and Key Managerial Personnel of our Company and Subsidiaries may enter into ventures that may lead to real or potential conflicts of interest with our business which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.***

Our Promoters, Directors and Key Managerial Personnel of our Company and Subsidiaries, may enter into ventures that may potentially compete with us. Interests of such persons may conflict with the interests of our Company and they may, for business considerations or otherwise, cause us to take actions, or refrain from taking actions, in order to benefit themselves, which may conflict with the best interests of our Company or that of our other Shareholders, which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.

12. ***Our inability to promptly identify and respond to changing customer preferences or evolving trends may decrease the demand for our merchandise among our customers, which may adversely affect our business.***

We offer a wide variety of electronic products such as large appliances, mobiles and small appliances, IT and others to our customers. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and trends in a timely manner. Though we do not design or manufacture the products that we sell in our store and only procure the same through vendors and third party manufacturers, any failure by us to understand prevailing trends or to forecast changes could result in merchandise obsolescence, thereby increasing the dead stock and loss of our brand image amongst our customers, which could have a material adverse effect on our business and results of operations.

Any inability to respond to changes in consumer demands and market trends in a timely manner could have material adverse effect on our business, financial condition and results of operations.

13. ***Our stores are concentrated mainly in Telangana and Andhra Pradesh, and we generate all our retail sales from our stores in these states. Any adverse developments affecting our operations in these states could have an adverse impact on our revenue and results of operations.***

We generate all our retail sales from our retail stores in Telangana and Andhra Pradesh. For the Fiscal 2021, Fiscal 2020 and Fiscal 2019, our stores in Telangana and Andhra Pradesh contributed to ₹ 29,312.84 million, ₹ 28,991.35 million and ₹ 25,801.72 million of our total revenue from operations, respectively. Existing and potential competitors to our businesses in these states may increase their focus on these states, which could reduce our market share. For example, our competitors may intensify their efforts in these states to capture a larger market share by launching aggressive promotional campaigns. The concentration of our operations heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the stores or warehouses located in this state could have a material adverse effect on our business, financial condition and results of operations.

14. We follow a cluster-based approach while opening new stores. If this approach leads to new store cannibalizing sales of the other existing stores, it may lead to lower revenues, which could have a material adverse effect on our business.

While opening new stores, we consciously follow a cluster-based approach which leads to concentration of our business in a relatively small area rather than a widespread presence. More than one store located close to each other in a cluster may lead to each such store eating into the sales of the other stores in the cluster leading to falling sales in each of such stores.

If our cluster-based approach fails or leads to reduction of individual store sales due to overcrowding in a small area, it may lead to lower revenues which could have a material adverse effect on our business, financial condition and results of operations.

Further, while we may continue to open more stores in Telangana and Andhra Pradesh, we may not be able to sustain growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new locations. Our inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

15. Our Company being in the retail sector requires significant amount of working capital for a continued growth. Major portion of our working capital is utilized towards inventory. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

We have been sanctioned fund based limits of ₹ 5,824.87 million as on August 15, 2021 from the existing bankers & financial institutions. The retail industry is working capital intensive and has lot of fixed expenditures for operation of stores and maintenance of inventory levels. We intend to continue growing by setting up additional stores. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "*Objects of the Issue*" on page 75 of the Draft Red Herring Prospectus.

16. Revenue generated from mobiles segment constitutes majority of our sales revenue. Any sudden fall in the revenues from the mobiles segment may adversely affect our financial condition and profitability.

The revenue generated from the mobiles segment constitutes of ₹ 10,310.08 million, ₹ 10,177.60 million and ₹ 7,703.38 million which was 34.04%, 34.18% and 29.09% of the revenue from sale of products – consumer electronics and durables of our Company as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. We believe we have been successful in this category due to our deep knowledge of product assortment, pricing dynamics and strong supplier relationships. We also generate revenue from finance sales which we believe that we have been successful in due to our pricing dynamics and strong supplier relationships. Any changes in customer preferences, increased competition, change in margin by our vendors, changing trends or any other reason, could decrease our revenue and profitability from this vertical and may result in an adverse effect on the financial condition of our Company.

17. We may in the future face potential liabilities from lawsuits or claims from third parties, should they perceive any deficiency in the products we sell in our stores. We may also face the risk of legal proceedings initiated against our Company which may result in loss of business and reputation.

Our Company believes in providing quality products and due care is taken to mitigate the associated risks which may happen due to factors beyond our control. We may face the risk of legal proceedings and claims being brought against us by our customers amongst others on account of sale of any defective or misbranded products. Further, we could also face liabilities should our customers face any loss or damage due to any unforeseen incident such as fire, accident, etc. in our stores, which could cause financial and other damage to our customers. This may result in lawsuits and / or claims against our Company, which may materially and adversely affect the results of our operations and may also result in loss of business and reputation. For details, see "*Outstanding Litigation and Material Developments*" on page 276 of the DRHP.

18. Any failure to maintain quality of customer service, products and deal with customer complaints and to further attract and retain customers and maintain consistency in customer service could materially and adversely affect our business and operating results.

Our business is significantly affected by the overall size of our customer base, which is determined by our ability to provide quality customer service. We provide customer support at all stages to our customers, through e-mail and telephone support via a dedicated customer care number. If we fail to provide quality customer service, our customers may be less inclined to buy our products and services or recommend us to new customers, and may channel their purchase through our competitors. Our ability to ensure satisfactory customer experience for a large part depends on our suppliers' ability to provide high-quality products and services. Our business can also be adversely affected by customer complaints relating to the non-performance or sub-standard performance of our products, our operations, and quality of products. In the past, we have been subject to customer complaints and litigation due to our suppliers' failure to provide satisfactory products or services. Customer complaints also typically relate to the miscommunication or misunderstanding on quality of products, as well as matters which do not involve any default or deficiency on our part. Failure to maintain the quality of customer services, or satisfactorily resolving customer complaints, could harm our reputation and our ability to retain existing customers and attract new customers, which may materially and adversely affect our business, financial condition, cash flows and results of operations. Further, negative customer feedback, complaints or claims against us in consumer forums or otherwise, can result in diversion of management attention and other resources, which may adversely affect our business operations.

19. Our Company's business relies on the reliable performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.

Our Company has an ERP system which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. from all the 99 stores in 31 cities and our warehouses. Our Company also relies on third party providers for providing data hosting services and internet links. Our Company also has a separate POS system at each of its stores. A downtime in services of any of these providers or if any of these softwares, hardware or applications become unavailable due to extended outages, interruptions or because they are no longer available on commercially reasonable terms, it could result in delays. Delays in order processing are reduced as our Company utilizes the physical billing procedure in case there is a downtime in the information technology systems. The physical billing procedure is subject to human errors and frauds, which may affect our reputation and profitability.

Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business, including, the monitoring of inventory levels, the allocation of products to our stores and budget planning. Our Company's information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete, which may affect its ability to maintain connectivity with our stores and warehouses. We cannot assure that we will be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if our Company is successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our Company's operations and profitability. Also, our Company cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties.

Also, our computer networks may be vulnerable to unauthorised access, computer hackers, computer viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by third parties or employees. Although we have not experienced such attacks in the past, we cannot assure you that our security systems in place can prevent any such attacks in the future or that we will be able to handle such attacks effectively.

Our Company's failure to continue its operations without interruption due to any of these reasons may adversely affect our Company's results of operations.

20. We operate our registered office, stores and warehouses from premises that are taken by us on a leasehold basis. Our inability to renew the lease agreements or any adverse impact on the title or ownership rights of our landlords in relation to such premises, may impede our effective operations.

Our Company operates the registered office and 85 stores are under long-term lease rental model and six stores are partly owned and partly leased and all our warehouses on a leasehold basis. Our lease agreements generally being long term in nature are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in lease agreements. If the lease agreements are not renewed or are renewed on terms and conditions that are unfavorable to us or we are unable to find alternate premises on commercially acceptable terms, we may suffer a disruption in our operations which could have a material adverse effect on our business and operations. Further, any adverse impact on the title or ownership rights of the landlords, may force us to vacate such premises and we would be required to make alternative arrangements, which may have an adverse effect on the costs of operation and profitability of our Company. Further, any delay or non-payment of lease rent may result in vacation of the property, which may lead to us not having access to prime properties.

Apart from the above mentioned reason, any road widening projects or other infrastructure projects in front of our stores may result in loss of frontage, thereby reducing the appeal of a store to a prospective customer. We cannot predict various infrastructure projects affecting our stores that may exist at any particular time in the future.

21. If we are unable to purchase real estate or enter into long-term leasehold arrangements or enter into rental agreements at locations suitable for new stores or warehouses for our expansion at terms commercially beneficial to us, it may adversely affect our expansion and growth plans.

One of the Objects of the Issue is to expand our operations in newer geographies. As we expand our store network, we will be exposed to various challenges, including those relating to identification of potential markets and suitable locations for our new stores, obtaining land or leases for such stores, competition, different cultures and customer preferences, regulatory regimes, business practices and customs.

As a new store location should satisfy various parameters to make an attractive commercial proposition, finalisation of location and property acquisition for our new stores is an evolving process which may not progress at the same pace as in the past or at the expected pace. Further, the ownership model requires greater capital for opening of each store due to which we may not be able to expand at our historical rates. We may be required to obtain loans to finance such expansion and there can be no assurance that such loans will be available to us on commercially acceptable terms, or at all.

If we are unable to identify and obtain suitable locations for our expansion in a timely manner and on terms commercially beneficial to us, it may adversely affect our expansion and growth plans thereby impacting our revenue and profitability.

22. Some of our lease agreements may have certain irregularities because of which we may be unable to effectively enforce our leasehold rights which may have a material and adverse impact on the business of our Company.

Some of our lease agreements have certain irregularities such as inadequate stamping and/or non registration of deeds and agreements and improper execution of lease deeds. The effect of inadequate stamping and non-registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping and non-registration. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, we may not be able to effectively enforce our leasehold rights arising out of such agreements and might need to vacate the premises immediately which may have a material and adverse impact on the business of our Company.

23. Some of our lease agreements have expired and have not been renewed at the time of filing this DRHP. Such non-renewal of lease may affect our business as we may be unable to carry out our business at such locations and this may have a material and adverse impact on the business of our Company.

Some of our lease agreements have expired and have not been renewed at the time of filing this DRHP. The effect of the non-renewal of such leases is that there may be a possibility that we are asked to vacate the premises where we currently carry out our business. In the event such leases are not renewed on a timely basis, we might need to vacate the premises immediately which may have a material and adverse impact on the business of our Company.

24. Reliance has been placed on declarations and an affidavit furnished by Pavan Kumar Bajaj, our Promoter, for details of his profile included in this Draft Red Herring Prospectus.

Our Promoter, Pavan Kumar Bajaj has been unable to trace copies of certain documents pertaining to his educational qualifications. While he has taken the requisite steps to obtain the relevant supporting documentation, including by making a written request to his educational institution, he has not been able to procure the relevant supporting documentation. Accordingly, reliance has been placed on an affidavit furnished by Pavan Kumar Bajaj to disclose such details in this Draft Red Herring Prospectus and neither we, nor the BRLMs have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that he will be able to trace the relevant documents pertaining to his educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications of Pavan Kumar Bajaj included in "*Our Promoters and Promoter Group*" on page 184 is complete, true and accurate.

25. Our Subsidiary has incurred losses in some prior periods and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

One of our Subsidiary has incurred losses in the Fiscal 2021 and Fiscal 2020, based on its audited financial statements. We cannot assure you that our Subsidiaries will not incur such losses in the future.

Set forth are the details of our Subsidiary which has incurred losses in Fiscal 2021 and Fiscal 2020, based on its audited financial statements:

(₹ in million)

Name of the entity	Profit / (Loss) after tax	
	Fiscal 2021	Fiscal 2020
Cloudnine Retail Private Limited	(0.13)	(0.17)

26. Our inability to continue to implement our marketing and advertising initiatives and brand building exercises could adversely affect our business and financial condition.

The ability to differentiate our brand and stores from our competitors through our branding, marketing and advertising programs is an important factor in attracting customers. We undertake regular advertising and marketing activities to create visibility, stimulate demand and promote our stores, through various mediums of mass communication. Creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed or fail to elicit interest in potential customers, or customers lose confidence in our brand for any reason, it could harm our ability to attract and retain customers. Developing, promoting and positioning our brand will depend largely on the success of our marketing and advertising initiatives, the relationships we have with our customers and our ability to provide a consistent, high quality experience for our customers. In particular, we may face brand dilution to the extent we fail to develop, promote and position our brand effectively and consistently with respect to new products or any new product categories. To promote our brand and products, we have incurred, and expect to continue to incur, substantial expenses related to advertising and other marketing initiatives, including advertisements in newspapers, radio, social media and television. Our expenses in relation to the advertisement expenses, business promotion expenses and sales promotion expenses were ₹ 961.43 million, ₹ 1,195.23 million and ₹ 1,048.77 million which represented 56.81%, 64.96% and 64.96% of our total other expenses for Fiscals 2021, 2020 and 2019, respectively. Furthermore, there can be no assurance that our marketing efforts will succeed in maintaining our brand and its perception with customers.

27. Our revenue from online sales is marginal and there can be no assurance that the online sales strategy will be successful in the future.

Our revenue from online sales were ₹ 444.57 million in Financial Year 2021, ₹ 280.11 million in Financial Year 2020 and ₹ 212.75 million in Financial Year 2019 which represented 1.47%, 0.94% and 0.80% of our revenue from sale of products – consumer electronics and durables for Fiscals 2021, 2020 and 2019, respectively. While the online sales have been increasing, there can be no assurance that the online sales strategy will be successful in the future.

28. Our retail sales largely depend on our brand reputation and any harm to our brand or reputation may adversely affect our business, financial condition, cash flows and results of operations.

We believe that the recognition and reputation of our brand among our consumers, suppliers, and our workforce has contributed to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand is critical to our future business success and competitiveness.

We may suffer brand damage in many ways and to varying degrees. For example, public perception may deteriorate if we or our sellers offer counterfeit, spurious, or damaged or defective goods or that we or our sellers do not provide satisfactory consumer service. In the event that customer complaints or adverse publicity from any other source damages our brand, our business may be adversely affected.

We are also very active through social media channels as part of our marketing strategy and as such are vulnerable to reputational damage through posts on our websites and others, or through marketing emails and text messages and through various other channels from disgruntled consumers, employees (current and former) and competitors.

If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, and services, it may be difficult to maintain and grow our consumer base, and our business operations, financial condition, cash flows and results of operations may be adversely affected.

29. The Statutory Auditors have included certain qualifications in their reporting under The Companies (Auditors Report) Order, 2016 ("CARO") on our audited standalone financial statements for the Fiscal 2021, 2020 and 2019.

The Statutory Auditors have drawn attention to certain properties that were transferred to the Company as a result of conversion of the partnership firm, the title deeds of which are still in the name of the erstwhile firm. Further, our Statutory Auditors have included certain qualifications, relating to delays in deposit of statutory dues, default in repayment of loans / borrowings in their reporting under The Company (Auditor's Report) Order 2016. For details kindly refer to "*Financial Statements*" on page 189 of the DRHP. There can be no assurance that our Statutory Auditors will not include such comments in the audit reports on our audited financial statements in the future, or that such qualification will not affect our financial results in future fiscal periods. Investors should consider these matters and related remarks in evaluating our financial condition and results of operations. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect the trading price of our Equity Shares. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 239.

30. There have been delays and defaults in payment of statutory dues of our Company. Such delays and defaults may lead to penalties being levied on our Company.

There have been certain delays in the payment of statutory dues in the past three Fiscals. The instances of non-payment of statutory dues included the deposit of GST, provident fund and ESI dues. While no penalties have been imposed on us for such delay and non-payment of statutory dues by the concerned regulatory authorities, there is no assurance that penalties, if any, will not be imposed on us in future. Further, while we continue to pay all statutory dues which become payable in a timely manner, we cannot assure you that there will not be any defaults or delay in payments of statutory dues in future. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 239.

31. There has been a substantial increase in the bad debts and sales return in Fiscal 2021 as compared to previous years. Such increase in the bad debts may affect our profitability.

Our bad debts have increased by 144.40 % from ₹ 19.46 million in Fiscal 2020 to ₹ 47.56 million in Fiscal 2021. The bad debts has reduced by 6.67% from ₹ 20.85 million in Fiscal 2019 to ₹ 19.46 million in Fiscal 2020. These bad debts was mainly on account of non-realization of dues from the customers. Further, our sales returns have increased by 9.19 % from ₹ 989.50 million in Fiscal 2020 to ₹ 1,080.41 million in Fiscal 2021 and by 9.05 % from ₹ 907.40 million in Fiscal 2019 to ₹ 989.50 million in Fiscal 2020. A substantial increase in the bad debts and sales returns could adversely affect our business, financial condition and results of operations.

32. We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively during that period, our business and results of operations could be adversely affected.

We purchase inventory from vendors and manufacturers based on our projected sales and as such, if we fail to manage our inventory effectively, our business and results of operations may be adversely affected. For example, excess inventory procurement may lead to interest costs and also liquidation cost or loss of sales, markdowns or write-offs. In situations that the inventory does not have the stock that the customer is looking for, we face the risk of our customer opting to but the product from our competitor. Further, any damage or destruction to our merchandising at our warehouses or retail stores may impact our operating results.

We estimate our sales based on the forecast, demand and requirements for the forthcoming season. In general, the orders are placed a few months before the actual delivery of products in the stores. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores. We currently function on a low inventory level model. We typically maintain inventory levels that are sufficient for almost two months of operation. The inventory level as on March 31, 2021, March 31, 2020 and March 31, 2019 was ₹ 4,813.69 million, ₹ 4,017.81 million and ₹ 3,277.72 million, respectively, which works out to 63 days, 54 days and 50 days of inventory level for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively. To improve our line capability, we try to stock our inventory in our warehouses due to limitations of space in our stores. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or natural conditions may adversely impact the supply of the products and local transportation. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would mean that our customer does not get the product he/she wants which would allow the customer to go to our competitors and this would materially and adversely affect our business, profitability and reputation. In addition, disruptions in the delivery of products to our warehouses and stores may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. Further, for some of our products, we have limited warehouses for supply to our stores. If operations at such warehouses are affected for any reason, our supply chain for all our stores in respect of such products will be adversely affected. Any or all of these factors could reduce availability of products at our stores thereby reducing our sales which could adversely affect our reputation, and consequently our sales in the stores, business prospects, thereby impacting our profitability and financial performance.

33. We depend on third parties for a major portion of our transportation needs. Any disruptions may adversely affect our operations, business and financial condition.

We rely on third party transportation and other logistic facilities at every stage of our business activity and for transportation from our warehouses to various stores. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. We rarely enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events. Although we have experienced few disruptions in the past, there can be no assurance that such disruptions may not occur in future and any such prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

34. We do not have in-transit insurance for the products that are delivered to our customers by the transport agent. Our Company is liable for any damages that are caused to the products in such a process. Such losses can adversely affect our profitability and our Company's reputation.

Our Company does not have in-transit insurance for the goods that are delivered from our warehouses to the stores and from the warehouses / stores to the customers. If damage is caused to the goods during the process of such deliveries or in case of accidents or in case of theft by the delivery persons, such damages are to be borne by our Company, which may increase our Company's liability and can adversely affect the profitability and reputation of our Company.

35. Our operations could be adversely affected by strikes, work stoppages, demands for increased wages or any other kind of employee dispute. Such disruptions could lead to loss of business thereby impacting our revenues significantly.

As on August 15, 2021, 1,830 employees are on the on rolls of our Company. We believe that we enjoy a good relationship with our workforce and we have also not experienced any labour disruptions in the past. However, there can be no assurance that we will not experience any strike, work stoppage or other industrial action in the future due to disputes or other problems with our workforce due to *inter alia* wage or other demands. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations.

36. Our ability to attract customers is dependent on the location of our stores and any adverse development impairing the success and viability of our stores could adversely affect our business, financial condition and results of operations.

Our stores are typically located in densely populated residential areas and neighbourhoods keeping in mind accessibility and potential for future development. Sales are derived, in part, from the volume of footfalls in the stores located in these locations. Store locations may become unsuitable and our sales volume and customer traffic generally may be adversely affected by, among other things, change in primary occupancy in a particular area from residential to commercial, competition from nearby retailers, changing customer demographics, changing lifestyle choices of customers in a particular market and the popularity of other businesses located near our stores.

Changes in areas around our store locations that result in reductions in footfalls or otherwise render the locations unsuitable, could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

37. Our inability to manage losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on our profitability and our reputation.

Our business and the industry we operate in are vulnerable to the problem of product shrinkage. Shrinkage at our stores or our warehouses may occur through a combination of shoplifting by customer, pilferage by employees, damages, obsolescence and expiry and error in documents and transactions that go un-noticed. The retail industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error.

An increase in product shrinkage levels at our existing and future stores or our warehouses may force us to install additional security and surveillance equipment, which will increase our operational costs and may have an adverse impact on our profitability. Further, we cannot assure you whether these measures will successfully prevent product shrinkage. Furthermore, although we have cash management procedures and controls in place, there are inherent risks in cash management including, theft and robbery, employee fraud and the risks involved in transferring cash from our stores to banks. Finally, there have been instances of employee misconduct in the past which have not been material and we cannot assure you that we will be able to completely prevent such incidents in the future.

38. Our Company may not be able to grow at the same rate as it has done in the previous Financial Years. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

We have experienced reasonable growth in recent periods. Our revenue from operations have increased at a CAGR of 6.49 % from Fiscal 2019 to Fiscal 2021. Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Further, on account of changes in market conditions, industry dynamics, changes in regulatory policies or any other relevant factors, our growth strategy and plans may undergo substantial changes and may even include limiting or foregoing growth opportunities if the situation so demands. An increase in the number of stores will also increase our fixed operating costs, and there can be no assurance that we will able to offset the increased cost with the incremental revenue. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

39. Our Company's financing costs increased in Fiscal 2021 as compared to Fiscal 2020. The increase in financing costs may increase our cost of doing business and adversely affect our profitability.

Our Company's financing costs went up by 13.10 % in Fiscal 2021 as compared to Fiscal 2020 from ₹ 633.75 million to ₹ 716.74 million . This was due to the interruption in our business operations due to the pandemic in the first quarter of Fiscal 2021 and the resultant accumulation of stocks. A further increase in financing costs may increase our cost of doing business and adversely affect our profitability. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 239.

40. Our Company has unsecured loans that may be recalled by the lenders at any time.

Our Company has currently availed unsecured loans from IDFC First Bank and Bajaj Finance Limited which are exclusively used to fund our Company's inventory procurement. These loans may be recalled by the lenders at any time. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company's liquidity. If we are unable to procure such financing, we may not have adequate working capital to maintain the desired inventory level. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, see "*Financial Indebtedness"* on page 271.

41. Our growth strategy to expand into new geographic areas exposes us to certain risks, which if we are unable to manage, may have a material adverse effect on our operations.

As a part of our strategy, our Company has its current presence in Telangana and Andhra Pradesh and intends to expand to other states such as National Capital Region and in future other untapped markets. Also, pursuant to such a growth strategy, we may be exposed to risks, which may arise due to lack of familiarity and understanding of the economic conditions, demography, trends, consumer tastes and preference and culture of such areas. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation in that region;
- ability to understand consumer preferences and local trends in such new regions;
- exposure to expropriation or other government actions; and political, economic and social instability; and
- right location for opening the store.

Further, there can be no assurance that even if we are able to successfully implement our geographical expansion plans, we may be able to effectively manage our expanded operations. If we are not able to manage the risk of such expansion it could have a material adverse effect on our operations.

42. *Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, we may have to incur additional cost to fund the project because of which our business, financial condition and results of operations may be adversely affected.*

We intend to use the Net Proceeds for the purposes described in the "*Objects of the Issue*" on page 75. The funding requirements mentioned as a part of the objects of the Issue have not been appraised by any bank or financial institution. While a monitoring agency will be appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of the Net Proceeds is based on current conditions, internal management estimates, estimates received from the third party agencies and are subject to changes in the external circumstances or costs, or in other financial condition, business or strategy as discussed further below.

Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimate from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. Further, pending utilisation of Net Proceeds towards the Objects, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1939. Accordingly, prospective investors in the Issue will need to rely on our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilisation of the Net Proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the Net Proceeds and our business and financial results may suffer.

43. *Our business is subject to seasonal and cyclical volatility due to which there may be fluctuation in the sales of products which could lead to higher closing inventory position, which may adversely affect our business.*

We offer products at our stores that our consumers require and our success is dependent on our ability to meet our consumers' requirements. The retail consumer spending is heavily dependent on the economy and, to a large extent, on various occasions such as festivals, seasonal changes, weddings, etc. Any year also has phases of lean sales. We have historically experienced seasonal fluctuation in our sales, with higher sales volumes associated with the festive period in the third quarter of each Financial Year. We have also seen higher sales volume of particular products in a certain season, for e.g.: the sales of air-conditioners increase in the summer season. These seasonal variations in consumer demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of the financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result into higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations. Fluctuations in the electronic retail market affect the inventory owned by electronic retailers, since merchandise usually must be manufactured in advance of the season and frequently before the trends are evidenced by customer purchases. In addition, the cyclical nature of the retail electronics business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels.

Also, since our business is seasonal in nature, we are vulnerable to non-availability of products during the peak season where there are higher number of footfalls. Such instances may lead to our customers approaching our competitors. This may lead to a reduction in our customer base. Further, we will are vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the latest products. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

44. Our Company depends on the knowledge and experience of our Promoters and other Key Managerial Personnel for our growth. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.

Our Company depends on the management skills and guidance of our Promoters for development of business strategies, monitoring its successful implementation and meeting future challenges. Our Key Managerial Personnel complement the vision of our Promoters and perform a crucial role in conducting our day-to-day operations and execution of our strategies. In the event we are unable to attract and retain managerial personnel or our Key Managerial Personnel join our competitors or form competing companies, our ability to conduct efficient business operations may be impaired. The loss of the services of such personnel or our Promoters and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

45. Any inability or failure on our part to control our attrition rate or recruit fresh talent may have an adverse effect on our operations and business.

Our success depends on our ability to attract, hire, train and retain skilled customer and sales personnel. In the retail industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations. Typically, the retail industry suffers from high attrition rate especially at the store level. Our customer sales representatives and other employees play a key role in managing our customer expectations. Furthermore, there will be added pressure on us as new entrants in the retail industry look for trained manpower at various levels. There can be no assurance that attrition rates for our employees, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. Further, our total staff comprises of employees on contract as well, and while we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages and lack of skilled personnel while competing for them with our competitors in the market we operate.

46. ***Our agreements with various banks for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

As on August 15, 2021, our aggregate outstanding indebtedness was ₹ 3,265.24 million. Some of the financing arrangements entered into by our Company contain restrictive covenants and / or events of default that limit our ability to undertake certain types of transactions. While we have obtained the prior consent from our working capital and term loan lenders for the Issue. We cannot assure you that we will be able to comply with these financial or other covenants. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise rectified by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. Further, the banks may change the extant banking policies or increase the interest rates/levy penal interest for non-compliances, if any.

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. The credit ratings received by our Company for the first time on May 10, 2021 are as follows:

Nature of debt instruments	Rating agency	Term	Credit Ratings
Fund-based working capital limits	India Ratings & Research	One year	IND A-/Stable/IND A2+

This may adversely affect our ability to conduct our business and impair our future growth plans. For further information of outstanding indebtedness, see the chapter titled "*Financial Indebtedness*" on page 271 of the Draft Red Herring Prospectus.

47. ***Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business, and if we are unable to obtain these approvals and the renewals, our business operations could be adversely affected thereby impacting our revenues and profitability.***

We are governed by various laws and regulations for carrying our business activities. We require certain approvals, licences, registrations and permissions for operating our business, some of which may have expired and for which we may have either made, or are in the process of making, an application for obtaining the approval for its renewal. For example, shops and establishment legislations are applicable in the states where we have our stores and warehouses. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of inter alia registration, opening and closure of hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Therefore, we are required to obtain registration under the same. If we do not receive or obtain the timely renewal of the required statutory and regulatory permits and approvals that are required to carry on our operations, we may need to shut our operations in that particular store and may have a material adverse effect on our business and on our results of operations. Further, expansion to new geographies might also get delayed if the required statutory and regulatory permits and approvals are not obtained in a timely manner, thereby leading to delay in the expansion plans our Company. For further details on the statutory approvals, licenses obtained and/or applied for by us, see chapter titled "*Government and Other Statutory Approvals*" on page 281 of the Draft Red Herring Prospectus. Additionally, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected.

48. ***Our Company has applied for registration of certain trademarks in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.***

We have filed applications for registration of "EMI", "BAJAJ ELECTRONICS", "KITCHENSTORES", "IQ" and "AUDIO&BEYOND" trademarks, under the Trade Marks Act, 1999, which are currently pending approval from the Registrar of Trademarks. Some of our trademarks have been opposed in the past and there can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks, any other vendor in the similar line of business as ours may use the above mentioned trademarks and we may have a lesser recourse to initiate legal proceedings to protect our intellectual property. Further, our applications for the registration of certain trademarks may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to use such trademarks and / or avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business. For further details on the trademarks, registered or pending registration, please refer to the chapters titled "*Our Business*" and "*Government and Other Statutory Approvals*" on pages 132 and 281, respectively, of the Draft Red Herring Prospectus.

49. This Draft Red Herring Prospectus contains information from an industry report prepared by CRISIL, commissioned by us for the purpose of the Offer for an agreed fee. The accuracy, reliability or completeness of third-party statistical, financial and other industry information in this Draft Red Herring Prospectus is not guaranteed.

This Draft Red Herring Prospectus includes information that is derived from an industry report titled *'Assessment of Electronic Retailing in India'* dated August 2021 prepared by CRISIL, in the sections titled "*Industry Overview*", "*Our Business*", "*Risk Factors*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 99, 132, 22 and 239, respectively. Neither we, nor any of the BRLMs, our Directors, our Promoters, their affiliates or advisors, or any other person connected with the Issue makes any representation as to the accuracy of this information.

Industry publications generally state that the information contained in those publications has been obtained from publicly available documents from various sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be solely based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The CRISIL Report highlights certain industry and market data, which may be subject to assumptions. Methodologies and assumptions vary widely among different industry sources. Forecasts, estimates, predictions, and other forward-looking statements contained in the CRISIL Report and this Draft Red Herring Prospectus 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. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the reports are not a recommendation to invest or disinvest in the Equity Shares. Prospective investors are advised not to unduly rely on the reports or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

We believe that the data obtained from official and industry publications and other third party sources referred to in this Draft Red Herring Prospectus to be true and cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate are subject to the caveat that the third-party and statistical data upon which such discussions are based may be incomplete or unreliable. Please see the section entitled "*Industry Overview*" on page 99.

50. Our Company has not paid any dividends in the past and we may not be able to pay dividends in the future.

Our Company has not declared dividends for any financial year in the past and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, *inter alia*, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future. realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

51. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations may be subject to risks such as fire, accidents and natural disasters. We maintain customary insurance policies for our Company, including fire and allied perils for the inventory and buildings, directors' and officers' liability policy, and vehicle insurance. For further details, please see "*Our Business – Insurance*" on page 152.

Whilst we believe that we maintain adequate insurance coverage amounts for our business and operations, our insurance policies are subject to exclusions and deductibles, and may not provide adequate coverage or cover all risks. If any or all of our equipment is damaged in whole or in part, or if there is a loss of life of our employees, our operations may get interrupted, totally or partially, for a temporary period. Additionally, our Company does not maintain cybercrime insurance. We also do not maintain key-man insurance for any of our key personnel and loss of the services of such key personnel may have an adverse effect on our business, financial condition and results of operations.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that our insurance policies will be adequate to cover the losses incurred. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks such as the occurrence of an event that causes losses in excess of limits specified under the relevant policy or losses arising from events not covered by the insurance policies and insurance policies that we procure may not be adequate to cover all the risks associated with our business. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms.

Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

52. Our Promoters namely Karan Bajaj and Pavan Bajaj and Renu Bajaj, a member of our Promoter Group, have provided personal guarantees for loans availed by us. Our Company has also given certain bank guarantees In event of default of the debt obligations, the personal guarantees and the bank guarantees may be invoked thereby adversely affecting our Promoters' ability to manage the affairs of our Company and our Company's profitability and consequently this may impact our business, prospects, financial condition and results of operations.

Our Company has availed loans in the ordinary course of business for the purposes including working capital and term loans. Our Promoters namely Karan Bajaj and Pavan Bajaj and Renu Bajaj, a member of our Promoter Group, have provided personal guarantees in relation to certain loans obtained by our Company, for details please see *"Financial Indebtedness"* on page 271. Our Company has also obtained certain bank guarantees in favour of third parties in the ordinary course of business. In the event of default in repayment of the loans by the Company, the personal guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and our Company's profitability in the case of the bank guarantees, respectively and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoters or by Renu Bajaj, our lenders may require alternate securities or guarantees and may seek early repayment or terminate such facilities. Any such event could adversely affect our financial condition and results of operations.

53. Our Promoters are co-borrowers to a working capital facility availed by our Company. In event of default of the debt obligations, our Promoters will have to bear the liability, which may adversely affect the Promoters' ability to manage the affairs of our Company.

Our Company has availed a working capital facility of ₹ 1,000 million from IDFC First Bank Limited where our Promoters are the co-borrowers. In event of default of the debt obligations, our Promoters will have to bear the liability, which may adversely affect the Promoters' ability to manage the affairs of our Company.

54. Our Promoters hold Equity Shares and have interests in our performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Our Promoters may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. Further, our Company has entered into leave and license agreements with our Promoters and Renu Bajaj, a member of our Promoter Group, for the usage of certain commercial properties located in Hyderabad, Telangana. In addition, our Promoters, Pavan Kumar Bajaj and Karan Bajaj, and our Director, Astha Bajaj, are entitled to receive certain perquisites, including free furnished accommodation or housing rent allowance in lieu of our Company provided accommodation, re-imbursement of medical expenses and charges for upkeep and maintenance of accommodation and cars and used for official purposes. For further details, see "*Capital Structure*", "*Our Management – Interests of Directors*" and "*Our Promoters and Promoter Group – Interest of our Promoters*" and on pages 68, 169 and 184 of this Draft Red Herring Prospectus, respectively. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company.

55. Our Company has entered into, and will continue to enter into, related party transactions which may not always enable us to achieve the most favourable terms.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favourable terms had such arrangements been entered into with unrelated parties. Further, while we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. While we have adopted a policy for the related party transactions, there can be no assurance that our Directors and executive officers will be able to address these conflicts of interests or others in an impartial manner. For further details regarding our related party transactions, see "*Financial Statements - Note 34 - Related party disclosures*" on page 230.

56. Our Promoters and Promoter Group will continue to have significant shareholding in our Company after the Issue, which will allow them to exercise significant influence over the Company.

After the completion of the Issue, our Promoters and Promoter Group will have significant shareholding in our Company. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to the constitutional documents of our Company, the approval of mergers, strategic acquisitions or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and the completion of certain transactions may become more difficult or impossible without the support of our Promoters and Promoter Group. Further, the SEBI Takeover Regulations may limit the ability of a third party to acquire control of our Company. The interests of our Promoters, as our

Company's controlling shareholders, could conflict with our Company's interests, your interests or the interests of our other shareholders.

57. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.

Our Restated Consolidated Financial Statements for the Financial Years 2021, 2020 and 2019 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited

58. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition

As per our Restated Consolidated Financial Information, our cash flows from operating, investing and financing activities are as set out below:

(₹ in million)

Particulars	Financial Year		
	2021	**2020**	**2019**
Net cash generated from/(used in) operating activities	640.14	360.06	692.22
Net cash generated/(used in) investing activities	(599.45)	(703.49)	(524.54)
Net cash generated/(used in) financing activities	(561.21)	706.43	87.95
Cash and Cash Equivalents at the end of the year / period	350.21	870.73	507.73

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 189 and 239, respectively.

59. We have contingent liabilities on our balance sheet, as per our restated consolidated financials, as at March 31, 2021. If any of these contingent liabilities actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.

The following are the contingent liabilities on our balance sheet, as restated, as at March 31, 2021. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition:

Particulars	**March 31, 2021**
Claims against the group not acknowledged as debt	₹ 7.95 million

Further, the Company has received an order from the National Anti-Profiteering Authority of the Central Goods and Services Tax Act, 2017 during the year ended March 31, 2021 demanding an amount of ₹ 3.43 million alleging certain non-compliances with the anti-profiteering regulations of the Goods and Services Act, 2017. The has filed necessary appeals in this regard with the appropriate appellate authorities which is pending for adjudication as at the date of the DRHP.

For further details in relation to the aforesaid contingent liabilities, please see "*Financial Statements – Note: 32: Contingent Liabilities*" on page 229.

If such contingent liabilities materialize, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.

60. We may not maintain profitability in the future.

Although we have been profitable in the past, we expect to make investments in growing our business and may undertake acquisitions of other synergistic companies, which could reduce our profitability compared to past periods. As a result of these increased expenditures, our profitability could decline in future periods. In future periods, our revenue could decline or grow more slowly than we expect. We also may incur significant losses in the future for a number of reasons, including due to the other risks described in this Draft Red Herring Prospectus, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors.

EXTERNAL RISK FACTORS

Risks in relation to India

61. Governmental actions and changes in policy with respect to foreign investment in the Indian retail industry and adverse change in taxes could adversely affect our business.

The Government of India and the Government of each State of India (each a "**State Government**"), have broad powers to regulate the Indian economy which may impact our business. In the past, the Government of India and State Governments have used such powers to influence, directly and indirectly, the Indian retail industry and the local manufacturing activities. Examples of such measures include:

(i) permission for foreign investment in Indian retail industry,
(ii) granting tax concessions for operation of new businesses in a particular region, and
(iii) value added tax/sales tax regulations.

With respect to permission for foreign investment in India, the Indian government has in the past permitted FDI up to 51% in multi-brand retail under automatic route subject to fulfillment of specified conditions. Until then FDI in retail trading was prohibited except FDI in single brand product retail trading which could be undertaken through the government route up to 100%. While such decisions of allowing FDI in multi-brand retail may prove beneficial to the Indian economy, this move has also attracted severe competition for us. There can be no assurance that the current levels of FDI limit in multi-brand retail under automatic route will not increase in the future, or that State Governments will not introduce additional measures, each of which could adversely affect our business.

There can be no assurance that the current levels of taxes, tariffs and duties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower income. To the extent additional levies are imposed, there can be no assurance that we will be able to pass such cost increases on to our partner brands.

62. 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, particularly emerging market countries in Asia. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of COVID-19 has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. 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, cash flows 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.

63. Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Please see "*Key Regulations and Policies*" on page 153.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any changes in international treaties or export technological restrictions in other countries and the related uncertainties with respect to the implementation of the any such regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any changes to such laws may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

64. Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business.

65. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government 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 (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued 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 others, prohibit all agreements and transactions which may have an AAEC 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 India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be 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, results of operations, cash flows and prospects.

66. Our business is affected by economic, political and other prevailing conditions beyond our control.

We are incorporated in India, and our operations are solely in India. As a result, our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets;

- other significant regulatory or economic developments in or affecting India or the emerging markets; and

- logistical and communications challenges.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

67. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, results of operations and cash flows.

Any change in tax laws including upward revision to the currently applicable normal corporate tax rate of 22% along with applicable surcharge and cess, our tax burden will increase. Other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, may no longer be available to us.

Similarly, in relation to the applicable law on indirect taxation, the Government of India has notified a comprehensive national GST regime that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

The Government of India has announced the union budget for Fiscal 2022 and the Finance Act, 2021 ("**Finance Act**") has received assent from the President of India on March 28, 2021. We cannot yet ascertain the impact that the Finance Act may have on our business and operations or on the industry in which we operate, with certainty, or whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition, cash flows and results of operations.

We cannot predict whether any tax laws or regulations impacting our products 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 a material adverse effect on our business, financial condition, cash flows and results of operations. Prospective investors should consult their own tax advisors in relation to the consequences of investing in the Equity Shares.

68. Investors outside India may not be able to enforce any judgment of a foreign court against us, except by way of a suit in India.

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

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong and United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or Directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

69. Any adverse change or downgrade in ratings of India may adversely affect our business, results of operations and cash flows.

Our borrowing costs and our access to the debt funds depend significantly on the credit ratings of India. India’s sovereign rating is Baa3 with a “negative” outlook (Moody’s), BBB- with a “stable” outlook (S&P) and BBB-with a “negative” outlook (Fitch). Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for 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 or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

70. 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, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S., Russia and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. In particular, sub-prime mortgage loans in the United States have experienced increased rates of delinquency, foreclosure and loss. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. financial institutions.

Developments in the Eurozone have exacerbated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, 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. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. 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, cash flows and results of operation.

These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

71. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic or epidemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. 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 market price of the Equity Shares.

Risks in relation to the Issue

72. Our Equity Shares have never been publicly traded, and after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.

Prior to the Issue, 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 Issue. 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 Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Issue Price*" beginning on page 88 and may not be indicative of the market price for the Equity Shares after the Issue.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 288. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is 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 pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

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

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

Under the Companies Act, 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 equity 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. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our 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 we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the 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 us would be reduced.

78. ***Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India 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 the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

79. ***Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" page 316. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, 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 you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

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

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

81. ***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. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, pursuant to the Finance Act, 2020, dividend distribution tax ("**DDT**") is not required to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Earlier, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.
The Government of India has announced the union budget for Fiscal 2022, and the Finance Act, 2021 has received assent from the President of India on March 28, 2021. There is no certainty on the impact that the Finance Act, 2021 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, 2021 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.

Further, 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.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. 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. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

SECTION III: INTRODUCTION

THE ISSUE

The following table sets forth details of the Issue:

Equity Shares Issued	
Issue of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹ 5,000 million
A) QIB Portion(2)(3)	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:	
- Mutual Fund Portion (5% of the QIB Category (excluding Anchor Investor Portion))	[●] Equity Shares
- Balance for all QIBs including Mutual Funds (excluding Anchor Investor Portion)	[●] Equity Shares
B) Non-Institutional Portion(3)	Not less than [●] Equity Shares
C) Retail Portion(3)	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	300,003,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds of the Issue	See "*Objects of the Issue*" on page 75 for information about the use of the proceeds from the Issue.

(1) *The Issue has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated April 14, 2021 and our shareholders pursuant to a special resolution passed on April 19, 2021.*

(2) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 301.*

(3) *Subject to valid Bids being received at or above the Issue 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 at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "Issue Structure" on page 299.*

Allocation to 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 Issue 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. For details, see "*Issue Procedure*" on page 301. For details of the terms of the Issue, see "*Terms of the Issue*" on page 294. For details, including in relation to grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" on pages 299 and 301, respectively.

SUMMARY OF FINANCIAL INFORMATION

Restated Consolidated Statement of Asset and Liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2,754.66	2,229.39	1,781.48
Right-of-use assets	3,975.47	3,482.39	3,075.27
Capital work-in-progress	20.44	24.27	195.28
Other intangible assets	6.35	3.04	12.10
Financial assets			
- Loans	176.69	133.11	95.34
- Others	73.45	61.26	-
Deferred tax assets (net)	115.76	67.50	85.18
Non-current tax assets	47.69	86.27	59.12
Other non-current assets	31.50	171.58	99.32
	7,202.01	**6,258.81**	**5,403.09**
Current assets			
Inventories	4,813.69	4,017.81	3,277.72
Financial assets			
- Trade receivables	953.92	845.98	843.42
- Cash and cash equivalents	350.21	870.73	507.73
- Loans	9.54	9.29	10.38
- Others	1.71	2.43	-
Other current assets	1,904.19	1,470.96	1,049.14
	8,033.26	**7,217.20**	**5,688.39**
Total assets	**15,235.27**	**13,476.01**	**11,091.48**
Equity and liabilities			
Equity			
Equity share capital	3,000.03	3,000.03	3,000.03
Other equity	1,919.15	1,330.73	404.94
Equity attributable to equity holders of holding company	**4,919.18**	**4,330.76**	**3,404.97**
Non-current liabilities			
Financial liabilities			
- Borrowings	621.30	629.70	549.98
- Lease liabilities	4,016.83	3,365.51	2,987.36
Provisions	20.51	12.56	-
	4,658.64	**4,007.77**	**3,537.34**
Current liabilities			
Financial liabilities			
- Borrowings	4,739.06	4,480.90	3,132.26
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	75.86	66.62	362.83
- Other financial liabilities	659.77	479.97	448.54
Other current liabilities	164.38	109.99	154.54
Current tax liabilities	18.38	-	51.00
	5,657.45	**5,137.48**	**4,149.17**
Total equity and liabilities	**15,235.27**	**13,476.01**	**11,091.48**

Restated Consolidated Statement of Profit and Loss

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	32,018.76	31,724.77	28,236.48
Other income	54.92	65.40	24.50
Total income	**32,073.68**	**31,790.17**	**28,260.98**
Expenses			
Purchases of stock-in-trade	28,469.14	27,762.26	24,669.39
Changes in inventories of stock-in-trade	(795.88)	(740.09)	(701.35)
Employee benefits expense	614.33	586.32	494.10
Finance costs	716.74	633.75	525.69
Depreciation and amortization expense	581.37	507.62	423.12
Other expenses	1,692.36	1,839.87	1,614.40
Total expenses	**31,278.06**	**30,589.73**	**27,025.35**
Profit before tax and exceptional item	**795.62**	**1,200.44**	**1,235.63**
Exceptional item	-	(78.65)	-
Profit before tax	**795.62**	**1,121.79**	**1,235.63**
Tax expense			
(a) Current tax expense	257.67	349.45	497.28
(b) Deferred tax benefit	(48.26)	(43.74)	(32.61)
Profit for the year attributable to the Shareholders of the Company	**586.21**	**816.08**	**770.96**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement gain/(loss) on the defined benefit plans	2.21	(4.64)	0.71
Total other comprehensive income/(loss), net of tax	**2.21**	**(4.64)**	**0.71**
Total comprehensive income for the year attributable to the Shareholders of the Company	**588.42**	**811.44**	**771.67**
Earnings per equity share (EPES) (in absolute ₹ terms):			
Basic and Diluted EPES (in absolute ₹ terms)	1.95	2.72	2.57

Restated Consolidated Cash Flow Statement

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities			
Profit before tax	795.62	1,121.79	1,235.63
Adjustments to reconcile profit before tax to net cash flows:			
- Depreciation and amortization expense	581.37	507.62	423.12
- Provision for employee benefits	10.07	8.23	8.84
- Bad debts written-off	47.56	19.46	20.85
- Advances written-off	5.83	13.95	17.34
- Liabilities no longer required written back	(8.44)	(40.55)	(8.11)
- Gain on de-recognition of right-of-use assets	(1.88)	-	-
- Rent concessions	(16.38)	-	-
- Loss on sale of property, plant and equipment	-	78.65	-
- Interest expense	700.76	622.35	518.19
- Interest income	(15.34)	(13.90)	(7.21)
Adjustments for working capital :			
Increase in loans	(31.98)	(28.96)	(19.10)
Increase in other assets	(439.07)	(432.36)	(447.03)
Increase in inventories	(795.88)	(740.09)	(701.35)
Increase in trade receivables	(155.49)	(22.03)	(176.75)
Increase/(decrease) in trade payables	9.24	(296.21)	284.36
Increase/(decrease) in financial liabilities	100.37	(6.01)	134.17
Increase/(decrease) in other current liabilities and provisions	54.49	(4.29)	6.75
Cash generated from operations	**840.85**	**787.66**	**1,289.70**
Income taxes paid, net	(200.71)	(427.60)	(597.48)
Net cash generated from operating activities	**640.14**	**360.06**	**692.22**
Cash flow from investing activities			
Purchase of property, plant and equipment, including intangible assets	(544.19)	(643.98)	(486.23)
Proceeds from sale of property, plant and equipment	-	50.00	-
Payment towards right-of-use assets	(47.27)	(48.51)	(45.52)
Movement in bank deposits	(12.20)	(61.26)	-
Interest received	4.21	0.26	7.21
Net cash used in investing activities	**(599.45)**	**(703.49)**	**(524.54)**
Cash flow from financing activities			
Partner's drawings	-	-	(222.32)
Repayment of long-term borrowings	(104.86)	(100.49)	(97.36)
Proceeds from long-term borrowings	120.70	186.69	293.80
Proceeds from short-term borrowings, net	258.16	1,348.65	711.90
Payment of lease liability	(134.68)	(114.18)	(81.18)
Interest paid	(700.53)	(614.24)	(516.88)
Net cash generated from/(used in) financing activities	**(561.21)**	**706.43**	**87.95**
Net increase/(decrease) in cash and cash equivalents	**(520.52)**	**363.00**	**255.63**
Cash and cash equivalents at the beginning of the year	**870.73**	**507.73**	**252.10**
Cash and cash equivalents at the end of the year	**350.21**	**870.73**	**507.73**

GENERAL INFORMATION

Our Company was originally formed as a sole proprietorship under the name of 'M/s Bajaj Electronics' at Hyderabad in 1980 and it was converted into a partnership firm under the name of 'M/s Bajaj Electronics' ("**Bajaj Electronics**") pursuant to partnership deed dated March 25, 2011 and was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, Hyderabad (South) on April 13, 2011. Pursuant to the deed of partnership dated July 31, 2017, constitution of 'M/s Bajaj Electronics' was modified to admit new partners and a memorandum acknowledging receipt of documents for change in constitution of partnership was issued by Registrar of Firms, Hyderabad (South), on August 2, 2017. M/s Bajaj Electronics was thereafter converted into a public limited company under the Companies Act, 2013 with the name 'Electronics Mart India Limited' pursuant to certificate of incorporation issued by Central Registration Centre, Registrar of Companies dated September 10, 2018.

Registered Office

D. No: 6-1-91, Shop No. 10
Ground Floor, Next to Telephone Bhavan
Secretariat Road, Saifabad
Hyderabad – 500 004
Telangana, India
Registration number: 126593

Corporate Office

6-3-666/A1 to 7, 3rd and 4th Floors
Opposite NIMS Hospital
Punjagutta Main Road
Hyderabad – 500 082
Telangana, India

Address of the RoC

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

Registrar of Companies, Telangana at Hyderabad
2nd Floor, Corporate Bhawan
GSI Post, Nagole, Bandlaguda
Hyderabad – 500 068
Telangana, India

Board of Directors

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

Name	Designation	DIN	Address
Pavan Kumar Bajaj	Chairman and Managing Director	07899635	6-3-1247, Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Hyderabad 500 082, Telangana, India
Karan Bajaj	Chief Executive Officer and Whole-time Director	07899639	6-3-1247, Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Hyderabad 500 082, Telangana, India
Astha Bajaj	Executive and Whole-time Director	07899784	Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Somajiguda, Nampally, Hyderabad 500 082, Telangana, India
Anil Rajendra Nath	Independent Director	07261148	701, Gabbana House, 15th Road, Above HDFC Bank, Khar West, Mumbai 400 052, Maharashtra, India
Mirza Ghulam Muhammad Baig	Independent Director	08281763	1-1-486, F-501, Rakesh Residency, Gandhi Nagar, Hyderabad 500 080, Telangana, India
Suman Kumar	Independent Director	00580302	Flat No. 2200, Building 5B, Lodha Bellezza, KPHB Colony, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India

For details of our Directors, see "*Our Management*" on page 164.

Company Secretary and Compliance Officer

Rajiv Kumar
Electronics Mart India Limited
D. No: 6-1-91, Shop No. 10
Ground Floor, Next to Telephone Bhavan
Secretariat Road, Saifabad
Hyderabad – 500 004
Telangana, India.
Tel: +91 040 4875 1125
E-mail: cs@bajajelectronics.in

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

All Issue related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder (except Anchor Investor) 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 and 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. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Book Running Lead Managers

Anand Rathi Advisors Limited
10th Floor, Trade D Tower
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: + 91 22 6626 6666
E-mail: emil.ipo@rathi.com
Investor Grievance E-mail:
grievance.ecm@rathi.com
Website: www.rathi.com
Contact Person: Sumeet Lath/ Shikha Jain
SEBI Registration No.: INM000010478

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: emil.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: emil.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Shirish Chikalge/ Mukesh Garg
SEBI Registration No.: INM000010940

Legal Counsel to our Company as to Indian Law

AZB & Partners
AZB House
Plot No. A8, Sector-4
Noida 201 301
Tel: +91 120 417 9999

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

Legal Counsel to the BRLMs as to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road, Ballard Estate
Mumbai 400 001
Tel: +91 22 4341 8600

Statutory Auditors to our Company

Walker Chandiok & Co LLP, Chartered Accountants
7^{th} Floor, Block III
White House, Kundan Bagh
Begumpet
Hyderabad – 500 016
Email: sanjay.jain@walkerchandiok.in
Tel: + 91 98490 23805
Firm registration number: 001076N / N500013
Peer review number: 011707

Changes in Statutory Auditors in the last three years

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

Registrar to the Issue

KFin Technologies Private Limited

Selenium Tower-B, Plot 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: emi.ipo@kfintech.co
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No. INR000000221

Syndicate Members

[●]

Bankers to the Issue

[●]

Escrow Collection Bank (s)

[●]

Refund Bank (s)

[●]

Public Issue Bank (s)

[●]

Sponsor Bank

[●]

Banker to our Company

HDFC Bank Limited
HDFC Bank Limited, Bank House,
Roxana Palladium, 6th Floor,
6-3-246 & 6-3-244/A, Road Number 1,
Banjara Hills, Hyderabad – 500 034,
Telangana, India
Tel: +91 99 8553 1131
E-mail: Srikanth.kotagiri@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Srikanth Kotagiri
CIN: L65920MH1994PLC080618

Designated Intermediaries

Self-Certified Syndicate Banks

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=35 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

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) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (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 the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated September 20, 2021, from our Statutory Auditors to include their name as an 'expert' as defined under Section 2(38) read with Section 26 of the Companies Act, in relation to the Restated Consolidated Financial Information, the examination report dated August 23, 2021 on the Restated Consolidated Financial Information, and the statement of special tax benefits dated September 20, 2021 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 13, 2021, from the independent chartered engineer, namely M. Nagi Reddy, independent chartered engineer, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to his certificate dated September 13, 2021 certifying the estimated cost of establishment of new stores and warehouses, 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 13, 2021, from the independent chartered accountant, namely Komandoor & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Monitoring Agency

Our Company will appoint a monitoring agency prior to filing of the Red Herring Prospectus for monitoring the utilisation of Net Proceeds, as the Issue size exceeds ₹ 1,000.00 million in accordance with Regulation 41 (1) of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Issue*" on page 75.

Appraising Entity

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

Credit Rating

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

IPO Grading

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

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

Green Shoe Option

No green shoe option is contemplated under the Issue.

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.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus & Prospectus along with drafting and design of application form and abridged 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.	ARAL, IIFL, JM	ARAL
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments	ARAL, IIFL, JM	ARAL
3.	Drafting and approval of all statutory advertisement	ARAL, IIFL, JM	ARAL
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	ARAL, IIFL, JM	JM
5.	Appointment of intermediaries viz., Registrar to the Offer, printers, advertising agency, Syndicate Member, Sponsor Bank, Bankers to the Offer, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	ARAL, IIFL, JM	ARAL
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Institutional Marketing Strategy • Finalizing international road show and investor meeting schedules • Preparation of road show presentation and frequently asked questions	ARAL, IIFL, JM	IIFL
7.	Domestic institutional marketing of the Offer including banks/ mutual funds, which will cover, *inter alia*: • Formulating marketing strategies • Finalizing the list and division of domestic investors for one-to-one meetings • Institutional Marketing Strategy • Preparation of road show presentation and frequently asked questions • Finalizing domestic road show and investor meeting schedules	ARAL, IIFL, JM	JM
8.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers, investors etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	ARAL, IIFL, JM	ARAL
9.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies for Non-institutional Investors • Finalising media, marketing and public relations strategy	ARAL, IIFL, JM	ARAL

Sr. No	Activity	Responsibility	Co-ordinator
10.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit and managing anchor book related activities and submission of letters to regulators post completion of anchor allocation.	ARAL, IIFL, JM	IIFL
11.	Managing the book and finalization of pricing in consultation with the Company.	ARAL, IIFL, JM	ARAL
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds 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. Co-ordination with SEBI and Stock Exchanges for release of 1% security deposit post closure of the Offer and submission of all post Offer reports to SEBI.	ARAL, IIFL, JM	ARAL

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in in accordance with the SEBI circular dated March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*"; and will be filed with SEBI's electronic platform 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 documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC.

Book Building Process

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLMs and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located) at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

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

Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Issue will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLMs to manage this Issue and procure Bids for this Issue.

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

For details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" on pages 299 and 301, respectively.

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

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure"* on page 301.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. 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 specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares pursuant to the Underwriting Agreement:

(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 above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Issue, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in 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. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Issue 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 and unless otherwise stated)

Sr. No.	Particulars	Aggregate nominal value (*in ₹ million*)	Aggregate value at Issue Price* (*in ₹ million*)
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	1,000,000,000 Equity Shares	10,000.00	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**(2)		
	300,003,000 Equity Shares	3,000.03	-
C.	**PRESENT ISSUE IN TERMS OF THIS DRHP**		
	Issue of up to [●] Equity Shares aggregating up to ₹ 5,000 million(2)	[●]	5,000.00
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE***		
	[●] Equity Shares	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue	[●]	

* *To be included upon finalisation of Issue Price*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 159.*

(2) *The Issue has been authorised by our Board of Directors pursuant to its resolution passed at its meeting dated April 14, 2021 and our shareholders pursuant to a special resolution passed on April 19, 2021.*

Notes to the Capital Structure

1. Share Capital History of our Company

a) Equity Share capital

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

Date of allotment	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 (₹)
September 10, 2018	300,003,000	10	10	Consideration other than Cash	Subscription to MOA(i)	300,003,000	3000,003,000

*(i) Our Company was originally formed as a sole proprietorship under the name of 'M/s Bajaj Electronics' at Hyderabad in 1980and it was converted into a partnership firm under the name of 'M/s Bajaj Electronics' ("**Bajaj Electronics**") pursuant to partnership deed dated March 25, 2011 and was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, Hyderabad (South) on April 13, 2011. Subsequently, Bajaj Electronics was converted to our Company pursuant to certificate of incorporation issued by Central Registration Centre, Registrar of Companies dated September 10, 2018. Pursuant to memorandum of understanding dated August 7, 2018 executed between partners of Bajaj Electronics i.e., Pavan Kumar Bajaj; Renu Bajaj; Karan Bajaj; Astha Bajaj, Sameer Kalra; Isha Sameer Kalra; and Devina Bhardwaj (collectively, "**Partners**"), Partners contributed to share capital of the Company in the proportion of the capital contributed by them in Bajaj Electronics. Following are the details of the capital contribution of Partners in Bajaj Electronics:*

S. No.	*Partner*	*Capital Contribution to Bajaj Electronics (in ₹ million)*
1.	*Pavan Kumar Bajaj*	*1,520.58*
2.	*Renu Bajaj*	*0.133*
3.	*Karan Bajaj*	*1,478.78*
4.	*Astha Bajaj*	*0.133*
5.	*Sameer Kalra*	*0.133*
6.	*Isha Sameer Kalra*	*0.133*

S. No.	Partner		Capital Contribution to Bajaj Electronics (in ₹ million)
7.	Devina Bhardwaj		0.133
	Total		**3,000.03**

300,003,000 Equity Shares were allotted to Partners, pursuant to subscription to MoA, comprising Pavan Kumar Bajaj (152,057,999 Equity Shares); Karan Bajaj (147,878,566 Equity Shares); Renu Bajaj (13,287 Equity Shares); Astha Bajaj (13,287 Equity Shares); Sameer Kalra (13,287 Equity Shares); Isha Sameer Kalra (13,287 Equity Shares); Devina Bhardwaj (13,287 Equity Shares).

b) Preference Share capital

As on date of this Draft Red Herring Prospectus, our Company does not have a preference share capital.

2. **Issue of Equity Shares at a price lower than the Issue Price in the last year**

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the Issue Price.

3. **Issue of shares for consideration other than cash or out of revaluation of reserves**

(a) Our Company has not issued any Equity Shares or preference shares out of revaluation of reserves since its incorporation.

(b) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash as on the date of this Draft Red Herring Prospectus:

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature/ Reason of allotment	Benefits accrued to our Company
September 10, 2018	Equity Shareholders of our Company(1)	300,003,000	10	10	Subscription to MOA(i)	N.A.

(1) 300,003,000 Equity Shares were allotted to Partners, pursuant to subscription to MoA, comprising Pavan Kumar Bajaj (152,057,999 Equity Shares); Karan Bajaj (147,878,566 Equity Shares); Renu Bajaj (13,287 Equity Shares); Astha Bajaj (13,287 Equity Shares); Sameer Kalra (13,287 Equity Shares); Isha Sameer Kalra (13,287 Equity Shares); Devina Bhardwaj (13,287 Equity Shares).

4. **Issue of Equity Shares pursuant to schemes of arrangement**

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

5. **Issue of Equity Shares under stock option scheme**

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

6. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 299,936,565 Equity Shares equivalent to 99.98 % of the issued, subscribed and paid-up Equity Share capital of our Company.

S. No.	Name of the Promoter	Pre-Issue		Post-Issue*	
		No. of Equity Shares	% of total Equity Shares	No. of Equity Shares	% of total Equity Shares*
1.	Pavan Kumar Bajaj	152,057,999	50.69	152,057,999	[●]
2.	Karan Bajaj	147,878,566	49.29	147,878,566	[●]

**Subject to finalisation of Basis of Allotment.*

7. **Build-up of the shareholding of our Promoters in our Company**

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

Name of the Promoter	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Number of Equity Shares	Nature of consideration	Face Value per Equity Share (₹)	Issue/purchase price per Equity Share (₹)	Percentage of the pre-Issue capital (%)*	Percentage of the post-Issue capital (%)
Pavan Kumar Bajaj	September 10, 2018	Initial subscription to the Memorandum of Association	152,057,999	Consideration other than Cash	10	10	50.69	[●]
Karan Bajaj	September 10, 2018	Initial subscription to the Memorandum of Association	147,878,566	Consideration other than Cash	10	10	49.29	[●]
Total			**299,936,565**				**99.98**	[●]

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

(b) Shareholding of our Promoter Group

As on the date of this Draft Red Herring Prospectus, members of our Promoter Group holds 53,148 Equity Shares, which constitutes approximately 0.01% of the issued, subscribed and paid-up Equity Share capital of our Company.

(c) 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-Issue Equity Share capital of our Company held by the Promoters, shall be locked in for a period of eighteen months as minimum Promoters' contribution ("**Minimum Promoters' Contribution**") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of 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 Promoters' Contribution are set forth in the table below:

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

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

(iv) In this connection, please note that:

a. The Equity Shares offered for Minimum Promoters' Contribution do not include the (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' Contribution.

b. The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue.

c. Our Company was incorporated pursuant to conversion of a partnership firm into a company in the year 2018. No Equity Shares have been issued to our Promoters, during the preceding one year at a price less than the Issue Price, against the funds brought in by them pursuant to such conversion. and

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

e. The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge.

(d) **Other lock-in requirements:**

(i) In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters locked in for eighteen months as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment.

(ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

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

(iv) The Equity Shares held by our Promoters, which are locked-in may be transferred to and amongst the members of our Promoter Group or to any new promoter or persons in control of our Company, 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.

(v) The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

8. **Shareholding Pattern of our Company**

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

Category (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: Equity Shares	Total								
(A)	Promoters and Promoter Group	6	299,989,713	0	0	299,989,713	99.99	299,989,713	299,989,713	99.99	0	99.99		0		0	299,989,713
(B)	Public	1	13,287	0	0	13,287	Negligible	13,287	13,287	Negligible	0	Negligible		0		0	13,287
(C)	Non Promoters- Non Public	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0		0		0	0
	Total	**7**	**300,003,000**	**0**	**0**	**300,003,000**	**100.00**	**300,003,000**	**300,003,000**	**100.00**	**0**	**100.00**		**0**		**0**	**300,003,000**

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

The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them (i) 10 days prior to the date of this Draft Red Herring Prospectus; (ii) as on the date of this Draft Red Herring Prospectus; (iii) one year prior to the date of this Draft Red Herring Prospectus; and (iv) two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre- Issue Equity Share capital (%) on a fully diluted basis
1.	Pavan Kumar Bajaj	152,057,999	50.69
2.	Karan Bajaj	147,878,566	49.29
	Total	**299,936,565**	**99.98**

10. **Details of Equity Shares held by our Directors, Key Managerial Personnel and members of our Promoter Group**

(i) Set out below are details of the Equity Shares held by our Directors and Key Managerial Personnel in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Number of employee stock options outstanding	Percentage of the post-Issue Equity Share Capital (%)
1.	Pavan Kumar Bajaj	152,057,999	50.69	N.A.	[●]
2.	Karan Bajaj	147,878,566	49.29	N.A.	[●]
3.	Astha Bajaj	13,287	Negligible	N.A.	[●]

(ii) Set out below are the details of the Equity Shares held by our Promoters, and our Promoter Group, in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Percentage of the post-Issue Equity Share Capital (%)
Promoters				
1.	Pavan Kumar Bajaj	152,057,999	50.69	[●]
2.	Karan Bajaj	147,878,566	49.29	[●]
Total (A)		**299,936,565**	**99.98**	**[●]**
Promoter Group				
1.	Renu Bajaj	13,287	Negligible	[●]
2.	Astha Bajaj	13,287	Negligible	[●]
3.	Devina Bhardwaj	13,287	Negligible	[●]
4.	Isha Sameer Kalra	13,287	Negligible	[●]
Total (B)		**53,148**	**0.01**	**[●]**
Total (A + B)		**299,989,713**	**99.99**	**[●]**

11. As on the date of this Draft Red Herring Prospectus, none of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their associates 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.

12. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares shall be fully paid-up at the time of Allotment.

13. None of the members of our Promoter Group, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

14. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is seven.

15. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

16. There will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Issue.

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

18. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

19. There are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

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 and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

21. Our Promoter and members of the Promoter Group will not participate in the Issue.

22. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

23. Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

OBJECTS OF THE ISSUE

The Issue is being undertaken to meet the objects thereof, as set forth herein, and to realize the benefits of listing of our Equity Shares on the Stock Exchanges, including the enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The proceeds of the Issue, after deducting the Issue related expenses ("**Net Proceeds**"), are estimated to be approximately ₹ [●] million.

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. Funding of capital expenditure for expansion and opening of stores and warehouses;
2. Funding incremental working capital requirements;
3. Repayment / prepayment, in full or part, of all or certain borrowings availed by our Company; and
4. General Corporate Purposes.

(Collectively, referred to herein as the "**Objects of the Issue**")

The details of the proceeds of the Issue are set forth below:

(In ₹ million)

Particulars	**Amount***
Gross Proceeds of the Issue	5,000
(Less) Issue related expenses*	[●]
Net Proceeds*	[●]

**To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to undertake the existing business activities and the activities proposed to be funded from the Net Proceeds. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

Utilisation of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are proposed to be utilised in the following manner:

(In ₹ million)

S. No.	**Particulars**	**Amount to be funded from the Net Proceeds***	**Estimated amount to be utilized from Net Proceeds**		
			FY 2022	**FY 2023**	**FY 2024**
1.	Funding of capital expenditure for expansion and opening of stores and warehouses	1,338.69	440.41	471.94	426.34
2.	Funding incremental working capital requirements	2,000.00	750.00	1,250.00	-
3.	Repayment / prepayment, in full or part, of all or certain borrowings availed by our Company	500.00	500.00	-	-
4.	General Corporate Purposes*#	[●]	[●]	[●]	[●]
	Total Net Proceeds*	[●]	[●]	[●]	[●]

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

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not completely utilised for the Objects of the Issue stated above by the end of Financial Year 2024, such amounts will be utilised (in part or full) in the next financial year or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

The fund requirements and the proposed deployment of funds set-out above for funding of capital expenditure for expansion and opening of stores and warehouses, funding incremental working capital requirements, repayment / prepayment, in full or part, of all or certain borrowings availed by our Company and general corporate purposes from the Net Proceeds are based on the internal management estimates and current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Repayment / prepayment, in full or part, of all or certain borrowings availed by our Company have been certified by the Statutory Auditor for the term-loans outstanding as on August 15, 2021, the working capital estimates have been certified by an Independent Chartered Accountant and the estimated capital expenditure for expansion and opening of stores and warehouses have been certified by the Chartered Engineer. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange 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 its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*" on page 38.

Subject to applicable laws, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

Means of Finance

We intend to completely finance the Objects of the Issue from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or availing additional borrowings.

Details of the Objects of the Issue

1. Funding of capital expenditure for expansion and opening of stores and warehouses

Our Company proposes to utilize a portion of the Net Proceeds of this Issue amounting up to ₹ 1,338.69 million towards funding of capital expenditure for expansion and opening of our stores and warehouses in Telangana, Andhra Pradesh and Delhi National Capital Region ("NCR") for an aggregate amount of up to ₹ 440.41 million, up to ₹ 471.94 million and up to ₹ 426.34 million, during the Financial Years 2022, 2023 and 2024, respectively. We intend to enhance our position within our existing markets *i.e.*, Andhra Pradesh and Telangana, by increasing our market penetration and expanding our store and warehouse network in these states and plan to explore new markets with the intent to expand our footprint and further increase customer base and expand our store and warehouse network in key cities and metropolitan areas by setting up new retail stores and warehouses in NCR.

As of August 15, 2021, we have 99 stores with Retail Business Area of 0.99 million sq. ft., and seven large warehouses of 0.22 million sq. ft. of aggregate area, located across 31 cities/urban agglomerates, predominantly in Andhra Pradesh and Telangana. Our store count has grown from 59 to 71 between Financial Year 2019 and Financial Year 2020 and to 93 between Financial Year 2020 and Financial Year 2021. Our expansion and increased market presence is based on our cluster-based approach, wherein we expand our network in a particular market, till we reach substantial depth & scale. In the process of opening new stores, we give emphasis on identifying 'growth pockets', by taking into account various factors, including population density, proximity and performance of competitors, customer and vehicular traffic, customer accessibility, potential growth of the local population and economy, area development potential, future development trends, estimated spending power of the population and local economy and payback period, estimated on the basis of expected sales potential, strategic benefits, and store site characteristics. Based on our expansion model, our store network has grown from one store in Hyderabad in 1980 to 99 stores in 31 cities/urban agglomerates concentrated in Telangana and Andhra Pradesh states, as of August 15, 2021. With the object of providing comprehensive consumer durables and electronic shopping experience to our customers, our Company operates 3 retail-store formats arraying multifarious as well as specialized electronic products. As of August 15, 2021, out of 99 stores, 88 stores are Multi Brand Outlets ("MBOs") and 11 stores are Exclusive Brand Outlets ("EBOs"). We operate 85 MBOs under the name "Bajaj Electronics", 1 MBO under the name "Tirupati Electronics" and 2 specialized stores under the name "Kitchen Stories" which caters to the kitchen specific demands of our customers. For further details, see "*Our Business*" at page 132.

Our Company plans to expand by setting-up new stores and warehouses in Tier I and Tier II cities in the states of Andhra Pradesh, Telangana and in the NCR region in order to meet the growing demand amongst consumers within these markets. We categorize the cities having more than 30 million population as Tier I cities and others as Tier II cities. We intend to utilize the portion of the Net Proceeds towards (i) setting up an aggregate of 69 stores, comprising of 59 MBOs and 10 EBOs and in Telangana, Andhra Pradesh and the NCR region during the Financial Years 2022 to 2024, and (ii) towards expansion of our warehouse network by setting-up 9 warehouses across Telangana, Andhra Pradesh and the NCR region during the Financial Years 2022 to 2024. The premises for the proposed new retail stores and warehouses are expected to be taken both on lease / leave and license basis, or on the ownership basis. However, as on the date of this Draft Red Herring Prospectus, the Company has neither entered into any definitive agreements, nor executed any letters of intent for taking such stores / warehouses on lease, leave and license basis or on the ownership basis, since it typically enters into such arrangements only a few months prior to the actual establishment of the stores / warehouses. The process of setting up of a new store / warehouse begins with the identification of the region or city in which the store / warehouse will be located and finishes with the setting up of the store in a ready condition for operations.

A detailed breakup of the stores and warehouses proposed to be set up by our Company has been provided below:

a) We propose to open the following stores in Fiscal 2022, Fiscal 2023 and Fiscal 2024 from the Net Proceeds.

Format	Location	Fiscal 2022	Fiscal 2023	Fiscal 2024	Total
MBO Stores	Telangana	1	3	3	7
	Andhra Pradesh	10	5	3	18
	NCR	8	13	13	34
Total MBO Stores (A)		**19**	**21**	**19**	**59**
EBO Stores	Telangana	-	-	-	-
	Andhra Pradesh	1	-	-	1
	NCR	3	3	3	9
Total EBO Stores (B)		**4**	**3**	**3**	**10**
Total Stores (A+B)		**23**	**24**	**22**	**69**

b) We propose to open the following warehouses in Fiscal 2022, Fiscal 2023 and Fiscal 2024 from the Net Proceeds.

Location	Fiscal 2022	Fiscal 2023	Fiscal 2024	Total number of warehouses
Telangana	1	1	-	2
Andhra Pradesh	1	1	-	2
NCR	1	1	3	5
Total number of warehouses	**3**	**3**	**3**	**9**

Estimated cost of establishment and deployment of funds

The sizes of our retail stores vary across regions and are dependent on various factors such as type / format of the retail store, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions, *etc*. Considering our strategy for setting-up new retail stores across regions, we have considered an average store size of 10,000 square feet, 9,000 square feet and 800 square feet for MBOs in Telangana and Andhra Pradesh, MBOs in the NCR region and EBOs in Telangana, Andhra Pradesh and the NCR region respectively ("**Average Store Size**") for arriving at the estimated costs for setting-up a new retail store. Similarly, our warehouse will have an average size of 10,000 square feet, which may vary across regions and are dependent on various factors such as availability of suitable locations, lease rentals, competition within a given region or across regions, *etc*. Our estimate of costs mentioned below are based on the certificate dated September 13, 2021 received from an independent chartered engineer, M. Nagi Reddy, and our internal estimates for specifications and item requirements, based on our prior experience of setting-up similar retail stores / warehouses.

A detailed breakdown of the estimated cost for stores / warehouses is as follows:

Sr. No.	**Particulars**	**MBO***	**EBO***	**Warehouse***
		Cost per sq. ft. (in ₹)		
1.	Civil and related civil finishing works including plumbing related works	445	375	110
2.	Gypsum POP and painting works	140	180	0
3.	All joinery/ wooden and glass works	600	1150	0
4.	Façade and signage works	160	625	4
5.	Electrical works including, Networking, Phone, UPS, Light fixtures	395	365	82
6.	Fire and safety	140	139	96
7.	HVAC works	300	245	4
8.	Loose Furniture	50	167	180
9.	Office Equipment and Peripherals	50	84	17
	Total cost per sq. ft. (in ₹)	**2,280**	**3,330**	**493**

**The estimated cost per square feet is as per the certificate / dated September 13, 2021 provided by M. Nagi Reddy, Independent Chartered Engineer.*

The estimated cost of establishment of proposed new stores and warehouse is as follows:

MBOs:

S. No.	**Location**	**Format of store**	**No. of Stores to be opened**	**Estimated size per showroom (in sq. ft.)**	**Total Estimated size of the showroom (in sq. ft.)**	**Estimated Capital Expenditure per Sq. Ft. *(in ₹)***	**Total estimated capital expenditure per store (₹ in million)**	**Total estimated capital expenditure (₹ in million)**
1.	Telangana	MBOs	7	10,000	70,000	2,280	22.80	159.6
2.	Andhra Pradesh	MBOs	18	10,000	1,80,000	2,280	22.80	410.4
3.	NCR	MBOs	34	9,000	3,06,000	2,280	20.52	697.68
	Total estimated capital expenditure for setting up MBO stores							**1,267.68**

EBOs:

S. No.	**Location**	**Format of store**	**No. of Stores to be opened**	**Estimated size per showroom (in sq. ft.)**	**Total Estimated size of the showroom (in sq. ft.)**	**Estimated Capital Expenditure per Sq. Ft. *(in ₹.)***	**Total estimated capital expenditure per store (₹ in million)**	**Total estimated capital expenditure (₹ in million)**
1	Andhra Pradesh	EBOs	1	800	800	3,330	2.66	2.66
2	NCR	EBOs	9	800	7,200	3,330	2.66	23.98
Total estimated capital expenditure for setting up EBO stores								**26.64**

Warehouse:

S. No.	Location	No. of Warehouses to be opened	Estimated size per Warehouse (in sq. ft.)	Total Estimated size of the Warehouse (in sq. ft.)	Estimated Capital Expenditure per Sq. Ft. *(in ₹)*	Total estimated capital expenditure per store (₹ in million)	Total estimated capital expenditure (₹ in million)
1.	Andhra Pradesh	2	10,000	20,000	493	4.93	9.86
2.	Telangana	2	10,000	20,000	493	4.93	9.86
3.	NCR	5	10,000	50,000	493	4.93	24.65
4.	**Total estimated capital expenditure for setting up the warehouses**						**44.37**

Based on the estimated cost mentioned above, the total cost for the establishment of our proposed area of new stores in the next three years is as follows:

(In ₹ million)

Format	Location	Fiscal 2022	Fiscal 2023	Fiscal 2024	Total*
MBO	Telangana	22.80	68.40	68.40	159.60
	Andhra Pradesh	228.00	114.00	68.40	410.40
	NCR	164.16	266.76	266.76	697.68
Total MBO Capital Expenditure		**414.96**	**449.16**	**403.56**	**1,267.68**
EBO	Telangana	-	-	-	-
	Andhra Pradesh	2.66	-	-	2.66
	NCR	7.99	7.99	7.99	23.98
Total EBO Capital Expenditure		**10.66**	**7.99**	**7.99**	**26.64**
Total Capital Expenditure		**425.62**	**457.15**	**411.55**	**1,294.32**

** The Net Proceeds will be utilized towards capital expenditure for expansion and opening of new stores and warehouses including costs relating to interior works of the stores and warehouse*

Based on the estimated cost mentioned above, the total cost for the establishment of our proposed new stores and warehouse are as follows:

(In ₹ million)

Location	Fiscal 2022		Fiscal 2023		Fiscal 2024		Total*	
	New Stores	Ware-house	New Stores	Ware-house	New Stores	Ware-house	New Stores	Ware-house
Telangana	22.80	4.93	68.40	4.93	68.40	-	159.60	9.86
Andhra Pradesh	230.66	4.93	114.00	4.93	68.40	-	413.06	9.86
NCR	172.15	4.93	274.75	4.93	274.75	14.79	721.66	24.65
Total	**425.62**	**14.79**	**457.15**	**14.79**	**411.55**	**14.79**	**1,294.32**	**44.37**
Total Capital Expenditure	**440.41**		**471.94**		**426.34**		**1,338.69**	

** The Net Proceeds will be utilized towards capital expenditure for expansion and opening of new stores and warehouses including costs relating to interior works of the stores and warehouse.*

Methodology for computation of estimated cost

The details of the capital expenditure for establishing stores on a per sq. ft. basis are based on the certificate received from M. Nagi Reddy, Independent Chartered Engineer, through certificate dated September 13, 2021. However, as on the date of this Draft Red Herring Prospectus, the Company has neither entered into any definitive agreements, nor executed any letters of intent for leasing such stores / warehouse, as we typically enter into such arrangements only a few months prior to the actual establishment of the stores / warehouse.

The estimated cost set out above is based on typical capital expenditure incurred by our Company in setting up new stores. However, the estimated cost set out above is subject to adjustments, if any, with respect to any escalation of price of the items and contingencies such as necessary and unforeseen change in design or location of stores and accordingly, in case of any escalation in prices or contingencies, our Company may utilize the Net Proceeds towards such escalation prices or contingencies or may utilize its internal accruals or seek debt financing.

2. Funding Incremental Working capital requirements

We fund a majority of our working capital requirements in the ordinary course of business from various banks and internal accruals. As of August 15, 2021, the aggregate amount sanctioned for various working capital facilities is ₹ 8,000 million. For details of the working capital facilities availed by us, see "*Financial Indebtedness*" on page 271.

Our business is working capital intensive and has lot of expenses which are fixed in nature. Further a major component is the inventory at stores and distribution centers. We intend to continue growing by setting up additional stores. Major portion of our working capital is utilized towards inventory purchase and we have availed funds for our working capital in the ordinary course of our business from HDFC Bank Limited, Bajaj Finance Limited and IDFC First Bank Limited. As of August 15, 2021, our retail store channel comprises 99 retail stores (comprising 88 MBOs including two specialized stores and 11 EBOs and seven warehouses across 31 cities in India. For further details, see "*Our Business*" at pages 132. We are in the business of operating electronic retail stores and aim to set up additional retail stores and warehouses in Telangana, Andhra Pradesh and the NCR region to serve more consumers across these locations and expand our store and warehouse network. In light of the above, our Company will require incremental working capital.

All these factors may result in increase in the quantum of current assets.

Basis of estimation of incremental working capital requirement

The estimates of the working capital requirements for the years ended March 31, 2022 and March 31, 2023 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. On the basis of existing and estimated working capital requirement of our Company on an audited standalone basis, and assumptions for such working capital requirements, our Board pursuant through its resolution dated September 20, 2021 has approved the projected working capital requirements for Fiscals 2022 and 2023 and the proposed funding of such working capital requirements as set forth below:

(₹ in million)

S. No.	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
I.	**Current assets**			
1	Inventories	**3,277.72**	**4,017.81**	**4,813.69**
2	Financial assets	**1,361.53**	**1,727.92**	**1,314.94**
	(a) Trade receivables	843.42	845.98	953.92
	(b) Cash and cash equivalents	507.73	870.21	349.82
	(c) Loans	10.38	9.30	9.54
	(d) Others	-	2.43	1.66
3	Other current assets	1,064.16	1,470.95	1,904.16
	Total current assets excluding cash & bank balances (A)	**5,703.41**	**7,216.68**	**8,032.79**
II.	**B. Current liabilities**			
1	Financial liabilities	**698.06**	**546.39**	**735.49**
	a) Trade payables	362.83	66.62	75.86
	b) Other financial liabilities	335.23	479.77	659.63
	c) Provisions	-	-	-
2	Other current liabilities	**154.53**	**109.99**	**164.36**
3	Current tax liabilities (net)	51.00	-	18.38

S. No.	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
	Total current liabilities (B)	**903.59**	**656.38**	**918.23**
III	**Working capital requirements (A-B)**	**4,799.82**	**6,560.30**	**7,114.56**
IV	**Funding Pattern**			
	Short-term borrowings*	3,132.25	4,480.91	4,739.06
	Internal accruals and Equity	1,667.57	2,079.39	2,375.49
	Total Means of Finance	**4,799.82**	**6,560.30**	**7,114.55**

** Short-term borrowings include working capital funding from Banks and unsecured loan payable on demand from Banks and NBFCs.*

Based upon our internal estimates as reflected below, the estimates of incremental working capital requirements for Fiscal 2022 and Fiscal 2023 are set forth below:

(₹ in million)

S. No	Particulars*	Estimated Amount as on March 31, 2022	Estimated Amount as on March 31, 2023
I.	**Current assets**		
1	Inventories	**5,995.55**	**7,511.06**
2	Trade receivables	1,081.76	1.375.57
3	Other current assets	1,947.17	2,200.92
	Total current assets (I)	**9,024.48**	**11,087.55**
II.	**Current liabilities**		
1.	Trade payables	276.72	352.08
2.	Other financial liabilities	621.20	687.79
3	Other current liabilities	**216.35**	**275.11**
	Total current liabilities (II)	**1,114.27**	**1,314.98**
III	**Working capital requirements (I-II)**	**7,910.21**	**9,772.57**
IV	**Funding Pattern**		
	Net Proceeds from the Fresh Issue	750.00	2,000.00
	Short Term Borrowings	4,739.06	4,739.06
	Internal accruals and Equity	2,421.15	3,033.51
	Total	**7,910.21**	**9,772.57**

** Komandoor and Co. LLP, Chartered Accountants have by a certificate dated September 20, 2021, certified the working capital requirements of our Company.*

Our Company proposes to utilize ₹ 2,000.00 million from Net Proceeds towards funding our incremental working-capital requirements. Our company expects that funding pattern for working capital requirements for Fiscals 2022 and 2023 will comprise of short-term borrowings from banks and other financial institutions, internal accruals and Net Proceeds.

The estimates of incremental working capital requirements for Fiscal 2022 and Fiscal 2023 are set forth below:

(₹ in million)

Particulars	Estimated Amount for Fiscal 2022	Estimated amount for Fiscal 2023
Incremental Working Capital Requirement	**795.66**	**1862.36**

Particulars	Estimated Amount for Fiscal 2022	Estimated amount for Fiscal 2023
Funding Pattern		
Short Term Borrowings	-	-
Internal Accruals	45.66	612.36
Net Proceeds from the Fresh Issue	750.00	1250.00
Total	**795.66**	**1862.36**

Assumptions for our estimated working capital requirements

Sr. No.	Particulars	Number of days for the period/Fiscal ended				
		March 31, 2019	**March 31, 2020**	**March 31, 2021**	**March 31, 2022**	**March 31, 2023**
1	Inventory Days	50	54	63	61	60
2	Receivable Days	11	10	11	9	9
3	Payable Days	5	1	1	3	3
4	Other Current Asset Days	14	17	22	17	15
5	Other Current Liabilities days	7	7	10	7	7

Sr No.	Particulars	Assumption
1.	Inventories	In order to meet customer requirements, our Company needs to maintain finished goods inventory including adequate inventory for display at the retail outlets. Our company has maintained an inventory of 50 days, 54 days and 63 days of cost of goods sold for Fiscal 2019, Fiscal 2020 and Fiscal 2021, respectively. Accordingly, we have anticipated our inventory holding days to be 61 days for Fiscal 2022 and marginally improve to 60 days of cost of goods sold for Fiscal 2023.
2.	Trade Receivable	We had trade receivable of 11days, 10 days and 11 days of revenue from operation at the end of Fiscal 2019, Fiscal 2020, and Fiscal 2021, respectively. We have assumed trade receivables of 9 days of revenue from operations at the end of Fiscal 2022 and Fiscal 2023. We believe, going forward our company will see a marginal improvement in trade receivable days as we focus on improving our collection process and regular follow-ups for the wholesale business.
3.	Trade Payables	We had trade payable of 5 days ,1 day and 1 day of cost of goods sold at the end of Fiscal 2019, Fiscal 2020, and Fiscal 2021. We have assumed trade payable of 3 days of cost of goods sold at the end of each Fiscal 2022 and Fiscal 2023, we have factored marginal increase in payable days as we expect the delivery time across all stores and warehouses to increase post our proposed expansion.
4.	Other Current Assets	Other current assets include advance to suppliers, balances with government authorities like GST related ITC balances. We had other current assets of 14 days, 17 days, and 22 days of revenue from operations at the end of Fiscal 2019, Fiscal 2020 and Fiscal 2021 respectively. We have assumed other current assets of 17 days and 15 days of revenue from operations at the end of each Fiscal 2022 and Fiscal 2023 respectively. We have factored that the other current assets will be closer to the average of the last 3 years.
5.	Other Current Liabilities	Other current liabilities include Provision for Corporate Social Responsibility, payables to statutory authorities and advances from customers. We had other current liabilities of 7 days, 7 days, and 10 days of revenue from operations at the end of Fiscal 2019, Fiscal 2020 and Fiscal 2021 respectively. We have assumed other current liabilities of 7 days of revenue from operations at the end of each Fiscal 2022 and Fiscal 2023. We believe that other current liability will be in line with our historical average of 7 days.

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

Our Company has entered into various borrowing arrangements with banks and financial institutions including borrowings in the form of fund based as well as non-fund based working capital facilities, term loans and trade advances, amongst others. As of August 15, 2021, the term loans amount outstanding under the borrowing arrangements entered into with HDFC Bank by our Company was ₹ 655.61 million on a standalone basis. For details of these borrowing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 271.

Our Company intends to utilize ₹ 500 million from the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on HDFC Bank term loans existing on August 15, 2021, availed by our Company and the accrued interest thereon, the details of which are listed out in the table below.

Pursuant to the terms of the borrowing arrangements, prepayment of these indebtedness does not attract prepayment charges.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, refinance or avail additional borrowings from the bank. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments and enhancement of sanctioned limits. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including re-financed or additional borrowings availed, if any or otherwise), in part or full, would not exceed ₹ 500 million.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers/ consents for fulfilment of such conditions; (iii) terms and conditions of such consents and waivers; (iv) levy of any prepayment charges/ penalties; (vi) provisions of any laws, rules and regulations governing such borrowings; and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

S. No.	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total outstanding amount as on August 15, 2021 (in ₹ million) #	Repayment Tenor	Prepayment penalty/ conditions	Purpose for which the loan was sanctioned(1)
1.	HDFC Bank Limited	10th June, 2021	Term Loan	8	97.19	94.15	Repayable in 91 months	Nil	Purchase of Commercial Property
2.	HDFC Bank Limited	10th June, 2021	Term Loan	8	80.81	78.42	Repayable in 93 months	Nil	Purchase of Commercial Property
3.	HDFC Bank Limited	10th June, 2021	Term Loan	8	142.87	139.02	Repayable in 100 months	Nil	Purchase of Commercial Property
4.	HDFC Bank Limited	10th June, 2021	Term Loan	8	118.48	117.11	Repayable in 173 months	Nil	Purchase of Commercial Property
5.	HDFC Bank Limited	10th June, 2021	Term Loan	8	59.93	57.14	Repayable in 66 months	Nil	Purchase of Commercial Property
6.	HDFC Bank Limited	10th June, 2021	Term Loan	8	91.49	88.46	Repayable in 87 months	Nil	Purchase of Commercial Property

S. No.	Name of the lender	Date of sanction letter/ facility agreement	Nature of loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total outstanding amount as on August 15, 2021 (in ₹ million) #	Repayment Tenor	Prepayment penalty/ conditions	Purpose for which the loan was sanctioned[(1)]
7.	HDFC Bank Limited	10th June, 2021	Term Loan	8	84.10	81.31	Repayable in 87 months	Nil	Purchase of Commercial Property
	Total				**674.87**	**655.61**			

Our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations by way of their certificate dated September 20, 2021.

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Also, the amount outstanding as of August 15, 2021 has been certified by Komandoor and Co. LPP, Chartered Accountants, by way of their certificate dated 20th September, 2021.

For further details in relation to the terms and conditions under the aforesaid loan agreements as well as the restrictive covenants in relation thereto, see "Financial Indebtedness" on page 271 of this Draft Red Herring Prospectus

4. General Corporate Purposes

We propose to deploy the balance Net Proceeds aggregating up to ₹ [●] million (net of expenses in relation to the Issue) towards general corporate purposes, subject to such utilisation 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 brand building and marketing efforts, acquisition of fixed assets, meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, meeting exigencies and expenses incurred by our Company in the ordinary course of business. The general corporate purposes for which we propose to utilise the Net Proceeds will also include meeting day to day expenses such as pre-payment or repayment of loans towards acquisition of land, meeting any expense of the Company, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary 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 available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have 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.

Issue Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] million. The Issue related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Issue, Banker to the Issue including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, fees payable to the Sponsor Bank for bids made by RIBs using UPI. brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All the fees and expenses relating to the Issue shall borne by the Company. The break-up for the estimated Issue expenses are as follows:

Activity	**Estimated expenses(1) (₹ in million)**	**As a % of total estimated Issue related expenses(1)**	**As a % of Issue size(1)**
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Fees payable to Statutory Auditors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses			
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fee payable to legal counsels	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)(6)	[●]	[●]	[●]
Others (Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses, fees for Chartered Engineer, and the independent chartered accountant appointed for the purpose of the Issue)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

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

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

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

**Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*
No additional bidding charges shall be payable by the Company to the SCSBs on the applications directly procured by them

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

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

** For each valid application*

(4) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by Syndicate Member (including their sub Syndicate Members) would be as follows:

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

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

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the Registered Brokers, RTAs/CDPs would be as follows:

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

** Based on valid applications.*
** Amount of selling commission payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable taxes.*

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

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

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency prior to filing of the Red Herring Prospectus for monitoring the utilisation of the Net Proceeds. Our Audit Committee and the monitoring agency will monitor the utilisation of the Net Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim, use under a separate head in our balance sheet for such fiscals 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 fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

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. The Audit Committee will make recommendations to our Board for further action, if appropriate. 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 Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the 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, 2013, our Company shall not vary the objects of the Issue without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Telugu, the regional language of the jurisdiction where our Registered Office is located. In accordance with the Companies Act, 2013, our Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, our Key Management Personnel or our Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Promoter Group, our Directors, our Key Management Personnel or our Group Company.

BASIS FOR ISSUE PRICE

The Issue 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 ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Bidders should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 132, 22, 239 and 189, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. The Company is the 4th largest consumer durable and electronics retailer in India with a leadership position in South India. The Company's scale of operations along with its long-standing relationship with leading consumer brands enables us to procure products at competitive rates.

2. The Company is one of the fastest growing consumer durable and electronics retailer with consistent track record of growth and industry leading profitability.

3. The Company's market presence and geographic reach with cluster-based expansion.

4. The Company's business model provide operational flexibility to create long term sustainable footprint.

For details, see "*Our Business – Strengths*" on page 136.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Financial Statements*" on page 189.

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

A. Basic and Diluted Earnings Per Share ("EPS") at face value of ₹10, as adjusted for change in capital:

Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	1.95	1.95	3
March 31, 2020	2.72	2.72	2
March 31, 2019	2.57	2.57	1
Weighted Average	**2.31**	**2.31**	

Notes:

1) *Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}*
2) *The details of 'Earnings per Share' disclosed above are based on the Restated Financial Statements of our Company.*
3) *The face value of equity shares of our Company is ₹10.*
4) *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)*
5) *Earnings per Share (₹) = Profit attributable to equity shareholders for the year/Weighted Average No. of equity shares at the end of the period/year*
6) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "Financial Statements" beginning on page 189.*

B. Price/Earning ("P/E") ratio in relation to the in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for year ended March 31, 2021	**[●]**	**[●]**

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on diluted EPS for year ended March 31, 2021	**[●]**	**[●]**

Industry Peer Group P/E ratio*

Particulars	Industry PE
Highest	46.98
Lowest	46.98

Notes:

**Source: The highest, lowest and average Industry P/E shown above is based on the industry peer set provided below under "-Comparison with Listed Industry Peers" below*

C. Return on Net Worth ("RoNW")

Derived from the Restated Consolidated Financial Information:

Financial Year ended	RoNW (%)	Weight
March 31, 2021	11.92	3
March 31, 2020	18.84	2
March 31, 2019	22.64	1
Weighted Average	**16.01**	

Notes:

1. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]*
2. *RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of our Company divided by shareholders' funds for that year.*
3. *Shareholders' funds = Share capital + reserves & surplus – revaluation reserves.*
4. *Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account as per Restated Consolidated Financial Statement of Assets and Liabilities of the Company*
5. *The details of 'RoNW' disclosed above are derived based on the Restated Financial Information of our Company.*

D. Net Asset Value ("NAV") per Equity Share

Financial Year ended/ Period ended	Restated Consolidated Financial Information (₹)
As on March 31, 2021	16.40
After the completion of the Offer	At Floor Price: [●]
	At Cap Price: [●]
Issue Price	[●]

Notes:

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

2. *Net Asset Value per equity share represents net worth 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.*

E. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of Company	For the year ended March 31, 2021								
	Standalone/ Consolidated	Face value (INR)	Closing price on September 15, 2021 (₹)	Revenue from operations (INR Million)	Basic EPS (INR)	Diluted EPS (INR)	P/E based on Diluted EPS	Return on Networth (%)	NAV per Equity Share (INR)
Electronics Mart India Limited	Consolidated	10.00		32,018.76	1.95	1.95	N/A	11.92	16.40

Listed Peers									
Aditya Vision Limited	Standalone	10.00	963.55	7,479.93	20.51	20.51	46.98	43.4	47.25

Source: All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2021, as available on website of BSE.
The financial information related to our Company are based on the Restated Consolidated Financial Information.

Notes:

1. *Basic EPS = Profit for the year attributable to equity holders of the Company divided by Weighted average number of equity shares outstanding during the year.*
2. *Diluted EPS = Profit for the year attributable to equity holders of the Company divided by Weighted average number of dilutive equity shares outstanding during the year.*
3. *Net Asset Value per equity share represents net worth attributable to Equity Shareholder (Equity Share capital together with other equity as per Restated Consolidated Financial Information) as at the end of the fiscal year divided by the number of Equity Shares outstanding at the end of the year.*
4. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 15, 2021, divided by the Basic EPS.*
5. *Return on net worth (%) = Restated profit for the year of the Company divided by networth (Net worth means the aggregate value of the equity share capital and other equity, as per restated consolidated financial information.)*

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

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis 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 22, 132, 239 and 189, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 22 and you may lose all or part of your investment.

STATEMENT OF SPECIAL DIRECT TAX BENEFITS

To
The Board of Directors
Electronics Mart India Limited
M. No 6-3-666/A1 to 7
3rd Floor, Opposite NIMS Hospital
Punjagutta Main Road
Hyderabad – 500082

Proposed initial public offering of equity shares ("Issue") of Electronics Mart India Limited (the "Issuer"/" Company").

1. This report is issued in accordance with the terms of our engagement letter dated 12 July 2021.

2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company and its shareholders (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income-tax Rules, circulars and notifications) as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Company for inclusion in the Draft Red Herring Prospectus in connection with the proposed Issue, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 20 September 2021 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI').

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'SEBI ICDR Regulations') and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special direct tax benefits available as of 20 September 2021 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

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

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Issue.

Inherent Limitations

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

   Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the direct tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive. Further, any benefits available under any other laws within or outside India have not been examined and covered by this statement.

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

Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of 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**.**

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special direct tax benefits available as of 20 September 2021, to the Company and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Issue to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Amit Kumar
Partner
Membership No.: 060995
UDIN: 21060995AAAAAN7451

Place: Hyderabad
Date: 20 September 2021

Statement of Possible Special Direct Tax Benefits available to Electronics Mart India Limited (the "Company") and its Shareholders under the applicable tax laws in India – The Income-tax Act, 1961 (the "Act")

I. Special Income tax benefits available to the Company

- As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.17% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019- 20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

  In such a case, the Company will not be allowed to claim any of the following deductions/ exemptions under the Act:

  a) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)

  b) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)

  c) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

  d) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 (Expenditure on scientific research)

  e) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)

  f) Deduction under section 35CCD (Expenditure on skill development)

  g) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M

  h) Deduction under Section 80LA other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA of the Act.

  i) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause a) to h) above.

  j) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause a) to h) above.

  Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Additionally, such Company will not be entitled to claim tax credit relating to MAT.

  In this regard, from Assessment Year 2020-21 relevant to Financial Year 2019-20 onwards the Company has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (effective rate of 25.17% along with Surcharge and Health and Education Cess) subject to fulfilment of above conditions.

- Further, as per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in India, it can avail the above-mentioned benefit under Section 80M of the Act.

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

- In accordance with and subject to fulfilment of conditions as laid out under Section 35D of the Act, the Company will be entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under Section 35D of the Act, subject to the limit specified in section 35D(3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation.

II. Special Income tax benefits available to the Shareholders of the Company

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

- As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note, that tax shall be levied where such capital gains exceed ₹100,000.

- As per Section 111A, short-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

  Except for the above, the Shareholders of the Company are not entitled to any other special direct tax benefits under the Act.

Notes:

1. These special direct tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the direct tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special direct tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

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

iii. the revenue authorities/courts will concur with the view expressed herein.

5. This Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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

No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. The above 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.

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Place: Hyderabad
Date: 20 September 2021

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS

To
The Board of Directors
Electronics Mart India Limited
M. No 6-3-666/A1 to 7
3rd Floor, Opposite NIMS Hospital
Punjagutta Main Road
Hyderabad – 500082

Proposed initial public offering of equity shares ("Issue") of Electronics Mart India Limited (the "Issuer"/" Company").

1. This report is issued in accordance with the terms of our engagement letter dated 12 July 2021.

2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company and its shareholders (hereinafter referred to as "the Statement") under 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, as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "Indirect Tax Regulations") has been prepared by the management of the Company for inclusion in the Draft Red Herring Prospectus in connection with the proposed Issue, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus ('DRHP') is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 20 September 2021 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI').

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'SEBI ICDR Regulations') and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special indirect tax benefits available as of 20 September 2021 to the Company and the shareholders of the Company, in accordance with the Indirect Tax Regulations as at the date of our report.

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

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Issue.

Inherent Limitations

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

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive. Further, any benefits available under any other laws within or outside India have not been examined and covered by this statement.

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

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

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special indirect tax benefits available as of 20 September 2021, to the Company and its shareholders, in accordance with the Indirect Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Issue to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Amit Kumar
Partner
Membership No.:060995
UDIN: 21060995AAAAAO6713

Place: Hyderabad
Date: 20 September 2021

Statement of Special Indirect Tax Benefits

Statement of Possible Special Indirect Tax Benefits available to Electronics Mart India Limited, its Shareholders.

The benefits available to Electronics Mart India Limited ('the Company') and the Shareholders of the Company under 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, as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) are as under (collectively referred as "Indirect Tax Regulations"):

1. **Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

   The Company is primarily engaged in business of trading electronic goods. Further, as the Company is engaged as trader of taxable goods and does not engage in import or export of any goods or services, none of the special indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

2. **Special Indirect Tax Benefits for shareholders of Electronics Mart India Limited**

   The shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications) and Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications) (collectively referred as "Indirect Tax Regulations").

Notes:

1. The statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

2. The Statement has been prepared on the basis that the equity shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

3. The Statement is prepared based on information available with the Management of the Company.

4. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Place: Hyderabad
Date: 20 September 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

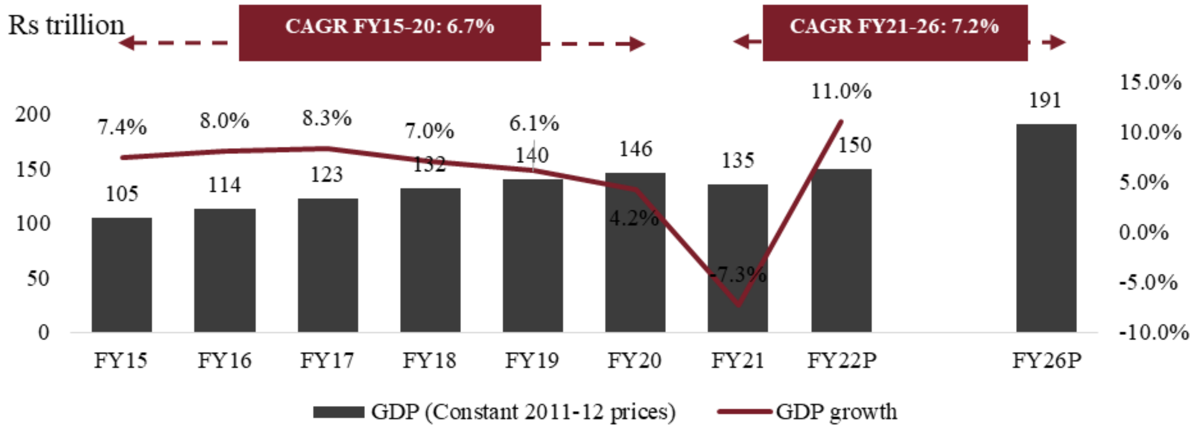
Unless otherwise indicated, the information in this section is obtained or extracted from industry research report on "Assessment of Electronic Retailing in India" dated August, 2021 prepared and released by CRISIL Research, a division of CRISIL Limited and commissioned by and paid for by us. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been reclassified by us for the purpose of presentation. 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 sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient 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

Macroeconomic Overview:

<u>*Despite the pandemic long-term prospects bright for the economy*</u>

Indian economy recorded a robust 6.7% CAGR over fiscal 2015 to 2020 period driven by rising consumer aspirations, rapid urbanization, government's focus on infrastructure investment and growth of domestic manufacturing sector. The economic growth was supported by benign crude oil prices, softer interest rates and lower current account deficit. Indian government also undertook key reforms and initiatives such as implementation goods and services tax, Insolvency and Bankruptcy Code (IBC), Make in India initiative, financial inclusion initiatives, gradual opening of sectors such as retail, e-commerce, defense, railways, and insurance for Foreign Direct Investments (FDI).

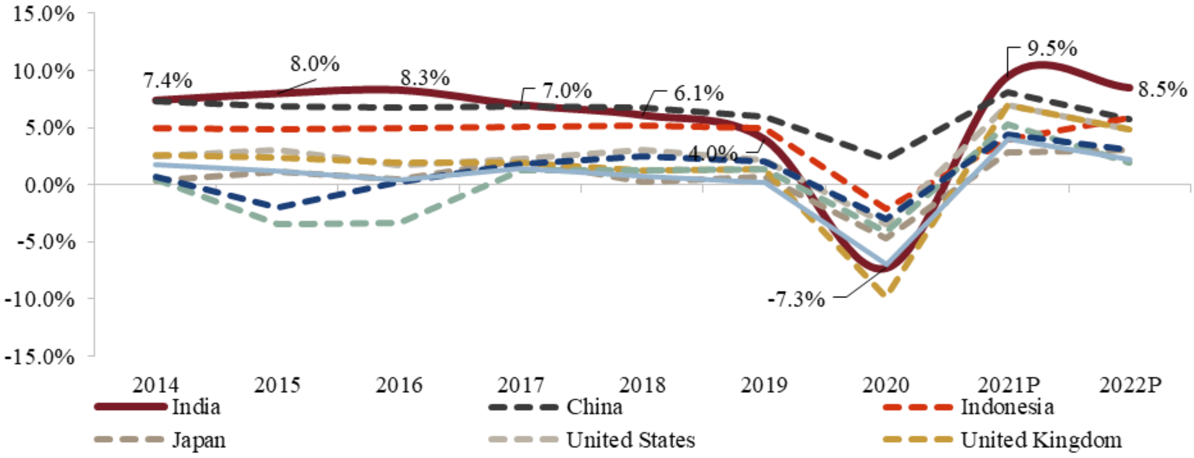
GDP expected to grow at 9.5% yoy in fiscal 2022; long term growth (fiscal 2021-2026) expected at 7.2% CAGR



Note: P – Projected, FY21 – Provisional Estimates Source: National Statistics Office (NSO), IMF, CRISIL Research estimates

Rapid urbanisation, rising consumer aspirations and increasing digitisation, coupled with government support in the form of reforms and policies, are expected to support long term growth. As per IMF's forecasts India is likely to emerge as the fastest growing countries among major global economies over 2021 and 2022 period.

India is one of the fastest-growing major economies (GDP growth, % on-year)



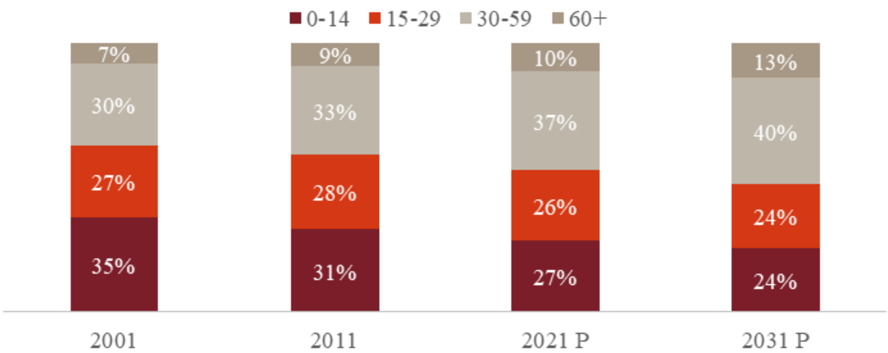
Note: GDP growth is based on constant prices, P: Projected; Source: IMF (World Economic Outlook – July 2021 update), CRISIL Research

Key macroeconomic trends and long-term growth drivers:

Favourable demographics

As of 2020, India has one of the largest young population in the world, with a median age of 28 years. About 90% of Indians would still be below the age of 60 years by end-2020, of which, CRISIL Research estimates, 63% of them would be between 15 and 59 years. In comparison, the US, China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60al

India's demographic dividend

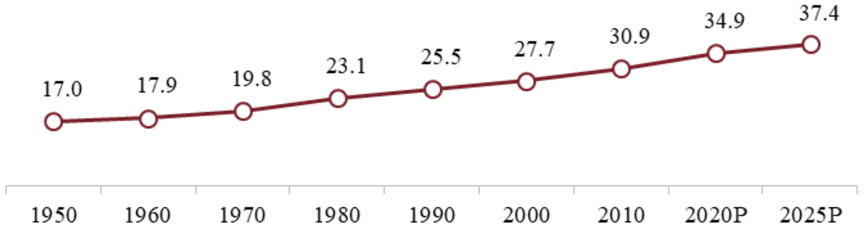


Note: E: Estimated; Source: United Nations Department of Economic and Social affairs, CRISIL Research

Urbanisation

Urbanisation is one of India's most important economic growth drivers, as it will drive substantial investments in infrastructure development, which, in turn, is expected to lead to job creation, development of modern consumer services and increased ability to mobilise savings. India's urban population has been rising consistently over decades. In 1950, it was 17% of total population. As per the World Urbanization Prospects: The 2018 Revision by the United Nations (UN), it was estimated at ~34%. This is expected to reach ~37% by 2025.

Urban population (% of total population)



Note: P - projected
Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Investments in smart cities will lead to better urban infrastructure
The government approved a budget of Rs 480 billion for the development of 100 smart cities over five years, beginning fiscal 2017. The focus is on adequate and clean water supply, sanitation, solid waste management, efficient transportation, affordable housing for the poor, power supply, robust IT connectivity, e-governance, safety and security of citizens, health, and education. Based on the overall plans for the first 90 cities, investments are expected to be construction-intensive, as segments such as housing, roads, non-residential development, and sewage systems will constitute a considerable portion of the total investments which is expected to drive job creation in urban pockets, thereby accelerating urbanisation.

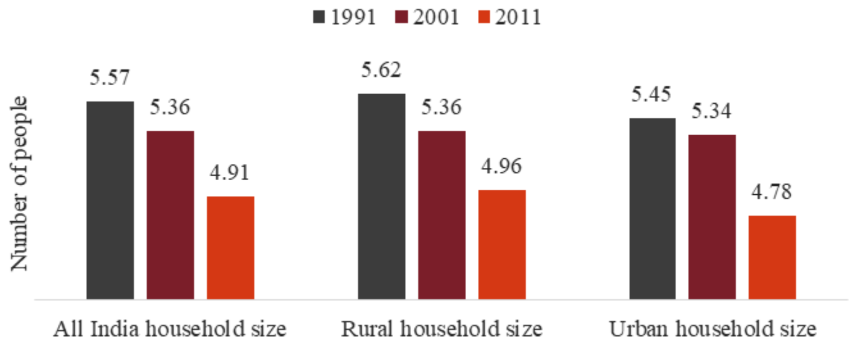
Thrust on affordable housing
PMAY-Urban (PMAY-U) was launched in 2015 with a target of building 12 million houses in urban areas across the country over 2015-2022. As on Aug 5th, 2021, the progress made under PMAY-U was as follows:

Houses sanctioned	**11.3 million**
Houses grounded for construction	8.3 million
Houses completed	5.0 million
Total investment	Rs 7,350 billion
Central assistance released	Rs 1,820 billion

Source: Ministry of Housing and Urban Affairs (MOHUA), CRISIL Research

Increasing nuclearisation
Increasing nuclearisation of families is driving up consumption expenditure. In the recent past, the number of nuclear families, as a percentage of total household population, has increased. The average household size of the country has come down to 4.91 in 2011, from 5.57 in 1991.

Decline in size of households to drive overall growth in consumption



Source: Census 2011, CRISIL Research

Increasing per-capita GDP

Factors, such as urbanisation and favourable demographics, are likely to manifest in higher growth in per-capita income and increased propensity to spend on discretionary items, including household appliances, mobiles & personal computers.

Per-capita income is estimated to have grown 3.0% in fiscal 2020, compared with 5.5% in the preceding fiscal. This will be an enabler for domestic consumption. As per IMF estimates, India's per-capita income (at constant prices) is expected to grow at 6.7% CAGR between fiscals 2020 and 2025.

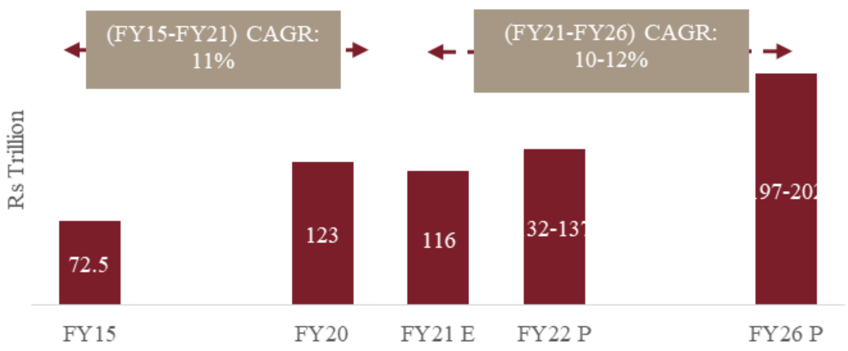
Per capita income	Level in FY20 (INR-'000)^		Growth at constant prices (%)						
	Current prices	Constant prices	FY15	FY16	FY17	FY18	FY19	FY20^	FY25P
	152	109	6.1	6.6	6.9	5.6	5.5	3.0	6.7*

Note: (*) - 5-year CAGR growth (FY20-FY25), as per IMF estimates of Apr 2021, (^) – provisional estimates by MoSPI, Jan 2021 Source: MoSPI, IMF, CRISIL Research

Private Consumption to Drive GDP Growth

Nominal private final consumption expenditure (PFCE) logged an 11% CAGR over fiscals 2015-20, driven by an increase in disposable income, improvement in rural spending, and a cut in key policy rates. In fiscal 2021, PFCE dropped by 6% to Rs 116 trillion because of the pandemic-led economic uncertainty, salary reductions, job cuts, and lockdowns during the first half of the year, which impacted consumer sentiment and overall consumption. PFCE is projected to increase at an 10-12% CAGR over fiscals 2021-26, riding on a low base of fiscal 2021.

PFCE growth in India



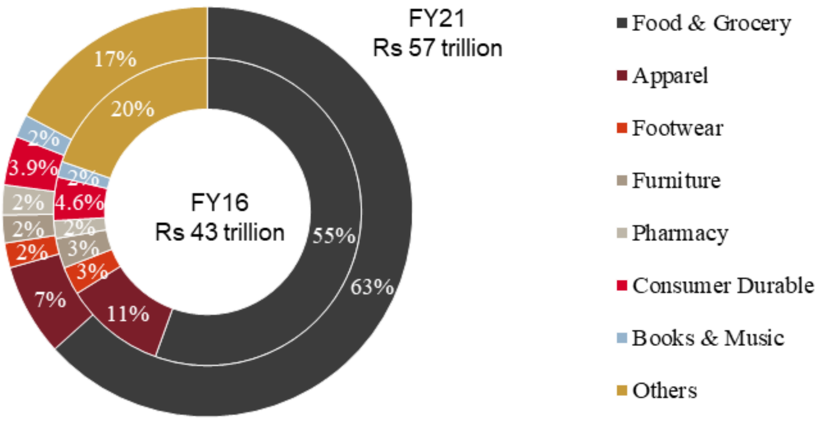
Note: Data pertains to PFCE in nominal terms; P: Projected; Source: Central Statistics Office, CRISIL Research

Retail forms a significant component of PFCE and, thereby, GDP

Most of the private consumption expenditure is in the retail sector (including organised and unorganised), contributing ~50% and ~30% to PFCE and GDP, respectively, in fiscal 2020. Despite sharp GDP growth in fiscals 2017 and 2018, the retail sector maintained its contribution to GDP during fiscals 2015-20 owing to a rise in urbanisation and an increase in household income. In fiscal 2021, CRISIL Research estimates that the share of retail to PFCE and GDP to have contracted by 100 bps amid the slowdown in discretionary product consumption.

Going ahead in the medium term, a pick-up in economic growth amid low to moderate inflation is expected to drive consumer spending, propelling the retail industry. The industry will also benefit from rising discretionary spending and rapid urbanisation. The retail segment is expected to log a 12-14% CAGR over fiscal 2021-26, against a 10-12% growth in GDP and PFCE.

Indian consumer retail basket and spending trend (fiscals 2016 and 2021)



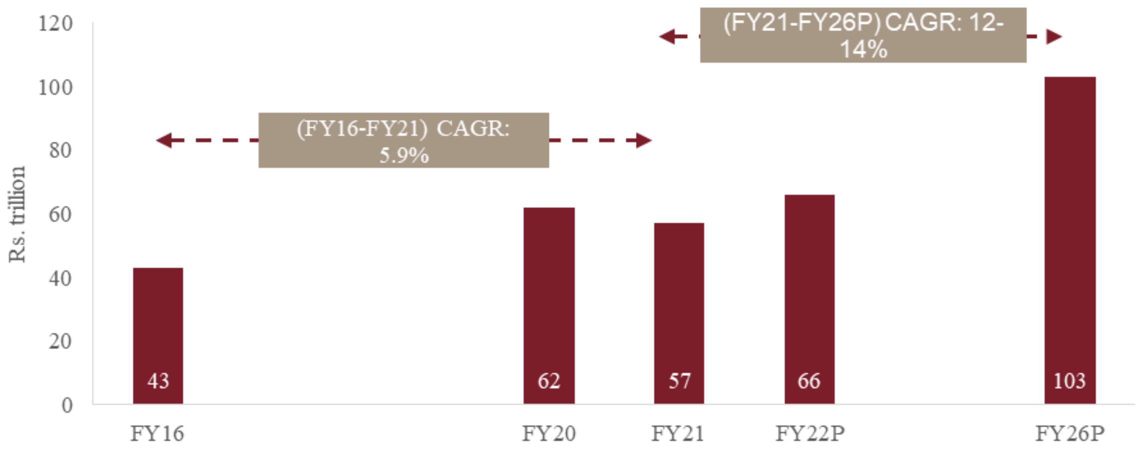
Note: 'Others' includes jewellery, watches, clocks, etc.

Source: Industry, CRISIL Research

Indian retailing industry
Despite short-term impact, long-term industry growth story remains intact. India's retail industry clocked a healthy 9.5% compound annual growth rate (CAGR) between fiscals 2016 and 2020, backed by rising urbanisation, nuclearisation, increased disposable incomes, and improving affordability and consumer sentiment.

Retail sector contracted by 7.5% on year in fiscal 2021, in line with the decline in GDP and PFCE. With the implementation of the nationwide lockdown on account of the Covid-19 pandemic, retail consumption had taken a hit. However, the impact can be divided into two parts- essential and non-essential goods. Non-essential goods bore the brunt of the impact due to the ban on sales, leading to the first quarter of the fiscal being the worst hit. In the long run, CRISIL Research believes growth will accelerate to 12-14% CAGR from fiscal 2021 till 2026, as economic activity picks up and inflation remains low to moderate. Pent-up demand, along with a better economic outlook, will boost consumer sentiment and drive discretionary spending. Increased investments by large retailers will further propel retail growth.

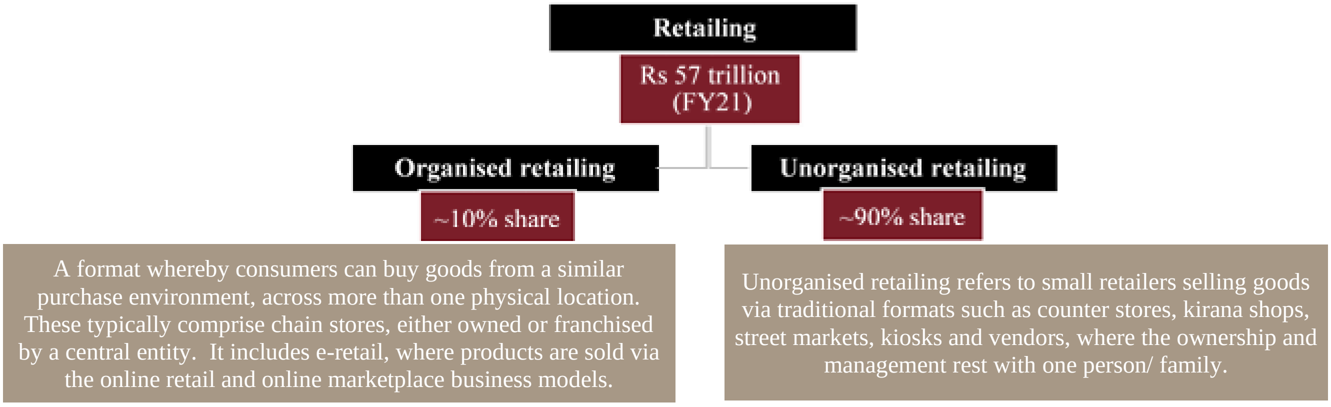
Retail industry market size



Note: P- Projected; Source: CRISIL Research

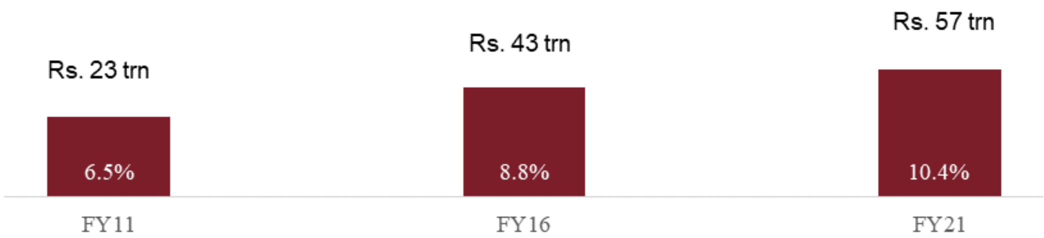
Low organised retail penetration is a huge opportunity
Organised retail typically means large-scale chain stores that are corporatised, apply modern management techniques and have a relatively higher level of self-service compared to a mom n pop store. E-retail is a part of organised retail while traditional retail includes only brick-and-mortar (B&M). The largest part of organised retail is still with B&M chains.

The share of organised retail sales in total retail has continued its expansion over the past five years, but its contribution was still low at 12% in fiscal 2020 and 10% as of fiscal 2021.



Source: CRISIL Research

Retail market size



NOTE: % in the bar represents share of organised retail in retail industry, figures represents retail market size

Source: CRISIL Research

Organised retailing has been on a strong growth trajectory since the late-1990s

Evolution is described in three phases:

	Pre-1990	1990-2005	2005-2015	2015-2021
Total retail market size	~Rs 2 trillion (1990)	~Rs 13 trillion (2005)	~Rs 39 trillion (2015)	~ Rs 57 trillion (2021)
Organised retail penetration (at end of period)	Negligible	~4%	~8.5%	~ 10%
Formats	Speciality stores	Supermarket, hyper market, departmental store	Vertical wise speciality stores	Vertical wise speciality stores; e commerce
Penetration of malls	Negligible	Moderate	High	High
Evolution	Dominant present of domestic and regional players	International players such as Nike, Reebok entered	Entry of large corporate houses such as Reliance, Tata and global players like Amazon	Entry of organised players into online format
FDI	No	Yes	Yes	Yes
Competition	Negligible	Moderate	High	High

Source: CRISIL Research, Industry

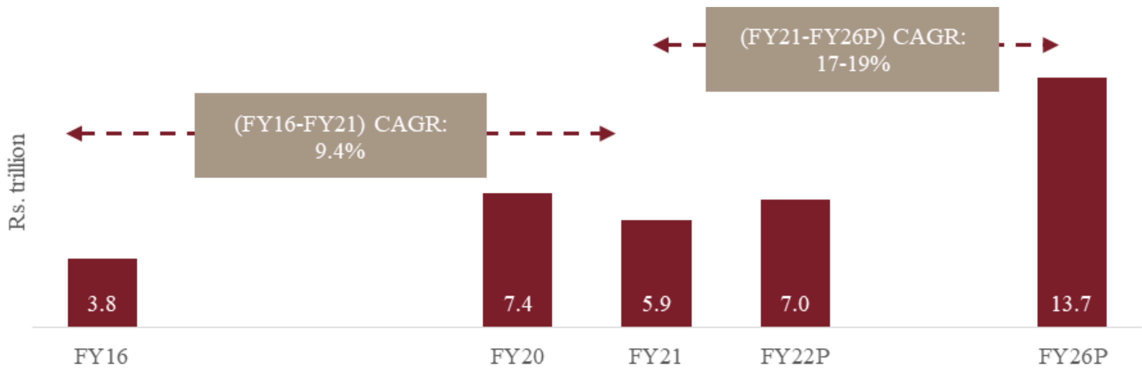
Organised retail to bounce back post de-growth in fiscal 2021

With tepid economic growth and in turn the consumer sentiment tapering down, the growth in organised retail took a beating in fiscal 2020. However, the impact on organised players was lower than on unorganised ones, with organised retail growing ~16% in fiscal 2020.

Amidst the nationwide lockdown on account of the Covid-19 pandemic, consumption was hit. Non-essential goods bore the brunt of the same due to the ban on its sale; the first quarter of fiscal 2021 was thus the worst hit. During the year, essential products (especially food and groceries) witnessed a much faster revival than non-essentials on account of the impact on incomes due to the pandemic. The share of non-essentials in organised retail is as high as around 75%. And the same have de-grown by 26% in fiscal 2021. This impacted the overall organized retail segment, which saw a decline of ~20% in fiscal 2021.

2nd wave of Covid-19 had an impacted demand in organised retail in the 1st quarter of fiscal 2022. However, as rules are relaxed, CRISIL Research expects demand revival from the start of festive season. As economy revives, impact of pandemic fading away and higher ticket size purchasing takes place, industry in fiscal 2022 is expected to see a growth of 17-19% y-o-y. Here we have not considered the impact of subsequent waves and hence the growth forecast will see a downward pressure if the third wave strike us depending upon severity.

Organised retail market size trend



Note: P- Projected; If the second wave of pandemic & subsequent lockdowns continue for an extended period, it will have an impact on the industry revival.; Source: CRISIL Research

Over the longer term, new store rollouts as well as increasing penetration into Tier-II and III cities will propel industry growth. The government's decision to permit 100% foreign direct investment (FDI) in single-brand retail under the automatic route from 49% earlier, and the relaxation in sourcing norms will boost growth in the longer term. Further, with the pick-up in the macroeconomic scenario and improved consumer spending, organised retail will see strong growth. The industry is estimated to touch Rs 13-15 trillion by fiscal 2026.

Growth drivers for organised retail industry

Demand-side factors

- **Rising income levels and increasing disposable incomes:** Rising disposable income is the primary enabler for domestic consumption. India's per capita income has been increasing; it clocked 3.1% on-year growth during fiscal 2021. Going ahead, it is expected to grow at a much faster pace of 6.7% CAGR in the next five years, propelling retail growth.
- **Favourable demographics:** India has one of the largest young populations in the world. As of 2020, 90% of India's population was below 60 years of age, compared with 74% for the US and 78% for Brazil. With a younger population, the propensity to spend on the latest discretionary products is higher, driving a potential for increased retail consumption, especially in the organised segment.
- **Growing urbanisation and changing consumer preferences:** The Indian population is increasingly shifting to urban areas. From ~17% in 1950s, the share of population living in urban areas has reached ~35% in 2020 and is expected to reach nearly 37% by 2025. Increased urbanisation and disposable incomes augur well for the retail industry. Moreover, urbanisation provides an additional kicker to the organised segment which is concentrated in the urban areas.
- **Increasing nuclearisation:** Amidst rising urbanisation, the average family size has been declining. The average household size of the country has declined to 4.91 members in 2011, from 5.57 members in 1991. Declining family size translates into higher consumption and retail demand.
- **Increasing brand consciousness:** Rising income levels, education and global exposure have contributed to the evolution of the middle class. As a result, there has been a gradual shift in the consumption patterns of Indians. Demand for better quality, convenience and higher value for

money have increased demand for branded goods. People are willing to experiment with new products. This has further augmented spends on health and beauty products, apart from apparel, food and grocery items.

With increasing exposure to global brands, coupled with increasing aspirations of the young consumers, overall brand consciousness is on the rise.

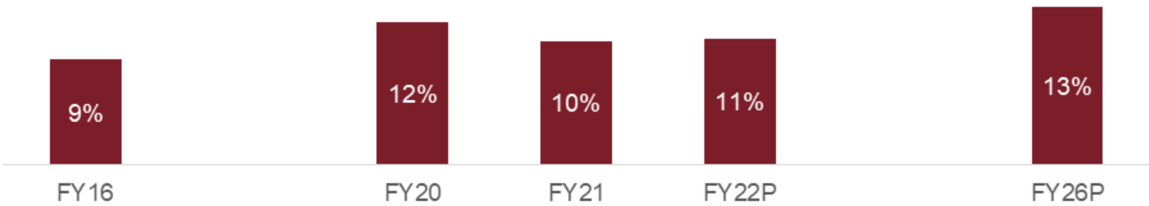
Supply-side factors

- **Easier access to credit:** With the easy availability of credit, the market for personal loans has seen significant growth in India, pushing up spends on housing and consumer durables. The ease of making payments with credit and debit cards has led to a sharp increase in consumer spending in recent years.
- Moreover, more players are also venturing into the finance domain. For example, the Future Group has entered into a strategic partnership with Bajaj Finance for easy EMIs for the purchase pf goods ranging from apparel and grocery to high-end consumer durables.

Organised retail penetration to reach 13-14% by fiscal 2026

Organised retail penetration (ORP) is likely to reach 13-14 % in fiscal 2026 from 10% in fiscal 2021. Organised retail penetration is expected to be impacted in fiscal 2021 on account of significant decline in organised retail, as compared with overall retail. This is on account of a substantial proportion of non-essentials in organised retail, as compared with overall retail. However, post that, ORP is expected to rebound owing to urban consumers moving up the economic ladder, increasing preference for branded products, and the youth becoming more aspirational. Further, GST is also likely to drive market share gains for organised players, as tax arbitrage which used to help unorganised has been reduced. On the supply side, store expansions by existing players and entry of new players would support growth.

ORP expected to recover from fiscal 2022



Challenges and hurdles for organised retail industry

- **Susceptibility to economic downturn:** The growth of retail is majorly dependent on the macroeconomic indicators of the country. A fall in disposable incomes, owing to high inflation and low GDP growth, affects consumer sentiment and the performance of the sector. Historically, retail market and GDP growth have a high correlation.
  Industry growth, especially for household appliances in the consumer durable market, is largely impacted by macroeconomic conditions such as inflation, interest rates and rising incomes. In fiscal 2016, demand was impacted by lesser income in the hands of the rural populace (owing to two consecutive years of deficient rainfall). On the contrary, demand for household appliances grew at a robust pace in fiscal 2009 with implementation of the Sixth Pay Commission's recommendations, which resulted in revision in the salaries of government employees and lump sum payments - adding more cash in the hands of the people.
  During fiscals 2013 and 2014, implied inflation (nominal GDP – real GDP) printed at 8.4% and 6.6%, respectively, while it was 3.6% in fiscal 2015. Years of higher inflation are characterised by subdued demand. The household appliance market witnessed volume growth of a mere 1%, 0%, and 8% on-year in the three years, respectively. Higher interest rates and lower incomes resulted in depressed sales.
- **Intensifying competitive landscape, both from amongst organised players and from e-retailers:** India's retail industry is highly fragmented and faces intense competition from unorganised retailers. Organised retail penetration in India was only 8% in fiscal 2015. Amongst organised retailers, too, certain micromarkets within cities have seen a huge proliferation of retail stores, leading to cannibalisation of existing stores and a shrinkage of catchment areas in the past few years. Additionally, stiff competition from online players impacted the pricing flexibility and profitability of B&M stores. Competition in Indian retail is also expected

to intensify post the Walmart-Flipkart partnership. Moreover, the government's decisions to permit a) 100% FDI in single brand retail under the automatic route from 49% earlier and b) 100% FDI under the automatic route in the marketplace model of e-commerce are expected to boost retail growth, while simultaneously intensifying competition.

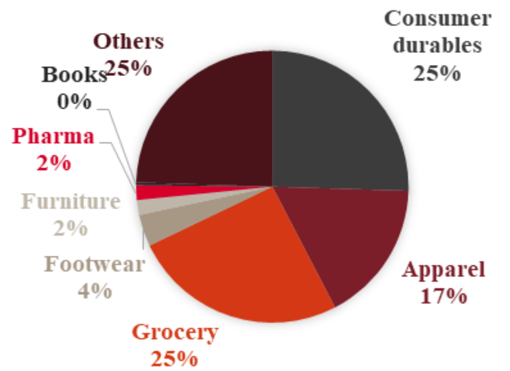
- **Increasing lease rentals**
  Lease rental or rent is one of the largest components in a retail business' fixed costs. Typically, for a retailer, lease rental is 7-8% of the total revenue. After the economic slowdown, many retailers shifted to revenue sharing (with a minimum guarantee) with mall developers, reducing the impact of movement in lease rentals on the retailer's profitability to some extent. Organised B&M retailers have adopted several ways to cut cost such as resizing large format stores and closing the loss-making outlets.
- **Aggressive expansion**
  Large expansion by retailers can put pressure on their operating margins because earnings from the existing stores do not adequately offset new store losses, in case store additions are large. Retail space addition by retailers who have their own expansion plans and overlapping of store locations intensifies competition and prolongs the gestation period.
- **Inventory management remains the Achilles' heel of retailers**
  Inventory management is one of the prime factors driving working capital and cash flow pressure in this industry. Several retailers have been forced to shut down or downscale operations owing to piling inventories. An optimal proportion of sales on consignment/ sale or return basis needs to be maintained to manage inventory-related risks. An optimal mix of 'bought out' to 'sale or return' inventory can help the company maintain healthy margins, while retaining a tight control on inventory levels.
  In the recent past, the government has made several attempts to streamline industry regulations. However, a lot remains to be done. Some operational barriers that the players face are as follows:
- **Multiple laws, regulations and clearances required for operations**
  Absence of single-window clearance. Multiple approvals need to be taken at the central, state and local levels.
  Large number of complex laws such as APMC Act, Essential Commodities Act, etc., restrict expansion.
  Restrictive zoning laws, rent controls, and protected tenancies result in high rentals and scarcity of real estate.
  Challenging labour laws such as minimum wage law and work hour laws for women employees impact the flexibility required for seasonal retail business.
- **FDI:** For e-commerce, 100% FDI is allowed in the market-place model and business-to-business (B2B) segment. However, the same is not allowed in the inventory-based model.

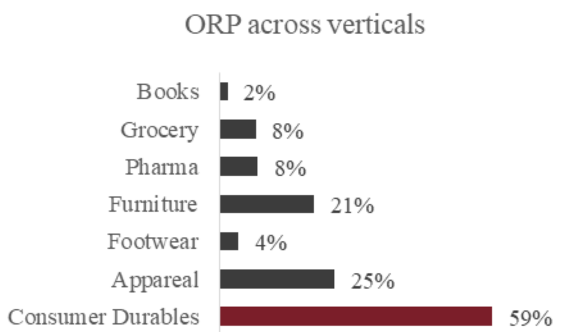
Consumer durables and apparels continue to dominate organised retail verticals

The consumer durables segment is one of the largest contributors to the overall organised retail industry. Backed by the rising traction for electronics, especially mobiles and personal computers, this segment is expected to continue to dominate the organised retail segment. Moreover, with 59% ORP, majority of the demand for this segment comes from the organised sector.

Organised retailers also have a significant presence in verticals such as apparel (accounting for 17% of organised retail) with an ORP of around 25%. Rising preference for branded clothing, along with players' ability to differentiate (based on colours, fabric, etc.), helps organised retailers expand their foothold. Footwear and jewellery (including watches and eye care) are other verticals where organised players have a very strong foothold.

Share in organised retailing and penetration by vertical as of fiscal 2021





Note: ORP: Organised retail penetration; Source: CRISIL Research

Organised players have a strong foothold in the consumer durables vertical, accounting for around 57% of ORP.

- The vertical gained popularity on account of the housing boom, easy access to funding, increasing disposable incomes, changing lifestyle, and growing nuclearisation.
- Offerings in terms of range, display, store ambience, finance availability, and presence in prominent areas give an edge to organised players. Further, organised players can outdo smaller retailers in terms of volumes.

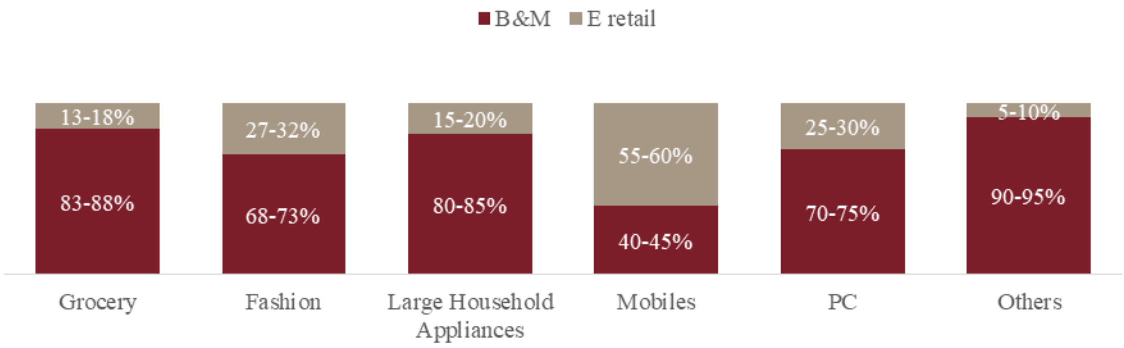
Demand growth across all consumer durables improved in fiscal 2019 on account of pent-up demand of the previous two fiscals, reduction in GST rates, and increasing consumer spending. The industry clocked on-year growth of ~20% in fiscal 2019. Consumer durables, being discretionary in nature, faced purchase deferment in a slowdown scenario in fiscal 2020. However, cooling products such as air conditioners and refrigerators performed well in fiscal 2020 on account of harsh summer. Consequently, in fiscal 2020, demand grew ~14% on-year.

With consumer durables coming under the non-essential category, its growth was impacted in the first quarter during lockdown. Further, with reducing discretionary spending and consumption slowdown due to the pandemic, the vertical's growth was significantly affected in fiscal 2021. Fiscal 2021 witnessed a decline of 20% on year. Growth in fiscal 2022 is expected to be lower than anticipated due to washout of the 1st quarter on account of partial/ complete lockdown on account of 2nd Covid-19 wave. Growth post 2021 will be on a low base owing to store additions, enhanced in-store experience, and better affordability in terms of instant financing options.

B&M vs e-retail within organised retail verticals

The following graph captures the relative product segment-wise share of B&M and e-retailers within the organised retailing space:

Lockdown, social distancing pushed e-retail share in fiscal 2021



Note: Others include jewellery, watches, spectacles etc.; Source: CRISIL Research

Large consumer durables: B&M retailers to continue to play a significant part

B&M players dominate in the large consumer durables category. Tactile experience provides a unique advantage to B&M stores, which online retail cannot match. It is one of the primary reasons for consumers preferring to purchase large durables, particularly higher-value household appliances, through B&M retail outlets.

Moreover, organised B&M players have been able to build a strong connect with customers by providing one-on-one advisory service from in-store personnel and authorised brand personnel. Thus, over the years, these retailers have enhanced the in-store shopping experience for customers by providing a wider range of products, latest models, and more attractive product displays with advisory services under one roof.

Further, installation and after-sales service is much faster and more efficient in the case of purchase from B&M durable retailers. Trust factor plays an important role in after-sales service; unlike in the online format, B&M players give store guarantee in the event of any product issues.

On the finance front, in the B&M format, various consumer finance schemes are available at point of sale i.e. store. The provision of instant zero-cost financing options (EMI) to the customer, is another major advantage. In the online format, financing options are limited and are mainly through credit cards only.

While online retailers have increased their offering of electronic and consumer durable products, they have been finding it difficult to penetrate this segment, especially given the bulkiness of appliances such as refrigerators and washing machines, because of logistical challenges and associated costs. All these features have enabled B&M retail outlets to build a loyal base of customers.

Typically, over half of the business for B&M retail sector is generated from repeat customers. In the organised large consumer durables segment, 80- 85% of the sale is through the B&M format (as of fiscal 2021). Although the lockdown during the first half of fiscal 2021 forced many consumers to shift from B&M to online format for urgent needs, CRISIL Research expects the consumers to revert to B&M stores for large consumer durables in the longer term. In fact, in the second half of fiscal 2021 itself footfall significantly increased for organised B&M stores, and for most stores, business returned to 80-90% of the normal by the fourth quarter of fiscal 2021. This momentum again saw a decline as the Covid-19 cases surged during 2nd Covid-19 wave. Q1 of fiscal 2022 was kind of a wash out, since for cooling products such as air conditioner and washing machine, this quarter occupies the highest share in yearly demand; leading to slower than anticipated growth in fiscal 2022.

CRISIL Research expects organised B&M segment to continue to play a significant role in the large consumer appliances segment going ahead.

Mobile devices: Online retail to continue to lead the segment

Online channel accelerated in the mobile segment given the standard products, wider choices, competitive pricing, easy delivery owing to size, exclusive online sale of some brands, flash sales, etc. However, even in the online mobile market, the share of relatively low-value products is significantly higher. For high-value purchases, people still prefer retail outlets.

Share of online retail for mobile sales reached ~55-60% by fiscal 2021. Lockdown in the first half and only a staggered unlock in the second amid the increased need for mobile, with work from home and online classes, provided another boost to online sales of mobiles during fiscal 2021.

Due to strain on household budgets plus anticipation of medical bills on account of Covid-19, in Q1 of fiscal 2022 it was observed that a majority of people migrated towards smartphones costly less than Rs. 10,000 as opposed to the costly phones. During this 2nd wave, even the e-commerce players were not allowed to sale non-essential items. This led to lower than expected sale in Q1. However, pent up demand is expected to materialise from the festive season. As businesses opens up and economy revives, CRISIL Research expects the industry to clock a healthy growth in fiscal 2022.

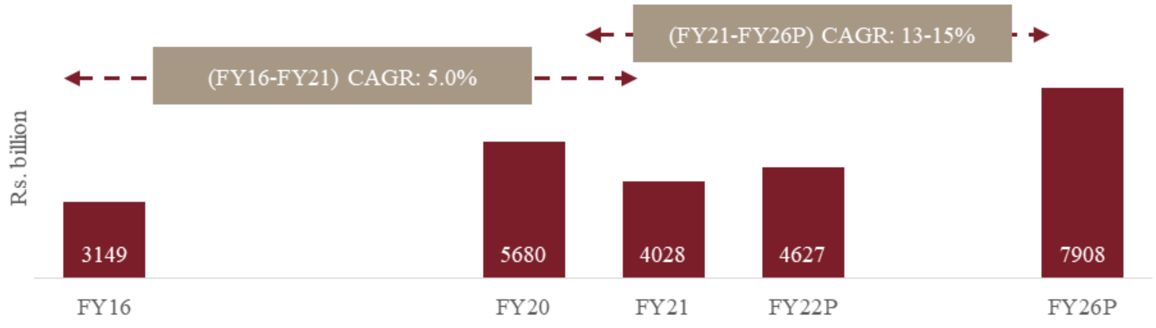
However, going forward sales through online platforms are expected to grow at a slower pace than in the past five years. Earlier, growth was on account of lower base and demand generated by first-time urban users for lower range mobile phones. Going forward, higher-range smartphones will start taking precedence and, thus, with a shift towards high-value purchases, people will likely prefer to see and touch the products before buying them. While personal computers have generally been sold through B&M retail outlets, with increasing internet penetration and consumer awareness, standardised and relatively lower-cost products are increasingly purchased online.

Organised B&M to accelerate its expansion, after a brief hiatus in fiscal 2021

Organised B&M is the dominant segment in the organised retail industry, contributing nearly 68% to the industry in fiscal 2021. B&M retail grew at a relatively slower pace of 5% CAGR over fiscals 2016 to 2021 compared with faster growth (24%) clocked by the e-retail channel on a much smaller base.

Share of organised B&M in organised retail used to be 77% in fiscal 2020. Covid-19 and the subsequent lockdown significantly affected the retail industry. The impact was much more pronounced on B&M compared with the e-retail amid the lockdown and only a gradual unlocking during fiscal 2021. In fiscal 2021, the organised B&M industry shrank by 29% on year to around Rs 4.0 trillion. Industry is expected to witness a growth of 14-16% in fiscal 2022 on a low base of last year, economic revival and pent up demand, however the growth is slow because Q1 of fiscal 2022 saw full/ partial lockdowns across the nation. Organised B&M saw the longest duration of stores being shut as compared to single store owners or e-retailers. Major hit was seen from end-use segments such as apparel, shoes and jewellery, etc.

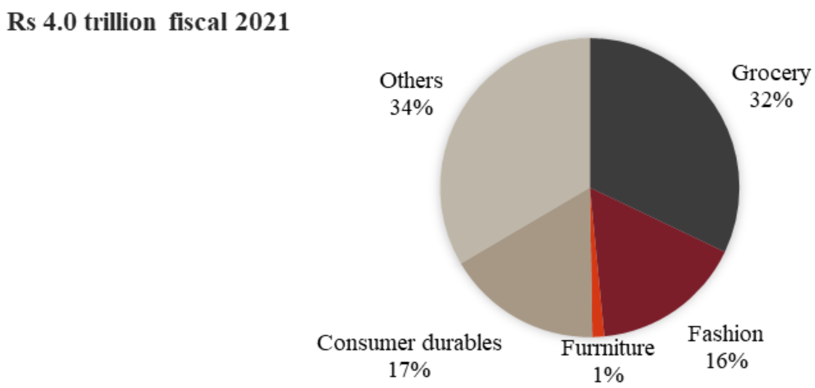
Organised B&M market size trend



Note: E – Estimated, P – Projected
Source: CRISIL Research

Over the next five years, the industry is expected to log 13-15% CAGR on a low base of fiscal 2021 and reach ~Rs 7.9 trillion by fiscal 2026. CRISIL Research expects growth to be fuelled by increasing store count and preference for making purchases from large organised outlets. Moreover, higher disposable incomes and better economic outlook are expected to boost consumer spending, encouraging retailers to open more stores.

Vertical segmentation within the organised B&M segment



Growth factors for organised B&M retails

- Touch and feel of the product: B&M retail provides an opportunity for consumers to touch and feel the product ("try-it-before-you-buy-it"), which is a critical component, at least for high-priced items (say above Rs 20,000). For high-priced items, organised B&M retail remains the preferred mode for consumer purchases
- Warranty and service issues: B&M retail provides comfort to consumers in terms of assurance of products' genuineness and a better understanding of warranty and service details
- Installation and after-sales services: Installation and after-sales service is much faster and more efficient in case of purchase from B&M durable retailers
- Consumer finance schemes: Easy and instant zero-cost financing options available at point of sales is also aiding B&M retail outlets to increase repeat customers

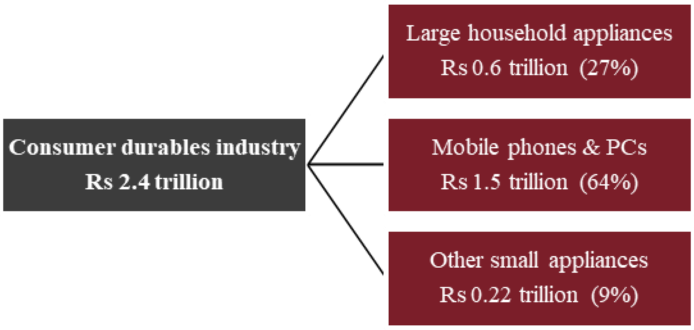
Government's clarification on marketplace model provided respite to B&M retailers

On March 29, 2016, the Department for Promotion of Industry and Internal Trade came up with a clarification on FDI in online marketplaces. The clarification stated that money raised from foreign entities by e-commerce players such as Amazon, Snapdeal, and Flipkart can be used to serve consumers rather than routing their businesses through their holding companies as a B2B activity. In addition, it stipulated some restrictive conditions for the marketplace model. First, marketplace will not source more than 25% of its sales from a single vendor. Second, e-commerce entities providing marketplace will not directly or indirectly influence the sales price of goods and services, and will maintain a level playing field.

Overview of the consumer durables industry

Consumer durables (or electronic home appliances) are defined as products/ appliances that have a certain utility and/or entertainment value, lengthier life (typically more than three years) and require replacement after a few years. These appliances are of two types – large and small. While large appliances (which account for 80% of the consumer durables market) include products such as colour televisions (CTV), refrigerators, washing machines (WMs) and room air conditioners (RACs), small appliances include geysers, kitchen appliances and personal use electronic products. Apart from household appliances, mobile devices form a significant part of the consumer durable and personal devices segment.

Market segmentation of consumer durable appliances in India (fiscal 2021)

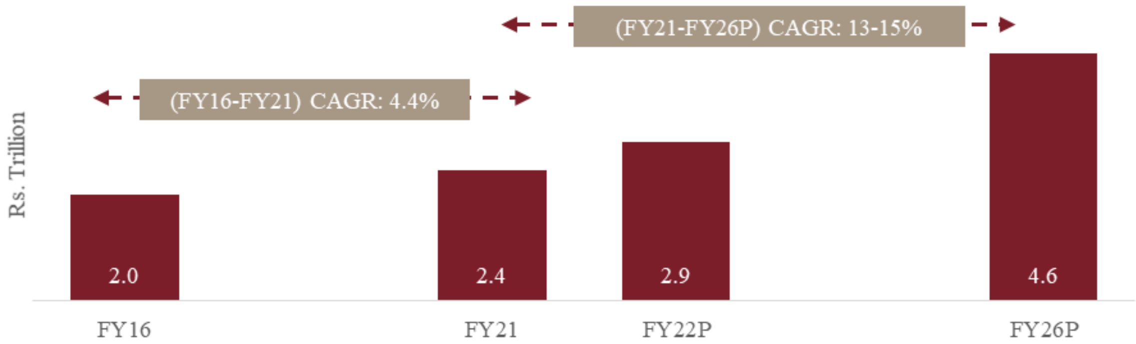


Source: CRISIL Research

CRISIL Research estimates the size of India's consumer durables industry, including large consumer durables mobile phones, and smaller appliances, at ~ Rs 2.4 trillion as of fiscal 2021. The industry recorded ~12% CAGR between fiscal 2015 and 2019 backed by increasing disposable incomes, lower penetration, widening product base, competitive pricing, lowering replacement cycles, etc. However, the industry recorded a decline of 20% in fiscal 2021 on account of pandemic.

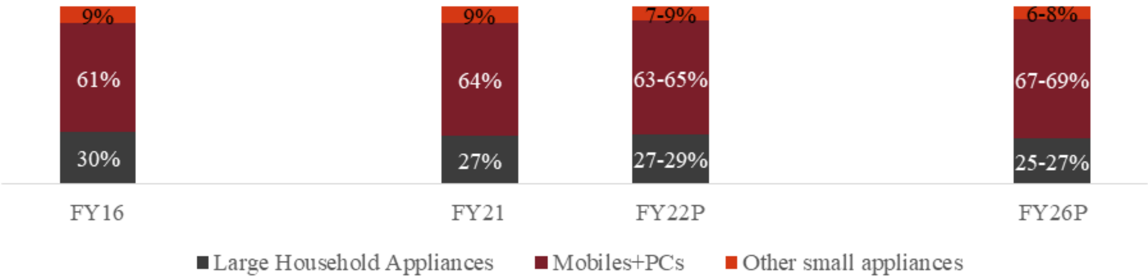
In value terms, mobile phones grew the fastest thanks to high utility and low penetration, and shifting consumer preference from feature phones to smart varieties. The consumer durables industry's growth was also driven by panel TV sales and lower penetrated products, such as refrigerators, WMs and ACs. Laptops and PCs saw weak sales because mobile phones transformed into cheaper and handy alternative for consumers. Smaller appliances such as microwaves and mixers/ grinders form 8-10% of the entire industry. This product segment logged a relatively moderate 4% CAGR over the past five fiscals to touch Rs 0.24 trillion in fiscal 2021

Overall consumer durables market growth over fiscals 2016-2026P



Source: Industry, CRISIL Research

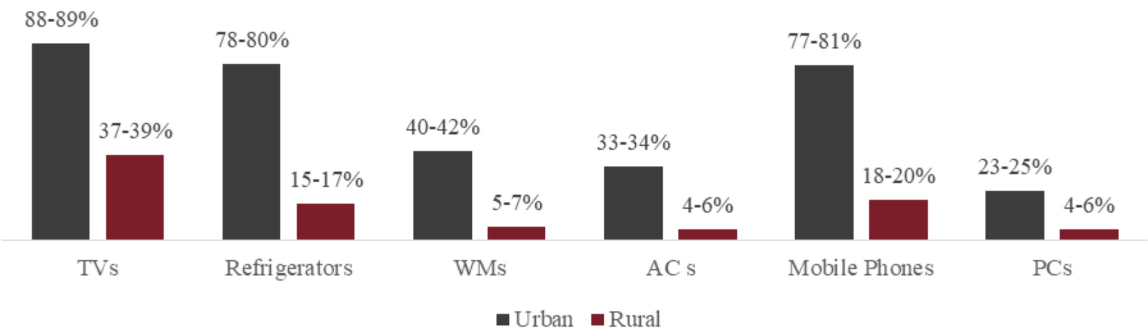
Consumer Durable market growth Segment wise



Source: Industry, CRISIL Research

- **Changing lifestyles and perception of products –** Changing consumer perception about the utility of products (such as ACs) as utilities rather than luxury items, rising cost of household labour, increase in the number of working women and better water supply in semi-urban cities have pushed up growth of washing machine sales. The trend is expected to continue.
- **Change from one product per family to one product per family member –** Products such as laptops are gradually becoming single ownership products.
- **Growth of multiple sales channels -** Growth of e-commerce, large organised retailers and omni-sales channels managed by large organised retailers have increased retailers' reach and visibility.
- **Increasing product range and options –** A wide variety of choices at different affordable price points have attracted first-time buyers. This also helps gain repeat customers. A significant share of customers of B&M retail shops are repeat customers unlike online retail, where repeat customers' proportion is relatively lower.
- **Multiple financing options –** Easy and flexible financing options have increased buyers' affordability. Easy availability of finance at 0% interest has been a major driver of the consumer durables industry growth in the past few years. While EMI loans have always been available through banks, overall finance penetration remained low until the entry of NBFCs, due to the absence of EMI finance option at points of sale (retail shops), slower processing time, high interest rates and processing fees.

Product-wise household penetration in rural and urban areas as of fiscal 2020



Source: CRISIL Research

India lags global average in consumer durable penetration

Household penetration of consumer durables in India remains much lower than that of many other developed as well as developing nations. Only 16% households in India own an RAC compared with above 90% in China, Japan and the United States. For WMs, penetration in India is ~18% as against global average of >50%. However, pandemic has led to increase in penetration of products due to work from home and schools being shut.

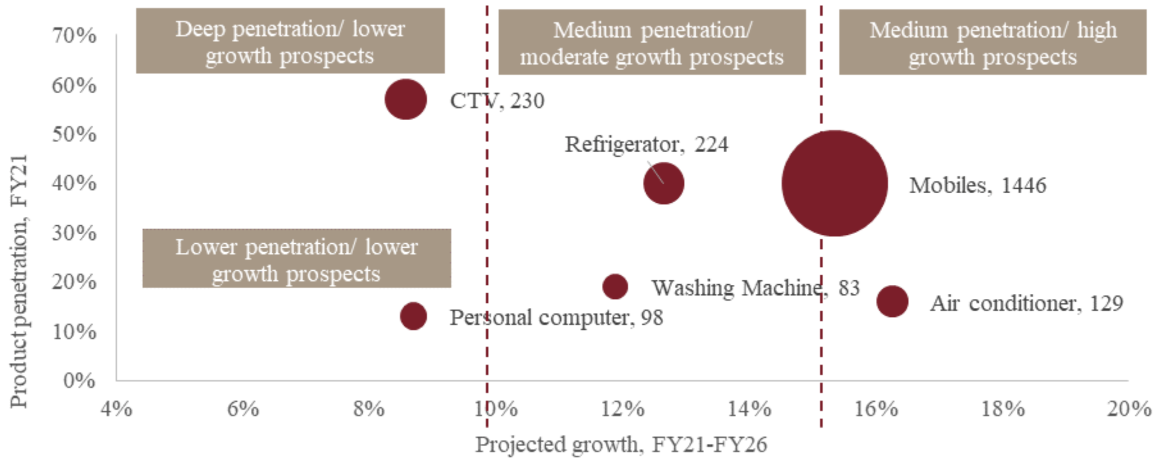
Even in the case of TVs, the most penetrated product, India's level is around 56% compared with >95% for Brazil, another developing nation.

Country wise product penetration as of CY 2020

% of Households	India	USA	Germany	Japan	Australia	China	Brazil
Colour Television	57	98-100	96-98	96-98	98-100	96-98	95-97
Refrigerator	40	98-100	98-100	97-99	98-100	95-97	97-99
Mobiles	40	94-96	97-99	96-98	98-100	96-98	93-95
Washing Machines	20	85-87	95-97	96-98	97-99	93-95	66-68
Air Conditioner	16	91-93	25-27	93-95	79-81	92-94	19-21
Personal Computer	13	91-93	91-93	79-81	84-86	59-61	44-46

Note: India data is for FY2021; Source: CRISIL Research

Market size, penetration and five-year growth potential of consumer durable segments (fiscal 2021)



Note: The size of a bubble indicates the size of the industry, while the value near the bubble chart indicates the product market size in ₹ billion in fiscal 2021
Penetration of a consumer durable product = Total number of the product (say TV) sold in a. country / total number of large households; Source: Industry, CRISIL Research

Key demand drivers for consumer durables in India

The low penetration of consumer durables suggests higher scope for market growth in the future. Following are the key growth drivers for India's consumer durables industry:

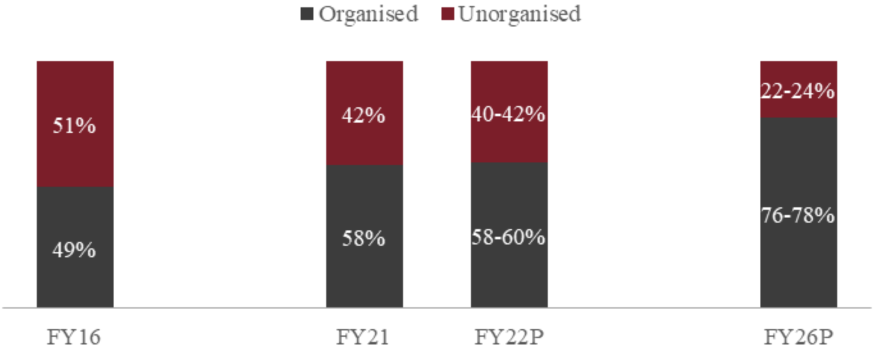
- **Changing demographics -** Increase in the number of nuclear families, rising urbanization and growing rural connectivity
- **Rising per-capita income -** Improving affordability, growth in rural income and multiple ownerships of consumer products
- **Improving power situation -** Improving rural electrification will boost demand for consumer durables

Share of the organised market to increase further

The organised market in the consumer durables space is fast growing riding on increasing urbanisation, changing consumer preferences, expansion of organised B&M players and deeper internet penetration. Covid-19 has provided another boost to the organised industry. CRISIL Research expects the shift in preference towards the organised segment is likely to sustain even after India recovers the pandemic.

The organised segment's share in the consumer durables market is expected to rise from 58% in fiscal 2021 to 76-78% by fiscal 2026. However, due to restrictions in opening malls and commercial complexes in major metro cities due to pandemic, share of organized market in fiscal 2021 is estimated to have declined to 20%. Due to restrictions put in by 2nd wave of Covid-19, share of unorganized players increased in Q1 of fiscal 2022, however, further decline was restricted due to organized players resorting to online medium of sale and home delivery.

Organised, unorganised break in India's consumer durables industry



Note: Includes large household appliances and mobile/PC segments
Source: Industry, CRISIL Research

Tier-I, -II cities account for ~75% of consumer durables sales

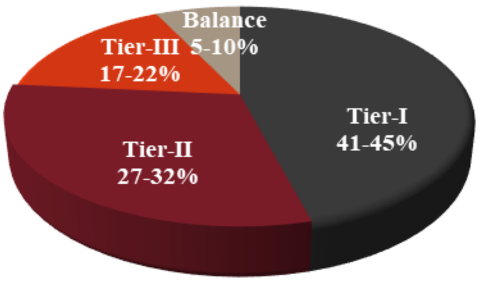
Despite having lower population share than the tier-III and sub-tier-III regions, tier-I and -II cities witness higher traction in consumer durables due to significantly higher disposable incomes of consumers, their better awareness, their higher aspiration levels, their luxury lifestyle, uninterrupted electricity/ water supply and shorter replacement cycles.

The market is currently dominated by tier-I cities (with population of 1 million and above) accounting for 45-50% of consumer durables sales, followed by tier-II cities (population of 0.5 million to 1 million) adding another 25-30% to the sales. Tier-III and sub-tier-III regions contribute the balance 25-30%.

Demand for consumer durables, especially CTVs, refrigerators and WMs, in tier-I and -II cities is primarily driven by replacement demand while in tier-III and IV, the primary driver is new demand.

Going ahead, reducing replacement cycle, multiple ownership and premiumisation owing to rising aspirations will drive the demand for consumer durables in tier-I and –II cities, while low penetration is expected to drive sales in tier-III and -IV cities.

City category-wise market breakup (fiscal 2021)

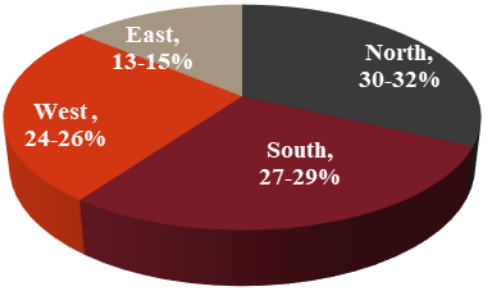


Source: Industry, CRISIL Research

North India occupies the highest share, closely followed by south and west

North India accounts for a major share of organised consumer durables sales followed by the south and west. Given the limited number of tier-I and -II cities in east, the region remains relatively untapped. Due to 2nd wave of Covid-19 in Q1 of fiscal 2021, western and southern region were more impacted as compared to eastern and norther regions. Even the mobility restrictions continued for a longer duration in these regions. This is expected to temporarily shrink the share of western and southern.

Region-wise market breakup (fiscal 2021)



Source: Industry, CRISIL Research

In fiscal 2021, these top 11 cities contributed ~24% to the industry sales.

Top contributors to the industry (fiscal 2021)

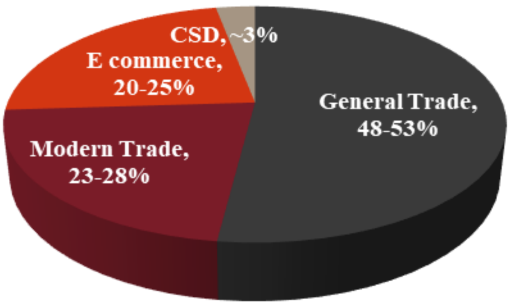
	Market	Contribution by value
1	NCR	4.5-5.0%
2	Mumbai region	3-3.5%
3	Hyderabad region	2.2-2.7%
4	Bengaluru region	2.0-2.5%
5	Chennai region	2.0-2.5%
6	Pune region	2.0-2.5%
7	Kolkata	1.4-1.9%
8	Ahmedabad	1-1.5%
9	Surat	0.9-1.4%
10	Jaipur	0.8-1.3%
11	Lucknow	0.8-1.3%

Note: Mumbai region includes Thane & Navi Mumbai, Hyderabad region includes K V Rangareddy district
Source: Industry, CRISIL Research

Dominant general trade format fast losing share to modern trade

General trade (single retail shops) continues to dominate the overall industry, although its share is fast declining. Modern trade (which includes large format stores and regional chains) and online platforms continue to expand with increasing urbanisation, rising awareness, higher discounts, larger portfolio and availability of various financing options. During pandemic situation, when people are wary to step out for shopping, they have resorted to purchasing via online platform. However, during 2nd wave of Covid-19, modern trade and e-commerce suffered due to restrictions placed by state authorities.

Format-wise market breakup (fiscal 2021)

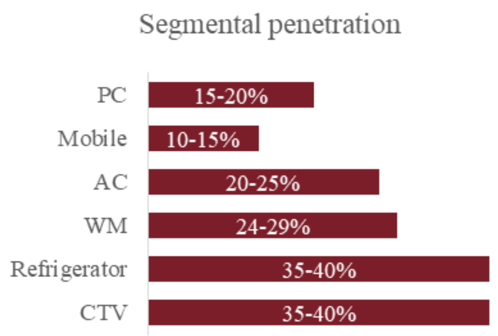


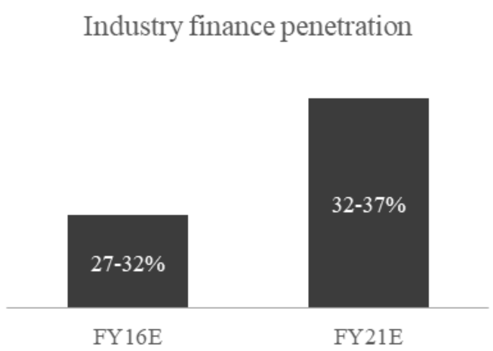
Source: Industry, CRISIL Research

Finance penetration expanded further

Consumer durable loans are seeing increased popularity and acceptance. The entry of NBFCs in the consumer durables segment has deepened the penetration of financing options. Finance penetration within the consumer durables industry has increased from 27-32% in fiscal 2016 to 32-37% in fiscal 2021. Finance penetration is relatively higher in the CTV and refrigerator segments than RACs and WMs, which are more popular with relatively affluent class with limited financing requirement. Paper finance penetration is low in mobile phones and PCs given higher interest rates. Most customers opt for credit cards instead of paper finance to buy these devices.

During pandemic situation people are trying to hang on to their savings, hence they are opting for finance, this has led to an increase in finance penetration in fiscal 2021 by around 100-200 basis point. Going ahead, CRISIL Research expects finance penetration in the consumer durables segment to expand further with higher aspirations, finance availability and entry of new players in the segment.





Source: E: Estimates, CRISIL Research

Covid Impact on Consumer Durables Industry

Covid-19 impacted sale of large household appliances in fiscal 2021, 2nd Covid-19 wave puts further break; however, demand to regain momentum in long term.

Fiscal 2021 was an aberration in the consumer durables growth story. The year began with a country-wide lockdown with all physical stores and online ones completely halting operations for nearly two months. In fact, the pandemic affected businesses across the globe as countries shut borders and halted all economic activities. Many lost jobs, or saw salary cuts. Uncertainty loomed large in the market.
By the end of the first quarter, the government permitted home delivery of discretionary products and online retail businesses resumed, providing a much-needed breather to the industry.

- Amid the lockdown, new trends such as work from home and online classes emerged, which created additional demand for consumer durable appliances especially mobiles and laptops
- Shift towards online education and increased TV viewership during the lockdown lead to a rise in demand for CTVs amid increased need for in-house entertainment
- Higher cold storage space requirement supported refrigerator demand with more storage for perishable items such as milk, vegetables and grocery.
- Smaller kitchen appliances such as dishwasher and trimmers witnessed increased demand amid the lockdown. Fans and kitchen appliances, such as mixers/grinders, and blenders, showed better resilience compared with other consumer durable categories.
- Hygiene concerns and unavailability of house maids boosted the WM segment.
- The air-conditioner segment, however, missed the entire summer season in fiscal 2021 due to the lockdown. However, as these appliances are discretionary products, there was uncertainty about the demand conditions and the recovery was gradual after the initial spike.

The staggered unlock phase in the second quarter provided another breakthrough as B&M stores started operations although on alternate days with limited staff. However, due to the fear of infection, customers preferred social distancing and were still reluctant to venture out. The recovery in the B&M business was very gradual.

The festival season provided the real boost to the industry. The pent-up demand and increased requirement accelerated the demand for household appliances in the third quarter. Customers had started learning to live with the virus and were ready to visit stores with necessary precautions.

Footfall across B&M stores got a boost. Most of the stores could reach 70-80% of their pre-pandemic business in the third quarter. As large appliances are primarily bought from B&M stores, the increased footfall improved demand for consumer durables. The trend continued in the fourth quarter as well. Further, exceptionally warmer winters in India during January and February coupled with pent up demand boosted RAC sales.

Despite the increased traction in the second half of the year, the significant decline in the first and second quarters impacted overall industry sales for fiscal 2021. CRISIL Research expects the industry to have shrunk by 17% on year to Rs ~665 billion in the fiscal 2021.

2nd wave of Covid-19 led to further decline of household appliance sale. Since, Q1 is the peak season for cooling products like air conditioners, refrigerators, etc.; Q1 was a washout for these products. E-commerce players were not allowed to deliver non-essential goods in few districts. Dealers of such appliances are having high inventory because they had stocked up anticipating a healthy sale in Q1 of fiscal 2022. This will have a bearing on the entire year.

Supply chain disruption along with increase in price of the products due to higher commodity prices and logistics cost (substantial components are imported) is expected to lower the growth in fiscal 2022. Uptick in sentiments are expected during the festive season. Consumer durable industry to grow at 20-22% in fiscal 2022. Here, CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

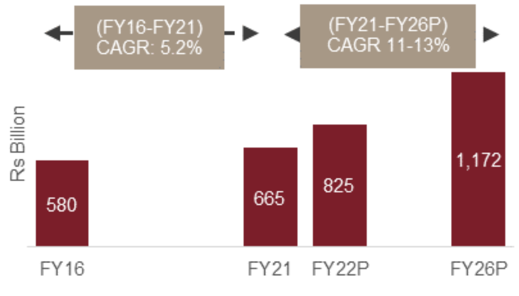
The consumer durables industry to log an accelerated 13-15% CAGR during fiscals 2021-2026 to reach Rs 4.5-5 trillion. However, the higher growth will be on a low base of fiscal 2021, when the industry experienced demand destruction due to the lockdown and economic recession.

While the overall industry is pegged to grow 13-15%, dynamics across various product segments are quite different owing to varying penetration, perceived utility and product prices.

- The industry growth is expected to be led by mobile phones, which are likely to continue to outperform the industry, given the premiumisation trend in consumer preference, shorter product usage cycle and intermittent launches by manufacturers.
- Large consumer durables sales are projected to clock 11-13% CAGR due to a rise in household incomes, better affordability, changing consumer preferences, shorter replacement cycles, multiple ownership (in case of CTVs) and lower penetration levels (in case of other appliances such as RACs and WMs).
- Smaller appliances (microwaves, mixers/ grinders, dishwashers etc) are expected to log a relatively muted 6-8% CAGR. Compared with past five fiscals, the growth is expected to be quicker due to the low base of fiscal 2021, an expected improvement in economy, increased urbanisation, and changing consumer lifestyles.

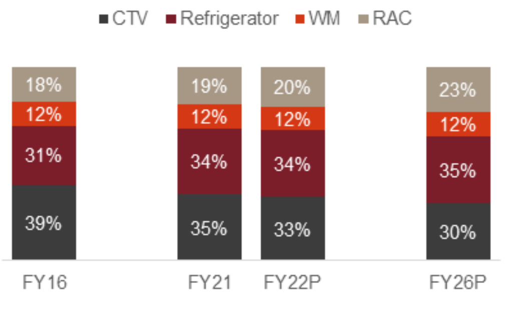
Consumer Durable Segmental Trends:

Large household appliances market size over fiscals 2016-2026P



Source: CRISIL Research

Product-wise segmentation (by value)



Source: CRISIL Research

Large Appliance - Covid Impact

- 2nd wave of Covid-19 impacted the Q1 of fiscal 2022, for appliances like RACs and refrigerator, Q1 is the peak season. This is expected to lead to lower than expected growth in fiscal 2022.In the past five fiscals, highly penetrated CTV segment logged the lowest CAGR of 0.1%, while RACs and WMs, with low penetration, clocked growth of 16% and 12%% CAGR respectively.

- In fiscal 2021, the RAC segment is expected to be most affected, followed by the refrigerator segment. The TV segment is expected to be the least impacted demand increased during the lockdown. Increased need for hygiene is expected to support WMs.

- Going ahead, on a low base of fiscal 2021, the least penetrated RAC segment is expected to grow the fastest, logging 15-17% CAGR in the next five fiscals. The CTV is expected to register a relatively slower 8-10% CAGR. Despite lower penetration, WMs, being a tier-I/-II city phenomenon, are expected to grow at a slightly muted 11-13% CAGR from a relatively higher base of fiscal 2021. Demand for refrigerator is expected to grow at 12-14% CAGR between fiscal 2021 and 2026.

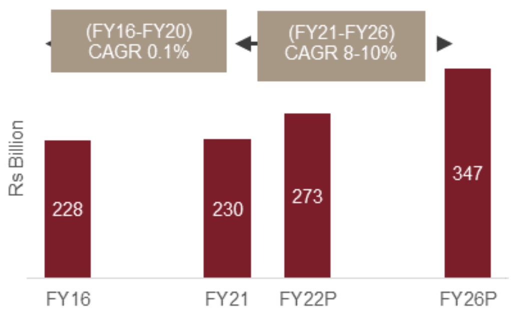
CTV demand to saw lesser impact in fiscal 2021 due to online education and increased viewership, to witness better growth going forward

Demand slowdown following Covid-19 impacted TV sales in fiscal 2021, industry registered a decline of 10%. Lockdown during the Q1 of fiscal 2021 impacted sales significantly. However, with education going online, there has been increased demand for CTVs to meet the needs of online classes for children. Further, people increasingly prefer consumption of OTT content on large screen.

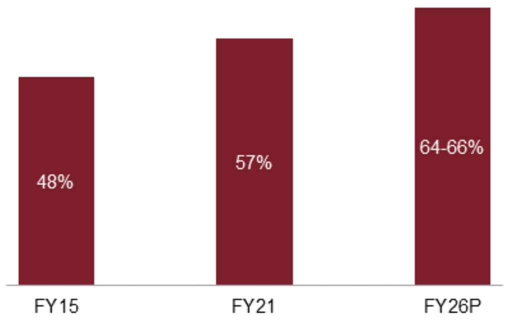
Also, with films releasing on streaming services and aversion to visit multiplexes for fear of infection, demand for CTVs has increased after the lockdown. Festival season also fared well for the segment. However, the significant decline experienced during the first quarter is expected to weigh on overall demand.

With major states in Southern and Western region announcing partial/ full lockdowns and ban on sale of non-essentials from the start of Q1 fiscal 2022, TV demand is expected to take a beating. Southern and Western region forms around 60% of overall national demand. With many other states announcing restrictions/ curbs too, demand will be subdued in the first quarter. Demand is expected to improve during the second half of the fiscal with onset of festivals. The segment is expected to witness 8-10% growth in fiscal 2022 on a low base of previous fiscal and expected increase in discretionary spend. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

Market size of CTV segment over fiscals 2016-2026P



CTV overall household penetration



Source: CRISIL Research

CRISIL Research expects the CTV segment (which consists of panel TVs alone fiscal 2019 onwards) to log a CAGR of 8-10% during fiscals 2021-2026. The higher growth will be mainly on account of low base of fiscal 2021 when the industry declined by 10% on year.

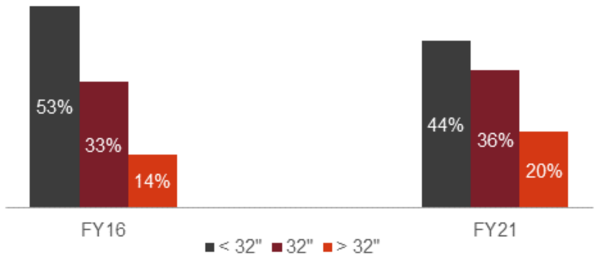
Shorter replacement cycles and multiple ownership are some of the triggers that will drive growth in panel TVs. As consumers continue to replace their CTVs with panel TVs, the replacement cycle is expected to shorten to 5-

6 years in fiscal 2026 from 6-7 years estimated in fiscal 2021. Replacement demand is likely to arise from highly penetrated urban markets. Urban penetration for CTVs in fiscal 2021 is estimated at 89% (compared with 85% in fiscal 2016), the highest among all appliances.

Primary or fresh demand, which includes sales from first-time buyers and multiple purchases by existing customers, will be driven by falling prices of panel TVs. First-time sales are likely to be driven by the rural market. Rural penetration of CTVs is estimated at about 39% in fiscal 2021 compared with 33% in fiscal 2016.

Demand for larger panel TVs on the rise

Panel TV product mix (in terms of volume)



Source: CRISIL Research

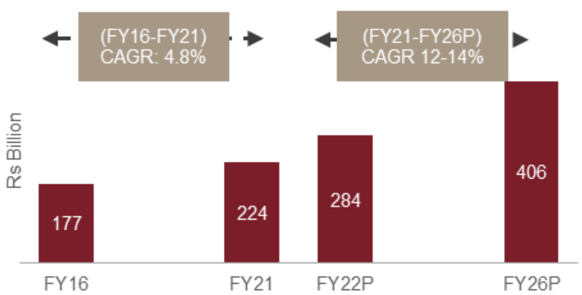
Refrigerator segment to reach ~Rs 420-430 billion by fiscal 2026

Demand slowdown following Covid-19 impacted refrigerator demand significantly in fiscal 2021 leading to a de-growth of 19-21%. However, as people look to avoid frequent visits to the markets and supermarkets, they are expected to buy refrigerators with higher storage capacities

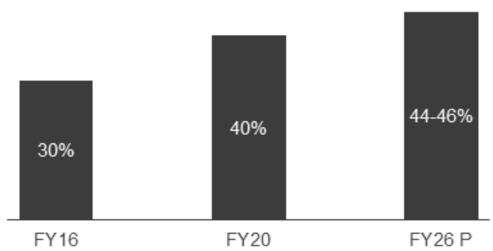
From Jan 2020, product prices went up which impacted demand to some extent in fiscal 2021. Further, demand slowdown following Covid-19 impacted sales. Lockdown during the first quarter impacted sales. First quarter is most productive for cooling products such as refrigerator and AC. Thus, a significant decline in the first quarter weighed heavily on full year sales. Sales improved during the second half with onset of festive season. Overall, refrigerator sales are estimated to have declined by 20% in fiscal 2021.

As people are working from home in wake of pandemic, they are opting for higher capacity refrigerators having higher storage capacities to reduce the visits to the market. Demand is expected to take a beating during the first quarter of fiscal 2022 on account of lockdown/ curbs and restriction on sale of non-essentials in some parts of the country. However, a low base, higher discretionary spending, no rating revision and waning impact of the pandemic, will help demand grow by 26-28% in fiscal 2022. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

Market size trend for refrigerators (value terms)



Refrigerator overall household penetration



Source: CRISIL Research

Growth Factors:

Going ahead, better affordability due to rising income and moderate price hikes (2-3%), along with relatively lower penetration, rising household income, improving living standards, implementation of the 7th Pay Commission recommendations, increased government spending in the rural sector, growing real estate sector, easy financing, and the increasing number of nuclear families will be among the factors driving long-term demand for refrigerators. By fiscal 2026, CRISIL Research expects the market size to reach ~Rs 406 billion, growing at a CAGR of 12-14% from fiscal 2021 till 2026.

Refrigerator household penetration is estimated at ~40% in India in fiscal 2021. Penetration in the rural market is much lower at ~17%, compared with urban areas, where it was estimated at ~79% in fiscal 2021. Unlike the room-AC and washing-machine segments, growth in the refrigerator segment is expected to be driven by higher demand from both urban and rural areas. With consumers perceiving the refrigerator as a necessity rather than a luxury, and power supply conditions improving in tier-II and tier-III cities, sales growth is expected to be faster from these areas. The penetration is estimated to reach ~46% by fiscal 2026.

Washing Machine - Increased focus on hygiene amid the pandemic, to restricted drop in washing machine in fiscal 2021

Focus on hygiene restricted de-growth in WMs to 15-17% in the fiscal 2021. Players have introduced high temperature wash options in semi-automatic model too, which, in turn, will propel demand. This option was earlier available only in high-end, fully automatic WMs

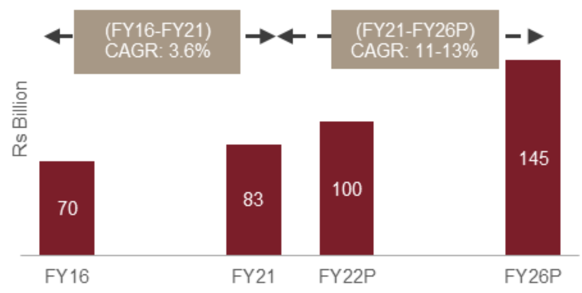
During fiscals 2016-20, demand for washing machines grew at 9% CAGR, led by an increase in discretionary spending, expanding electrification and increasing hygiene awareness. Washing machines, being discretionary in nature, faced purchase deferment in fiscal 2020 amid the slowdown in economic growth. The segment grew in low single digits during the first half. After a slower first half, players increased their promotional offers and provided various financing schemes which drove demand in the second half. The industry grew ~6% in fiscal 2020.

Covid Impact:

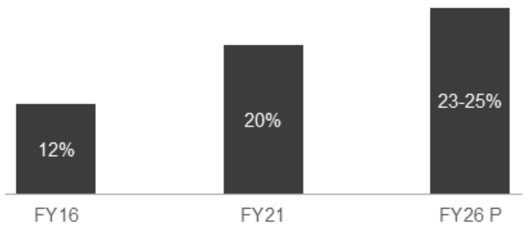
Demand slowdown following Covid-19 impacted washing machine sales in fiscal 2021. Lockdown during the first quarter impacted sales. Thus, first quarter is estimated to have witnessed decline of more than 50%. However, with social distancing being a norm, and availability of maid being an issue, washing machine gained some demand. Further, due to pandemic, people became more conscious about hygiene and washing clothes at high temperature is known to kill germs. Players introduced high temperature wash options in semi-automatic model too, which was earlier available only in high-end fully automatic washing machines. Thus, there was some pent-up demand once lockdown got over. With social distancing in place, sales through online channel gained precedence. Washing machine demand witnessed traction during festive season. However, a significant decline in the first quarter weighed heavily on full year sales. Thus, CRISIL Research estimates demand to have declined by 16% in fiscal 2021.

Lockdown (partial/ full), restriction on sale of non-essentials; even through online mode in some states is expected to impact demand during the first quarter of fiscal 2022. However, with increasing focus on hygiene and people staying at home, washing machine will see increased demand during fiscal 2022. With people looking at products which make their life at home more convenient, fully automatic washing machines are expected to witness higher traction. The segment is expected to witness 19-21% growth in fiscal 2022 on account of a low base, higher discretionary spending and waning impact of the pandemic. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

Market size trend for washing machines



Overall household penetration of washing machines



Source: CRISIL Research

Over the low base of fiscal 2021, CRISIL Research expects long-term demand to increase at 11-13% CAGR over the next five years, backed by a rise in household incomes, increasing number of nuclear families and urbanisation, growing manpower cost in urban areas, new building layouts, deepening trend of working women, and improving perception in an under-penetrated market. Long-term growth will also be fueled by the Seventh Pay Commission hikes, easy financing options, greater affordability, and replacement demand. The latter comprises one-third of sales, with the average replacement cycle of washing machines being 8-9 years.

Among household appliances, the penetration level of washing machines is low in India, lagging far behind colour TVs and refrigerators. Penetration level in India is estimated at 20% of total households in fiscal 2021.

Urban markets, where washing machines are estimated to have penetrated ~42% of households in fiscal 2021, account for the bulk of sales. In contrast, rural markets remain significantly under-penetrated, estimated at just around 6%, due to lower electrification, consumer perception that washing machines do not clean the collars and cuffs of shirts, and easy availability of manual labour at cheap rates. However, with increase in government initiatives for rural electrification, rising awareness regarding the utility of washing machines, slower rise in prices, and increasing disposable income, demand is estimated to grow in rural markets, too. Further, as access to domestic help becomes dearer (in urban and semi-urban markets), penetration will increase in the urban markets. Penetration is estimated to reach ~25% by fiscal 2026.

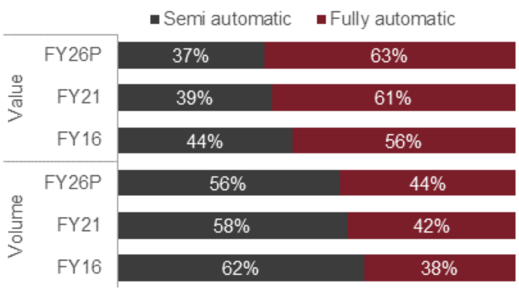
- The Fully automatic segment to expand its presence - In urban areas, consumers prefer fully automatic machines despite higher prices since they are easier to operate and need minimal manual intervention.

- The semi-automatic segment is expected to witness steady demand from semi-urban areas, where buyers are more price-sensitive. The huge price differential between semi-automatic and fully automatic machines will help boost sales.

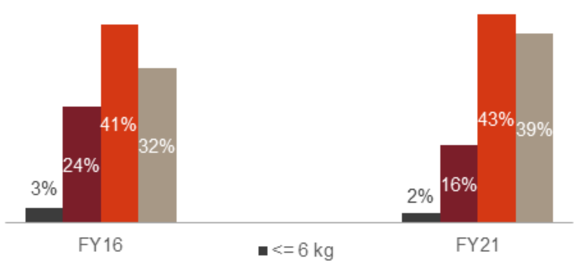
- Another factor affecting sales is that fully automatic machines require running tap water. As a result, areas facing water shortage are likely to opt for semi-automatic machines.

In value terms, the share of the semi-automatic segment in overall sales is likely to dip by 4 percentage points to 35% in fiscal 2026 due to lower realisations and slower growth rate compared with the fully automatic machines.

Segmental value and volume mix



Washing machines product mix (volume terms)



Source: CRISIL Research

In both segments, consumer preference is moving towards high-capacity models. This can be seen from the product mix in the chart below. The share of high-capacity segments (above 6.5 kg) is estimated to have risen by 3 percentage points to 81% in fiscal 2020 since players focus on promoting many models in this segment.

In fiscal 2021, amid the pandemic, there was an increased need for higher-capacity washing machines given the heightened hygiene concerns. The precautionary requirement to wash all clothes after returning from a public place boosted the need for such machines. This is expected to fast-track the consumer shift towards higher-capacity models.

RAC segment most impacted in fiscal 2021, further 2nd Covid-19 wave puts further break on its recovery

Demand slowdown following Covid-19 impacted the AC sales in fiscal 2021. With impact being the highest in the first quarter, when AC sales typically spike due to the summer heat, the segment is expected to have taken the worst hit. For the entire fiscal, the demand decline is estimated at 22-24% on-year.

The segment is characterised by high volatility in demand which gets impacted by slight changes in prices and weather conditions. During the past five years, the RAC segment expanded at 4% CAGR (fiscal 2016 till 2021).

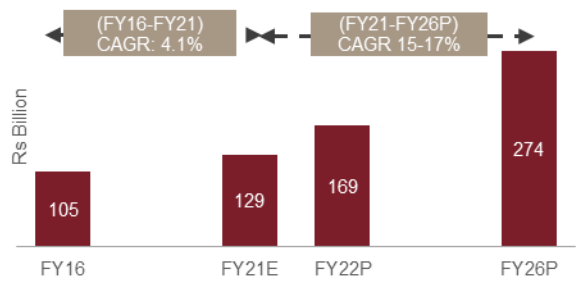
RAC sales witnessed slower growth during fiscal 2019, due to events such as demonetisation, hikes in product prices because of rise in raw material prices, and BEE revisions. In fiscal 2020. there was double-digit growth in RACs despite the slowdown, given high summer temperatures, stable product prices and pent-up demand of the previous fiscal. Thus, the segment grew ~12% in fiscal 2020.

In fiscal 2021, the lockdown during the first quarter is estimated to have shrunk sales by 60-70%. The first quarter forms 35-40% of overall sales during the year. Thus, the sales decline is expected weigh heavily on the fiscal. However, increased temperatures during January and February boosted RAC sales. CRISIL Research expects demand for the segment to have declined by 23% in fiscal 2021.

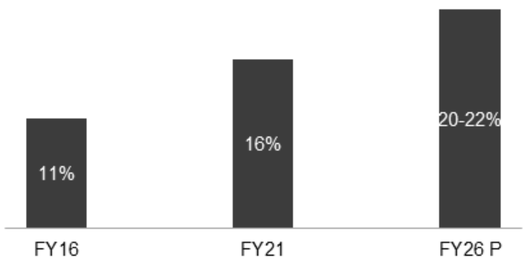
Lockdown (partial/ full), restriction on sale of non-essentials; even through online mode in some states is expected to impact demand during the first quarter of fiscal 2022. Demand is expected to improve during the second half of the fiscal with onset of festivals. However, with a low base of previous fiscal, demand is expected to rise by 30-32% on year. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

In the long term, the segment is expected to expand at 15-17% CAGR to reach Rs ~274 billion with likely improvement in the economic scenario, moderate inflation, and easy financing. Catalysts such as marginal product price hikes, expanding distribution and improving affordability are expected to guide long-term sales. Rising household incomes, the growing real estate sector, low interest rates, salary hikes following the Seventh Pay Commission recommendations, etc., are also prodding sales.

Market size trend for the RAC segment



RAC overall household penetration



Source: CRISIL Research

However, unlike refrigerators, demand will largely be driven by urban areas and Tier 1, 2 and 3 cities as consumers in rural areas will be reluctant to buy RACs. Thus, penetration in urban markets is expected to rise to ~43% by fiscal 2026 and a mere 9% in rural areas, compared with 37% in urban markets and a mere 6% in rural areas (estimated) in fiscal 2021.

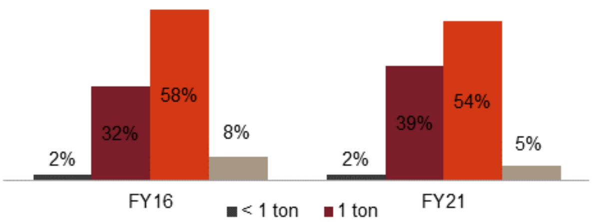
Share of window ACs in total sales to contract further
Within RACs, the split AC segment is forecast to clock a CAGR of 13-15% (in volume terms) between fiscal 2021 and 2026, while the window AC segment is expected to grow by 1-2% CAGR. Consequently, the share of split ACs in overall sales is likely to reach 88% in volume terms and 91% in value terms by fiscal 2026 against 80% and 83%, respectively, estimated in fiscal 2021. Split ACs will continue to outpace window ACs, mainly due to declining prices, high consumer preference, and changing building infrastructure -- AC provision in new buildings is typically made for installation of split ACs.

Rising prices, smaller room sizes drive preference for smaller-capacity models

Consumers are known to prefer higher-capacity models across most household appliances. The RAC segment is an exception, where the higher-capacity 1.5-tonne segment is declining in favour of the one-tonne segment. Shrinking room sizes is one reason why people prefer low-capacity ACs. The share of the one-tonne segment is estimated to have grown to 39% in fiscal 2021 from 32% in fiscal 2016.

During fiscal 2021, the complete summer demand season was lost due to the lockdown. The RAC segment started picking up from December 2020 amid the rising temperatures. There was no noteworthy change in customer preferences due to Covid-19 for the RAC segment.

RAC product mix (volume terms)

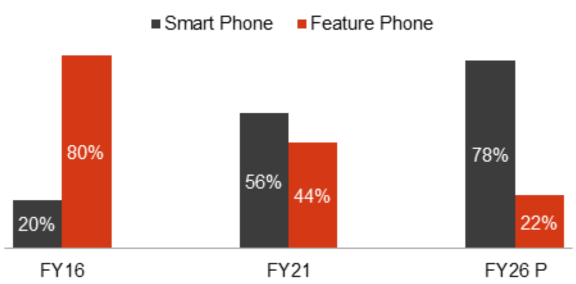


Source: CRISIL Research

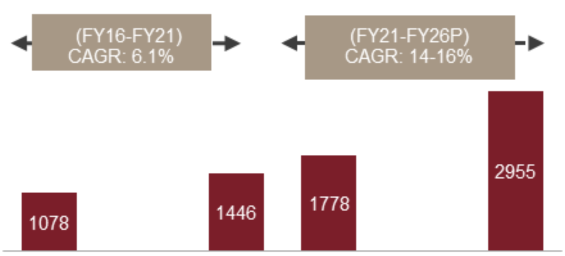
Mobiles to continue to outpace other segments in consumer durables space
Mobile phones are the highest-penetrated product in the consumer durable segment in India due to high necessity and wide range of choices and prices. Feature phones dominated the Indian mobile handset industry until the start of this decade, with the share of smartphones being minimal. Introduction of 3G services, followed by the launch of 4G services by Reliance Jio, has changed the situation and paved the way for smartphones. Driven by the fall in data rates, increasing tele-density, entry of various players in the smartphone market, and feature-laden phones at competitive rates, the smartphone market is fast expanding. On the other hand, the feature phone market is continuously declining.

During fiscal 2021, online classes, work from home and virtual meetings created increased need for smartphones. This provided an additional kicker to the consumer shift from feature phones to smartphones.

Mobile segment product mix (in terms of volume)



Market size trend for mobiles



Source: CRISIL Research

On a low base, mobile market has recorded a very strong growth of 15% CAGR from fiscals 2016-20 (in terms of value), backed by rising disposable incomes, change in consumer preferences, intermittent launches, myriad choices, and shortening replacement cycles. Moreover, the shift towards smartphones from feature phones and, in turn, rising ticket size is also aiding mobile market growth. Due to pandemic, the industry recorded a decline of 23% on year in fiscal 2021, however the growth was supported by purchase of mobile phones for schooling.

During fiscal 2021, the strong growth of the mobile segment came to a screeching halt during the pandemic and the subsequent lockdown. There was a significant drop in on-year sales during the first quarter. During the gradual unlock phase, the mobile segment picked up pace. Online classes, work from home and pent-up demand aided this growth. Despite the traction in the market, demand growth remained restricted amid the supply crunch faced by manufacturers due to component unavailability, especially from dominant manufacturer China. For the complete year, the mobile segment market has contracted by 23% to Rs 1.4 triillion in fiscal 2021.

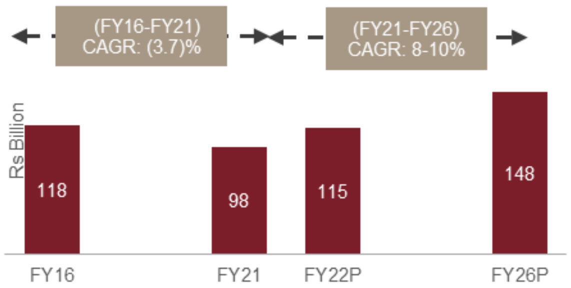
During 2nd wave of Covid-19, where a greater number of people were impacted as opposed to the 1st wave, medical bills led to constraining the household budget. This led to consumers preferring more of sub 10,000 phone as opposed to costlier phones. This will lead to lower than expected growth for fiscal 2022. CRISIL Research expects the industry to grow at 22-24% on year in fiscal 2022. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

On the very low base of fiscal 2021, CRISIL Research expects the mobile market to bounce back and grow at a sharp pace 14-16% CAGR in the next five years to reach ~ Rs 2.9 trillion by fiscal 2026.

PC segment growth pace to accelerate on a low base of fiscal 2021

Personal computers and laptops are primarily an urban phenomenon and the least-penetrated segment among consumer durables at ~13% of households as of fiscal 2021. Demand for laptops is majorly concentrated in urban regions. Sales have been more or less stagnant in the past few years due to increasing substitution with smartphones and tablets.

Market size trend for PC segment



Source: CRISIL Research

During fiscal 2021, due to the pandemic, laptop sales took a big hit during the first quarter. The segment registered a good recovery, especially in the third quarter, backed by work from home being made mandatory by most firms. Despite this traction, CRISIL Research estimates the personal computer market to contract 24% in fiscal 2021.

Impact of Covid-19 continued in Q1 of fiscal 2022 as well, positive cases started to peak first in western and southern India leading to partial or full lockdown. State level closures were seen in Q1. This impacted the sale of PCs due to chains like Croma, Reliance Digital, etc. remaining shut in major metro cities (who dominates this segment). This will impact the sale in fiscal 2022, we expect the industry to grow by 17-19% on year. Here CRISIL Research has not considered the impact of subsequent waves of Covid-19 and hence the growth forecast will see a downward revision if India witnesses further waves Covid-19, depending upon severity of infections and extent of restrictions.

From the low base of fiscal 2021, CRISIL Research expects a partial recovery in demand in the next five years in sales, driven by increasing distribution reach with players penetrating into Tier 3 cities and beyond, greater levels of higher education and new model launches. The laptop and PC market is expected to grow at 8-10% CAGR to Rs 145-150 billion by fiscal 2026.

Changes in E-retail Strategy

Organised retailing has been dominated by the physical format of delivery. Online shopping accounted for less than 1% of the industry at the beginning of the 21st century. However, the scenario changed rapidly as the ecosystem for e-retailing has evolved since the advent of India's largest e-retailer, Flipkart, in 2007. The e-retail industry, which is estimated to be around Rs 1.9 trillion during fiscal 2021, has grown more than twice since fiscal 2017. The format is estimated to have accounted for about 32% of the organised retailing market in fiscal 2021.

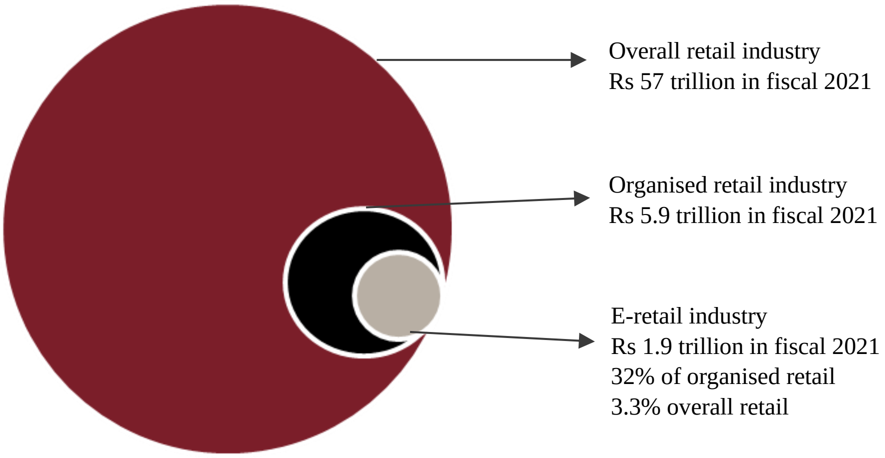
E-commerce players gained share in the Indian market via a predatory pricing model. During the initial stages, most e-commerce players provided significant discounts, cash backs, festival sales, clearance sales, etc to lure customers from the B&M channel.

With reduction in funding in 2016 and 2017, not just discounts, but spending on marketing and discounting shrunk. Moreover, with regulatory clampdown by the government on the e-commerce sector in 2019, discounts reduced further.

The Department for Promotion of Industry and Internal trade clarification on foreign direct investment (FDI) policy by e-retailers restricted equity ownership by sellers, capped percentage procurement for sellers from e-marketplaces, and put curbs on marketplaces mandating exclusive partnership with brands or on providing favourable services to a few vendors.

With these policy changes initiated to create a level playing field for all sellers, discounts reduced, which is estimated to have resulted in slower growth of 23% in fiscal 2020 vis-à-vis 32% growth in fiscal 2019.

Online retail share in overall retail



Source: CRISIL Research

Online players venturing offline

Many e-commerce firms are going offline to connect with their customers. Amazon took a 5% stake in Shopper's Stop. Myntra opened its first physical retail store in March 2017 for its private label, Roadster, in Bengaluru. The firm plans to open 100 stores across cities for its other private labels by 2020. Online furniture marketplace Pepperfry decided to go offline with a 'concept store' in Hyderabad in June 2016.

Currently, the firm has 65 physical stores and plans to expand it to 150 by fiscal 2021. Nykaa, a retailer of cosmetic and beauty products, which currently has 41 stores, is planning to increase the number of stores to 180 over the next five years. Many of these firms creating an offline presence are not looking at it from a sales perspective, but from a pure-play experience perspective. For other firms, physical retail stores help them gain trust and showcase their finished goods before the delivery is done.

Initiatives and emerging trends in B&M retail in India

- **Emergence of private labels:** Many established B&M organised retailers are also marketing household appliances under in-house brands to realise higher margins. Though these are priced lower compared with established brands, these private labels are yet to gain traction in the consumer durables space as the average ticket size of many of the products is relatively high. Hence, there is considerable preference for branded goods, especially in the case of white and brown goods. Also, the lack of expertise limits the provision of after-sales service for private labels. For the retailers, promoting private label products requires additional marketing cost as well. These reasons restrict the increase in share of private labels for these goods

- **Omni-channel strategy:** Many organised retailers are also exploring the online market though their e-retail portals to compete with established e-commerce players. Players are looking to integrate their multiple channels to provide customers a seamless experience across touchpoints. The benefits of omni- channel strategy are:
- **Better buying experience:** An omni-channel strategy improves the customer buying experience and provides the customer with more channels to purchase. With the emergence of tech-savvy customers, retailers are providing customers the option to seamlessly switch or move between online and B&M store shopping. This also limits customers shifting from the B&M channel to online retail
- **Greater synergy across departments and channels:** Connectivity across channels can provide better flexibility and comfort to customers. For e.g., a customer can check availability of a particular product, book the product online, and then pick it up from the nearest store, or return or exchange the product at another store
- **Better customer data collection and analysis:** Multiple channels of communication can create several streams of information that retailers can use to understand the customer's needs. The analysis of the customer's buying habits can help improve customer segmentation, and, in turn, provide for better sales and marketing campaign and targeting
- **Higher reach:** Having an online presence can help players expand reach, especially in tier III areas, where their presence is typically limited. Moreover, expansion can be achieved without incurring additional rental costs, which form a significant portion of the overall cost. It also provides additional comfort to customers from smaller micromarkets who have to travel to the nearest major city to purchase the product
- **Higher cost efficiencies:** Omni-channel can help in better resource deployment and efficient inventory management, and lower overhead cost. With gradual scale-up of online channel sales, B&M players can optimise commercial premises (to serve as customer display centres), warehouse infrastructure, and distribution channels
- **Higher profitability:** With improved efficiencies and lower rental costs, the omni-channel helps improve overall profitability and achieve better margins compared with pure-play B&M players
- **Competitive edge over e-retail players:** Omni-channel strategy provides an advantage to B&M players over e-retailers, especially in large appliances where e-retailers struggle due to high cost of serving customers. Moreover, it combines the benefit of touch-and-feel as well as the cost-optimisation model of e-commerce

  However, the omni-channel strategy is at a nascent stage, with its successful implementation a monitorable.

Stimulants and obstructions for organised B&M channel

Stimulants:

- Strong understanding of customer taste and preference, which enables appropriate stocking of products, and faster turnover of inventory. Regional retailers score over national brands on this count, as these have a better understanding of customers' needs, buying habits and festivals
- Deep connect with customers by providing one-on-one advisory in-store. Also, authorised brand personnel help build trust for first-time as well as repeat buyers
- Better in-store shopping experience, which is a key differentiator for a customer choosing a retail channel, apart from product pricing
- Connecting the customer with the manufacturer in case of after-sales service requirement increases trust in the retailer and drives customers to the store
- Personalised promotional offers, making changes to the store layout to appeal to customers, and providing region-specific products and unique offers during festivals
- B&M retail provides an opportunity for customers to physically inspect the product, which is a critical purchasing component for high-priced items (above Rs 20,000)
- Compared with single-shop retailer, organised players stock higher variety and larger range of products. With rising awareness and changing consumer preferences, customers are demanding more choices
- B&M retail provides comfort to customers, in terms of products' genuineness and understanding its operation, as well as in clarifying warranty and services details

- Installation and after-sales service is faster and more efficient in the case of purchase from B&M durable retailers
- Easy and instant zero-cost financing options available at 'point of sales' are also aiding B&M retail outlets to attract repeat customers
- Many online players are also venturing into the B&M business

Obstructions:

- Being a low-margin business, the organised B&M model can only be successful by churning higher sales volume and capturing considerable market share in the target location
- To corner large market share, organised retailers need to undertake larger investment in real estate in prime locations, incur higher lease-rental expenses, invest in better store interiors, and maintain higher quantity of stock and product variety
- Consumer durables buying mostly happens in region-specific festive seasons; this also poses unique challenges, in terms of inventory management
- For a multiple brand store, it is difficult to command margins across brands. Also, there is always difficulty of displaying all products under one roof
- Requirement of trained sales staff and rising salary costs have resulted in higher operating cost
- Organised B&M retailers face considerable competition from e-retail for small-sized, low-value items, such as mobile phones and basic laptops

Key operating parameters for single-shop and organised electronics and consumer durable retailers

There is significant difference between unorganised and organised retail stores, in terms of size, average sales, and even gross margin.

	Single-shop	Regional organised players	National organised players
Typical storage size (sq ft)	500-1000	6000-8000	10000-12000
Sales per sq ft per annum (Rs)	3000-5000	12000-15000	20000-25000
Gross margin	8-10%	12-15%	14-16%

Source: CRISIL Research

However, within the organised retail space, there is not much difference between the store size of regional and national retailers. Even the gross margin of both are comparable. This is because, within a particular region/city, the number of units procured from the manufacturer/distributor are similar for both.

Gross margin for an organised player for large consumer durable products, such as TVs, refrigerator, washing machine etc. is typically in 16-20% range. Gross margin for Mobiles and IT goods is typically in the range of 6-10%. Blended gross margins for regional player is lower at 12-15% compared national players which are able to earn margins in 14-16% range. Lower gross margins for regional players are therefore on account of relatively higher mix of mobile phones and IT devices in their sales compared to national players. Yet a few regional players with greater focus on large appliances earn higher gross margin compared to regional peers. Also, margins for Chinese/Indian brands are relatively higher compared with global brands, such as Apple, which only provide margins of 3-5%. Margins are 100-150 bps lower for regional players, given the lower procurement levels.

For single-shop retailers, though, gross margin is significantly less compared with regional or national players. This is because of lower bargaining power emanating from lower sales volume.

For all three formats, differences arise at the operating profit level. EBITDA (earnings before interest, taxes, depreciation and amortisation) margin for some retailers is as high as 5-6%, while some are even making operating losses. Typically, EBITDA margin for organised retailers is 3-4%. The difference in profitability can be explained by the ability of the retailer to maintain control on key cost items, such as discounts offered, employees, lease rentals, and selling and distribution costs. Some of the other key factors that help maintain profitability are better inventory and space management, so as to maximise revenue per sq ft, strong relationship with manufacturers/distributors (which helps in getting additional discounts that can be passed onto consumers), and trained staff enhancing the customer experience.

However, compared to verticals like Furnishing & fashion (apparel and footwear), gross margins of electronics and consumer durable retailers are much lower. The perishable food and grocery segment offer the lowest margin with highest investments.

	Grocery	Fashion	Electronics & consumer durable	Furnishing
Gross margin	8-10%	30-35%	12-15%	35-40%

Comparative assessment and key success factors for organised electronic & consumer durable retailers

Large national and regional organised consumer durable B&M retailers in India have adopted mixed business practices, in terms of physical presence, online presence, and sales under their private labels.

Key Player Profiles:

Reliance Retail:

Reliance Retail operates a chain of convenience stores, supermarkets, specialty and online stores and has a network of over 8000 Reliance Digital and Jio stores across India.

Under Reliance Digital chain company offers a wide assortment of products over 200 national and international brands spanning across audio & video products, digital cameras, durables like air conditioners, refrigerators, washing machines, microwave ovens, water purifiers, kitchen and home appliances, gaming consoles and games, computers, laptops, tablets and peripherals, mobile and fixed line instruments as well as a wide range of accessories and new-age gadgets across all major product categories.

Croma:

Croma is a brand of Infiniti Retail Ltd., which is a wholly-owned subsidiary of Tata Sons, the holding company of the Tata Group launched in 2006. It is one of the earliest players in large format retail in India, now it even has online presence.It offers products from over 200 brands ranging across categories like home appliances, kitchen appliances, televisions & accessories, phones & wearables, computers & tablets, audio & video, health and fitness, grooming & personal care, cameras & accessories, smart devices, gaming, zip services, etc. Croma also has its own label products, launched in 2008. The national player retails more than 6000 products across 150+ stores across 40+ major cities of India. Company operates through both online as well as offline modes.

Vijay Sales:

Vijay Sales started as a small TV showroom in Mumbai. Now, the chain has 110 stores spread across various cities in the western and northern regions of India and Andhra Pradesh in the southern region.

Established in 1967, Vijay sales offers over 3500 products across 11+ primary categories like laptop & printer, mobiles and tablets, washing machine, television & entertainment, home appliances, camera, kitchen appliances, personal care and accessories. Company offers convenience of offline as well online shopping to its customers.

Electronics Mart India Ltd (EMIL):

EMIL started in 1980 as a proprietary concern with a consumer durable and electronics store in Hyderabad. EMIL is the 4th largest and one of the fastest growing consumer durable & electronics retailer in India

EMIL is a multi-brand consumer durable and electronics retailer dealing in home entertainment, mobiles, laptop, home appliances, camera, kitchen appliances and personal care. EMIL operates MBOs (Multi Brand Outlets) under the Bajaj Electronics brand name. Company operates Exclusive brand outlets (EBOs) for various brands and special format store for kitchen appliances called Kitchen stories. IQ is an exclusive Apple Store-chain and Kitchen Stories is an experiential showroom which deals with luxury built-in kitchen appliance products across more than 100 brands, including a partnership with German brand Häcker Kitchens.

Currently, the chain of stores has 99 outlets across more than 30 cities in Andhra Pradesh and Telangana.

Comparative parameters of some key organised electronic & consumer durable retailers in India

Parameter	Reliance Retail	Croma	Vijay Sales	EMIL	Sathya	Sargam	Girias	Aditya Vision	Adishwar	Viveks	Average
Revenue (CAGR FY15-FY20)	51.9%	9.4%	NA	25.6%	27.4%	11.5%	6.9%	35.1%	-1.9%	-12.1%	**17.1%**
Revenue (Rs Bn)	1,303.7[1]	51.5	39.9	31.7	11.9	9.2	8.4	8	3.5	2.5	

Type (national/regional)	N	N	R (W)	R (S)	R (S)	R (N)	R (S)	R (E)	R (S)	R (S)	
No. of stores	400+[2]	150 +	110	99	135	67+	98	48	75+	34	
Per store revenue (Rs Mn) [3]	NA[4]	343	363	320	88	137	86	167	47	74	195
Online presence	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Own brand	Yes	Yes	Yes	No	No	No	No	No	No	Yes	
Presence across cities	100+	40	15	23	40+	25+	23	38	9	14	
Employee cost (% of sales)	0.7	4.9	NA	1.8	3.8	3.1	6.1	2.7	6.8	6.4	**4.0**
EBITDA margin	7.1	3.5	NA	7.2	1.4	2.7	3.9	4.3	3.9	-4.5	**3.3**
PAT margin (%)	4.3	-4	NA	2.6	0.6	0.7	1.25	1.7	0.5	-8.5	**-0.1**
Inventory days	28.2	61.3	NA	49.8	41.9	57	62.4	87.2	80.2	48.7	**57.4**
Working capital days	7.8	22.6	NA	80.8	36.8	57.6	68.6	35	56.6	32.6	**44.3**
ROCE	36.2	12.2	NA	18.3	19.7	16.1	14.5	26.7	11.9	-22.1	**14.8**
ROE	47.8	-123.7	NA	20.8	18.4	9.9	7.2	43.1	3.2	-	**3.3**

N: National, R: Regional; Region mentioned in the bracket; NA: Not available

Note: Data is based on company filings for FY20 and their websites as on March 20, 2021; National player is defined as retailer with presence in more than seven states. All financials at a standalone level.

[1] Refers to revenue for Reliance Retail; Reliance Digital- the consumer durable and electronics retailing business is a one segment of overall Reliance Retail operations

[2] Refers to number of stores under Reliance Digital- the consumer durable and electronics retailing business

[3] Comparable per store revenue not available due to lack of reporting of Reliance Digital revenues

Source: Company websites, MCA fillings, CRISIL Research

Based on the data captured in the above table, following are the key observations-

- Reliance Retail, Aditya Vision, Sathya and EMIL are among the top 4 fastest growing retailers during fiscal 2015 till 2020 period.
- Reliance Retail is the largest retailer in revenue terms which operates across segments such as grocery, fashion, jewellery and others in addition to consumer appliances. Whereas other players are consumer durable focused. In the pure play consumer durable space, EMIL has one of the highest revenue per store as on fiscal 2020.
- As of fiscal 2020, EMIL is the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh. EMIL has the highest EBITDA margins in fiscal 2020 amongst its peers. Whereas Reliance Retail and EMIL have registered better post tax profit margins as compared to its peers in fiscal 2020.

Regulations in retail sector

Present FDI policy (2021)

Sector/ activity	FDI cap	Entry route
Single-brand product retail trading	100%	Automatic

E-commerce	100%	Automatic
Cash and carry wholesale trading/ wholesale trading (including sourcing from MSEs)	100%	Automatic
Multi-brand retail trading	51%	Government

MSEs: Micro and small enterprises; FDI: Foreign direct investment

Source: Consolidated FDI Policy 2020 Department for Promotion of Industry and Internal Trade

E-commerce segment

The Department of Industrial Policy & Promotion's (DIPP) clarification (issued in February 2019) on FDI policy by e-retailers restricts equity ownership in sellers, caps the % procurement for sellers from e-marketplaces, and places curbs on exclusive partnership with brands or provision of favourable services to a few vendors.

E-commerce companies also need to fulfill certain other criteria before starting operations:

- Any company that plans to start operating an e-commerce website in India needs to have a locally-registered entity. Subsequently, the company is required to open an account at an NEFT-enabled branch of an Indian bank, so as to comply with the Reserve Bank of India's norm.
- The government has permitted 100% FDI in the marketplace format of e-commerce retailing, with a view to attract more foreign investments. As per guidelines issued by the DIPP on FDI in e-commerce, FDI has not been allowed in inventory-based model of e-commerce.

Guidelines for FDI in the e-commerce are:

- Inventory-based model of e-commerce – Inventory-based model of e-commerce is an e-commerce activity where inventory of goods and services is owned by the e-commerce entity, and is sold to customers directly. FDI is not permitted in inventory-based model of e-commerce
- Marketplace-based model of e-commerce – Marketplace-based model of e-commerce is setting up of an information technology platform by an e-commerce entity, which acts as a facilitator between buyers and sellers. 100% FDI under the automatic route is permitted in the marketplace model of e-commerce.

Conditions of marketplace model are:

- The e-commerce entity is not permit to generate more than 25% of sales through its marketplace from one vendor or its group companies
- Impact - Companies like WS Retail for Flipkart and Cloudtail India for Amazon, which are also subsidiaries of their respective parent companies, are not able to execute more than 25% of sales, thereby binding the e-commerce players to spread across multiple independent vendors
- Goods/services made available for sale electronically on the website should clearly provide name, address and other contact details of the seller. Post sales, delivery of goods, warrantee/guarantee of goods, and customer satisfaction is the responsibility of the seller
- Impact - Increases the risk of customer dissatisfaction as the e-commerce player will not be able to directly influence service quality
- E-commerce entities providing marketplace are required to not directly or indirectly influence the sale price of goods or services, and maintain a level playing field
- Impact - Sellers can themselves provide only limited discounts, considering lack of funding for cash burns; hence, e-commerce players will have to shift focus towards user experience and other qualitative attributes to prevent customers from returning to B&M stores

Draft rules for E-commerce players in India:

- The government has proposed changes in Jul 2021 to the e-commerce rules under the Consumer Protection Act. Following are the few rules proposed by the Government-
- Government's original proposal indicated a blanket ban on all flash sales but a clarification later said it won't apply for 'conventional' flash sales. However, the definition of conventional flash sale is not clear.
- E-commerce players have to ensure product listings have the details of country of origin, and even time provide alternatives each time a consumer looks at an imported good or service.
- Various e-commerce players have stake in sellers listed on their platform. It is proposed that related parties cannot be associated with the market place.
- Fall back liability clause - Under this provision, e-commerce entities will be liable in case suppliers on the platform fail to deliver the goods to consumers, causing them a loss.

- Proposed to provide data to agencies within 72 hours. This will lead to higher compliance for e-commerce players and sellers.

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. To obtain a complete understanding of our Company and its business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Management's Discussions and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 22, 99, 239 and 189, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 for certain terms used in this section.

The industry information contained in this section is derived from the CRISIL Report, as well as certain other publicly available sources. Some of the information set out in this section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" on page 22 for a discussion of certain factors that may affect our business, financial condition or results of operations. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review or any other services by our Statutory Auditor, or any other expert. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Overview

We are the 4th largest consumer durable and electronics retailer in India and as of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh (*Source: CRISIL Report*). We commenced our business operations in 1980 and since then there has been a steady rise in our revenue from operations. We have been one of the fastest growing consumer durable & electronics retailers in India with a revenue CAGR of 25.60% from Financial Year 2015 to Financial Year 2020 (*Source: CRISIL Report*). We have consistently demonstrated profitability with a robust operating performance. EMIL has the highest EBITDA margins in Financial Year 2020 amongst its peers (*Source: CRISIL Report*). Even when the nation was grappling with the COVID-19 pandemic and a nationwide lockdown, our Company was able to achieve an operating revenue of ₹ 32,018.76 million in Financial Year 2021 and surpassed its last reported operating revenue of ₹ 31,724.77 million in Financial Year 2020, representing 0.93%, year-on-year growth. As on August 15, 2021, our Company had 99 stores across 31 cities / urban agglomerates with a retail business area of 0.99 million sq. ft.

We have built a longstanding market presence with more than three decades of experience having commenced our business operations as a proprietary concern by setting up our first consumer durable and electronic retail store at Hyderabad. We converted the erstwhile sole proprietorship into a partnership firm under the name of 'M/s Bajaj Electronics' pursuant to a partnership deed dated March 25, 2011 and subsequently converted the partnership firm into a public limited company under the Companies Act, 2013 with the name 'Electronics Mart India Limited'.

We offer a diversified range of products with focus on large appliances (air conditioners, televisions, washing machines and refrigerators), mobiles and small appliances, IT and others. Our offering includes more than 6,000 SKUs across product categories from more than 70 consumer durable and electronic brands.

Our business model is a mix of ownership and lease rental model, as we focus to secure retail spaces which ensures high visibility and easy accessibility to customers. Under the ownership model, we own the underlying property including the land and building and in lease rental model, we enter into a long-term lease arrangement with the property owner(s). As of August 15, 2021, out of the total 99 stores we operate, eight stores are owned, 85 stores are under long-term lease rental model and six stores are partly owned and partly leased.

Despite the ongoing COVID-19 pandemic, we have continued to expand our store network in the Financial Year 2021 we opened 22 stores in our clusters of operations. We have been steadily increasing our market reach to cover 13 cities in Andhra Pradesh and 18 in Telangana by setting up new consumer durable and electronic retail stores and venturing into diverse and specialized product categories. We have expanded our business operations based on high potential locations and created a market presence in the tier-I and tier-II cities in Andhra Pradesh and Telangana. As of August 15, 2021, we have set up 24 stores in Andhra Pradesh and 75 stores in Telangana. We have consistently increased our retail business area over the last three Financial Years from 0.65 million sq. ft. in Financial Year 2019 to 0.76 million sq. ft. in Financial Year 2020 and 0.94 million sq. ft. in Financial Year 2021.

We focus on deepening our presence in the regions we operate in before venturing into new markets which has led us to establish brand presence in Telangana and Andhra Pradesh markets. This enables the target customers to identify with our brand as well as with our product portfolio and aids our understanding of the market segment and the customer demand preference. We believe that this approach also enables us to achieve significant market share and dominance in the markets we operate. We plan to continue to deepen our store network in Andhra Pradesh & Telangana; and also gradually plan to expand our network in the NCR region in pursuing our defined cluster-focused expansion strategy.

We operate our business activities across three channels of retail, wholesale and e-commerce.

Retail: With the object of providing comprehensive electronic solutions, our Company has set up diverse consumer durable and electronic retail stores arraying multifarious as well as specialized electronic products. As of August 15, 2021. As of August 15, 2021, out of 99 stores, 88 stores are Multi Brand Outlets ("MBOs") and 11 stores are Exclusive Brand Outlets ("EBOs"). We operate 85 MBOs under the name "Bajaj Electronics", 1 MBO under the name "Tirupati Electronics" and 2 specialized stores under the name "Kitchen Stories" which caters to the kitchen specific demands of our customers. Further, we are in the process of setting up another specialised store format under the name "*Audio & Beyond*" focusing on high end home audio and home automation solutions. The revenue from our retail channel was ₹ 29,312.84 million, ₹ 28,991.35 million and ₹ 25,801.72 million which represented 91.55%, 91.38% and 91.38%, of the revenue from operations, respectively, for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively.

Our MBOs endeavor to offer our customers with a comprehensive, distinctive and convenient shopping experience similar to a retail mall, by arraying a wide range of electronic products under one roof and providing one-stop-shop solutions for all their electronic needs. Our local market knowledge, careful product assortment, supply chain efficiencies coupled with efficient customer services has enabled us in providing our customers with electronic products at competitive prices and a wide range of products to shop from and hand-pick the product best suited to their needs. As on August 15, 2021, MBOs operate at an average store area of 10,943 sq feet per store.

Owing to our longstanding market presence, we have been able to enter into arrangements with our reputed electronic brand partners to operate and manage EBOs showcasing products manufactured by our brand partners, thereby providing one-stop solution for all specialised and specific brand related needs of our customers. As on August 15, 2021, we operate and manage 11 EBOs for our brand partners, which are located in Telangana and Andhra Pradesh including two for LG Electronics. As on August 15, 2021, EBOs operate at an average store area of 2,715 sq feet per store.

Wholesale: We are also engaged in the wholesale business of consumer durables, where we supply products to single shop retailers in Andhra Pradesh and Telangana regions. The revenue from our wholesale channel was ₹ 530.53 million, ₹ 505.22 million and ₹ 465.81 million which represented 1.66%, 1.59% and 1.65%, of the revenue from operations, respectively for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively.

E-Commerce: In 2017, we diversified our operations by venturing into the e-commerce space through our website. Our e-commerce website currently functions as a catalogue for the products we retail at our stores. We further expanded our e-commerce operations in 2019 by associating with the largest domestic and international players of the e-commerce market thereby expanding our business reach from brick-and-mortar retail stores to e-commerce platforms. The revenue from our e-commerce channel was ₹ 444.57 million, ₹ 280.11 million and ₹ 212.75 million which represented 1.39%, 0.88% and 0.75%, of the revenue from operations, respectively for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively

We believe that our quality of service and efficiency in managing and operating our electronic retail business have enabled us to maintain business relationships with our brand partners, and resultantly, we have been bestowed with certain awards and titles by our brand partners such as "*Most promising channel partner – Dispensers*" in 2020, "*Best Business Partner Excellence Award*" and "*Best Contribution*" in 2019, "*Highest Sales - Retail Chain*" to our Hyderabad Branch in 2019, "*Remarkable Contribution Award*" in 2019, "*Highest*

RA Sales (Regional Retail) Award” to our Hyderabad branch in 2018, “*Outstanding Performer (Air Coolers)*” in 2017 and “*Best Air Conditioner Partner*” in 2012. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” on page 159 of this Draft Red Herring Prospectus.

Our Company is currently associated with more than 70 electronic brands and has a long-standing relationship of more than 15 years with a certain number of brands which operate in product categories such as large appliances, mobiles, small appliances, IT and others.

We classify the products offered by our consumer durable and electronic retail stores under the following categories:

- *Large appliances*: This category includes refrigerators, televisions, air conditioners and washing machines. In Financial Years 2019, 2020 and 2021, this category constituted 60.67%, 55.91% and 54.50%, respectively, of our sale of products – consumer electronics and durables. We retail large appliance products from leading brands including LG, Panasonic, Philips, Sony, Godrej, IFB, Daikin, Symphony and Voltas among others.

- *Mobiles*: This category includes mobile phones, tablets, smart watches and fitness trackers. We started this category in 2011, and it is the fastest growing product category of our Company in the last three Financial Years. In Financial Years 2019, 2020 and 2021, this category constituted 29.09%, 34.18% and 34.04%, respectively, of our sale of products – consumer electronics and durables. We retail mobiles from leading brands including Oppo, One Plus and Vivo among others.

- *Small appliances, IT and others*: This category includes items that typically compliment the above-mentioned products, laptops, personal computers, printers, cables, screen guards, head phones, bluetooth speakers, coolers, geysers, ceiling fans, personal care devices and kitchen appliances such as kitchen hobs, chimneys, water purifiers and other allied appliances. In Financial Years 2019, 2020 and 2021, this category constituted 10.24%, 9.91% and 11.46%, respectively, of our sale of products – consumer electronics and durables. We retail small appliances, IT and other products from leading brands including Dell, Sony, AO Smith, Ariston Thermo, Butterfly, Miele, Preethi, Havells, Kaff, Orient, Liebherr and Franke Faber among others.

In order to make our products affordable and to expand our market reach, we offer a number of financing solutions to our customers. We have entered into arrangements with our financing partners which allows us offer financing solutions in the form of low cost or zero cost EMIs to our customers.

In order to create our brand presence and to create awareness of our product portfolio and stores, we engage in various marketing and promotional campaigns. Our key marketing initiatives are summarised below:

a) The business of our Company is seasonal in nature and experiences two major seasons, the Indian festival season and the summer season. It is crucial for our business operations that we capitalise the market opportunities offered in these seasons and therefore, we market and advertise mostly in prominent media about our products and the prevailing offers on them.

b) We also invest in marketing activities specific to certain days/ events by advertising our products and stores in multiple channels for a shorter duration.

c) We consider our store launches as the most prominent time to capture the attention of our local customer base and to further this strategy, we use various advertising channels to reach out to them.

d) We organise marketing events during Indian festivals like Dusshera and Diwali by organising a contest under the name *‘India’s Biggest Festive Offer*’ in which a customer can win cash prizes up to ₹ 10 million and small passenger cars. During this contest, we provide our customers with offers where they can enter into a lucky draw. We often invite a celebrity or a publicly known personality to draw the name of the winner from the dropbox.

Our expenses in relation to advertisement expenses, business promotion expenses and sales promotion expenses were ₹ 961.43 million, ₹ 1,195.23 million and ₹ 1,048.77 million which represented 56.81%, 64.96% and 64.96% of our total other expenses for Fiscals 2021, 2020 and 2019, respectively. The quality of our products and our associations with renowned brand partners is also a key marketing technique. We believe that our innovative marketing techniques acts as a driving force for our growth and building our brand name in the market.

Our sourcing capability, efficient logistics network and robust technological infrastructure have enabled us to deliver on our value retailing promise and create a brand presence among our customers and brand partners. As one of the leading electronic retail players, our core competencies lie in our efficient inventory management which complements our logistics network. In order to manage and track our inventory, we periodically monitor our stock levels with the help of modern software installed in our warehouses which enables us to maintain optimal levels of inventory and ensures smooth functioning of our consumer durable and electronic retail stores.

We have a long-term relationship with various major brands, supplying consumer durables, electronics, mobile & IT equipment. Most of our purchases are directly from the Original Equipment Manufacturers (OEMs) on either advance payment terms or cash on delivery terms, which puts our Company on a strong platform that enables better price and delivery terms. Our procurement function for the Andhra Pradesh cluster is centralized at our regional office in Vijayawada, where the market demand for various products and customer responses to the new products launched by brands is closely monitored. Based on a critical analysis of the customers, we place orders for various products from time to time. Our sales and inventory levels are captured in the ERP system, which assists the management's decisions on the procurement planning.

We use scalable technology including integrated ERP systems to maintain and improve operational efficiencies in procurement, sales and inventory management as well as other administrative functions. Our technological systems enable us to identify and react to changes in customer preferences and consequently align our inventory levels to such preferences. Our technological systems aid us in effectively and uniformly monitoring and managing the performance of each of our stores and providing logistical support to ensure that our product portfolio remain updated and our delivery is timely and effective.

The COVID-19 pandemic has significantly impacted the consumer durable and electronic retail industry as the customers were unable to visit our stores. Our stores operations were shut either fully or partially by lockdown restrictions, during the months from April 2020 till September 2020 in Financial Year 2020 and partially shut during the months of April 2021, May 2021 and June 2021 in Financial Year 2021, which significantly impacted our business and revenue from operations. The partial shutting down of stores was due to the Central and State Governments imposing restrictions mandating early closure of our stores, leading to business interruption. Even though the consumer durable and electronic retail industry experienced a slowdown due to COVID-19 related restrictions, our Company continued to open 28 stores since the onset of the pandemic, across our existing clusters and has been able to expand our reach, thereby reinforcing our market position and brand strength. Out of the 28 stores, 16 MBOs and two EBOs were opened in Telangana and nine MBOs and one EBO were opened in Andhra Pradesh.

Our key performance indicators

Operational performance indicators

Parameter	Financial Year 2019	Financial Year 2020	Financial Year 2021
New stores opened:			
a) MBO	7	11	19
b) EBO	1	1	3
Cumulative number of stores	59	71	93
Total number of bill cuts from Retail Stores (net of sales return)	1,310,056	1,488,098	1,447,659
Average ticket size (Net retail sales divided by Total number of bill cuts from Retail Stores (net of sales return))	19,695	19,482	20,248
Same Store Growth rate for MBOs*	10.6%	(0.7)%	(9.8)%
Summer season sales (Apr to Jun)	6,612.39	8,119.20	4,405.17
Festive season sales (Sep to Nov)	7,393.12	8,561.09	9,746.90

** New format MBOs & EBOs, which have been converted from older formats or EBOs are considered for Same Store Growth as per the conversion date. Closed / converted formats are excluded for comparability.*

Financial performance indicators

Parameter	Financial Year 2019	Financial Year 2020	Financial Year 2021
Total income (in ₹ million)	**28,260.98**	**31,790.17**	**32,073.68**

Parameter	Financial Year 2019	Financial Year 2020	Financial Year 2021
Total operational revenue (in ₹ million)	28,236.48	31,724.77	32,018.76
Net retail sales (in ₹ million)	25,801.72	28,991.35	29,312.84
Net retail sales per store (in ₹ million)	437.32	408.33	315.19
CAGR Revenue from Operations (Financial Year 2019 – Financial Year 2021)	NA	NA	6.49%
Growth rate of Revenue from Operations (year-on-year)	NA	12.35%	0.93%
Profit after tax (in ₹ million)	770.96	816.08	586.21
Inventory days	50	54	63
Fixed asset turnover ratio	16.37	14.85	12.15
EBITDA (in ₹ million)	2,159.94	2,276.41	2,038.81
EBITDA Margins (in %)	7.65	7.18	6.37
Return on Equity (in %)	22.64	18.84	11.92
Return on Capital Employed (in %)	25.94	20.28	14.35

Revenue indicator

Parameter	Financial Year 2019	Financial Year 2020	Financial Year 2021
Retail Business Area (in million sq.ft.)	0.65	0.76	0.94
Revenue from retail sales per Retail Business Area sq.ft. (in ₹)	39,811	37,912	31,167

Our EBITDA was ₹ 2,159.94 million, ₹ 2,276.41 million and ₹ 2,038.81 million for the Financial Years ended 2019, 2020 and 2021, respectively. Our EBITDA Margin (EBITDA as a percentage of our total revenue) was 7.65%, 7.18%, and 6.37% for the Financial Years ended 2019, 2020 and 2021, respectively. We have recorded a revenue growth of 0.93% and 12.35% in Financial Year 2021 and Financial Year 2020, respectively.

As of Financial Year 2020, we had the highest turnover in the Southern region as compared to other dominant players in South. We had the highest EBITDA margins in Financial Year 2020 amongst our peers. (*Source: CRISIL Report*).

Our Strengths

- ***We are the 4th largest consumer durable and electronics retailer in India with a leadership position in South India. Our scale of operations along with our long-standing relationship with leading consumer brands enables us to procure products at competitive rates***

  As of August 15, 2021, we operate and manage 99 stores with a retail business area of 0.99 million sq. ft., located across 31 cities/urban agglomerates. Our Company was able to achieve an operating revenue of ₹ 32,018.76 million in Fiscal 2021. As of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh. We are the 4th largest and one of the fastest growing consumer durable and electronics retailer in India. *(Source: CRISIL Report)*.

  We have built a history of collaboration with reputed electronic brands that have helped us expand our service offerings. Our Company is currently associated with more than 70 electronic brands and has a long-standing relationship of more than 15 years with a certain number of brands which operate in product categories such as large appliances, mobiles, small appliances, IT and others. We believe that we enjoy a reputation of trust and reliability with these electronic brands and work closely with them. On account of these relationships and our reputation, we have been able to grow in the domestic market and consistently expand our product portfolio.

  We continue to strengthen these relationships by entering into long-term contracts and through strategic alliances with them. Long-term contracts help us plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power and a lower overall cost base, thereby maintaining a competitive cost structure to achieve sustainable growth and profitability. We believe that our strong focus on understanding and delivering on customer needs, operating a non-conflicting business model and investing in relationships to create value for our customers has helped us maintain and grow our key relationships over the years.

There has been a steady increase in the revenues earned by our Company through our association with our brand partners across our product categories. A break up of the revenues earned by our Company in the preceding three Financial Years through our brand partners functioning in various product categories has been provided below:

(₹ in million)

S. No.	Product Category	Financial Year 2019	Financial Year 2020	Financial Year 2021
1	Large appliances	16,066.17	16,649.25	16,507.60
2	Mobiles	7,703.38	10,177.60	10,310.08
3	Small appliances, IT and others	2,710.73	2,949.83	3,470.26
	Sale of Products – Consumer Electronics & Durables	**26,480.28**	**29,776.68**	**30,287.94**

We believe that our steady brand presence and widespread customer outreach coupled with reduced cost of business operations enables us to achieve a diverse as well as stable customer base and earn better margins to achieve cost competitiveness in the consumer durable retail market.

We also started offering products with consumer financing options in the Financial Year 2009. We believe our easy consumer financing channel, leads to a lesser sensitivity of customers towards price and enables us to increase our average selling price. We believe, our Company is efficiently utilising the consumer financing channel to boost sales and customer loyalty across stores. We also continue to invest in technological integrations with the financing companies to achieve process integrations to reduce the time for realization of payments.

The Company also offers consumer financing options via credit and debit card EMI and also with a few fintech companies.

- ***We are one of the fastest growing consumer durable and electronics retailer with consistent track record of growth and industry leading profitability.***

We have been one of the fastest growing consumer durable and electronics retailer in India with Revenue CAGR of 25.60% from Financial Year 2015 to Financial Year 2020 (*Source: CRISIL Report*). Our Company's core competency lies in understanding the aspirations and demands of our customers and meeting their demand with our concept of value retailing.

With more than three decades of experience and successful growth, we have grown steadily in the recent years and expanded our store network from 59 in Financial Year 2019 to 93 stores as of March 31, 2021, while our Retail Business Area grew from 0.65 million sq. ft. in Financial Year 2019 to 0.94 million sq. ft. in Financial Year 2021. Our total bill cuts, increased from 1.31 million in Financial Year 2019 to 1.49 million in Financial Year 2020 and 1.45 million in Financial Year 2021, respectively.

We have registered same store growth rate of 10.60%, (0.70)% and (9.80)% for Financial Years 2019, 2020, and 2021 respectively. We reported same store growth rate of 10.6% in FY19 indicating a favorable store vintage. As on August 15, 2021, 47 stores from a total of 99 stores are less than three years old.

The store vintage can be detailed as under:

Year	Financial Year 2019	Financial Year 2020	Financial Year 2021
<1	8	12	22
1-3	18	22	20
3-5	18	13	18
>5	15	24	33
Total	**59**	**71**	**93**

We have a consistent track record of revenue growth and profitability. Despite the ongoing Covid pandemic and our stores being non-operational & partially operational during different phases of the lockdown. Our revenue from operations grew at a compounded annual growth rate (CAGR) of 6.49% from ₹ 28,236.48 million in Financial Year 2019 to ₹ 32,018.76 million in Financial Year 2021.

As of Financial Year 2020, we have the highest EBITDA margins in comparison to our peer companies (*Source: CRISIL Report*). Our EBITDA margins stood at 7.65%, 7.18% and 6.37% for Financial Year 2019, Financial Year 2020 and Financial Year 2021, respectively. We reported a profit available to the shareholders of ₹ 770.96 million, ₹ 816.08 million, ₹ 586.21 million in Financial Year 2019, 2020 & 2021 respectively.

We have generated strong cash flows from our operations which has enabled us to further invest in our business. The total cash from operations was ₹ 692.22 million, ₹ 360.06 million and ₹ 640.14 million is Financial Year 2019, Financial Year 2020 and Financial Year 2021, respectively.

Our liquidity position enables us to consistently pay our suppliers on or before the due date, allowing us to benefit from supplier discounts.

Our Company follows an efficient hierarchy structure, crafted with the sole intention of reducing bottlenecks and multiple reporting heads, which enables us to market and sell our products in a timely and coordinated manner.

We believe that our local market knowledge, supply chain efficiencies and effective inventory management has also enabled us to attain higher cost competitiveness and consistent profitability.

- ***Increasing market presence and geographic reach with cluster-based expansion.***

Our business has grown steadily in the recent years, primarily through expansion of our store network. As of August 15, 2021, we operate 99 stores in 31 cities/urban agglomerates concentrated in Andhra Pradesh and Telangana. Key highlights of our expansion in the last three Financial Years are set out below:

Parameter	Financial Year 2019	Financial Year 2020	Financial Year 2021
New stores opened	8	12	22
Cumulative number of stores	59	71	93
Retail Business Area (in million sq.ft.)	0.65	0.76	0.94
Revenue from Sales per Retail Business Area sq.ft. (in ₹)	39,811	37,912	31,167

We started our business operations by setting up our first consumer durable and electronic retail store in Hyderabad We opened stores to deepen our reach in the Hyderabad market and gradually opened stores in Tier-II and Tier-III cities in Telangana and Andhra Pradesh. As of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh. EMIL has the highest EBITDA margins in Financial Year 2020 amongst its peers. *(Source: CRISIL Report).*

(₹ in million)

Cluster	Financial Year 2019	Financial Year 2020	Financial Year 2021
Andhra Pradesh	1,908.66	2,428.67	3,363.93
Telangana	23,893.06	26,562.68	25,948.91
Net retail sales (in ₹ million)	**25,801.72**	**28,991.35**	**29,312.84**

Our expansion and increased market presence is based on our cluster-based approach, wherein we expand our network in a particular market, till we reach substantial depth & scale. In the process of opening new stores, we give emphasis on identifying 'growth pockets', by taking into account various factors, including population density, proximity and performance of competitors, customer and vehicular traffic, customer accessibility, potential growth of the local population and economy, area development potential, future development trends, estimated spending power of the population and local economy and payback period, estimated on the basis of expected sales potential, strategic benefits, and store site characteristics.

- Formation of clusters, of stores and warehouses in Andhra Pradesh, Telangana and Hyderabad we are able to identify the target customers and understand their needs, demands, preferences, which in turn helps us to align our stores, product offerings and marketing strategies with their preferences.
- Owing to this approach we have been able to cater to the demands of our target customers and establish our brand presence in a designated region

Such clusters lead to effective penetration in underserved markets and concentrated brand visibility due to focused implementation of marketing and advertising initiatives.

- ***Our business model provide operational flexibility to create long term sustainable footprint.***

We operate with a mix of ownership and lease rental model. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in densely populated neighbourhoods and residential locations, we have a flexible strategy of owning or leasing our premises according to availability, cost and other considerations.

Our endeavour is to build reliable long-lasting relationships with the customers residing in a given area, therefore following the store ownership model or long-term lease rental model, ensures permanency and brand recognition in designated areas.

Our ability to find suitable locations on high-street areas and shopping hubs at low lease rentals per sq. ft., has resulted in reduced operational costs, which enables us to achieve higher profitability, which in turn allows us to offer products at attractive pricing. As of August 15, 2021 out of our total 99 consumer durable and electronic retail stores, 85 retail stores have been taken on lease by our Company and eight retail stores are owned by us and six retail stores are partly owned and partly leased.

We give emphasis on identifying 'growth pockets' – places in major cities where addressable population density is high. We follow an extremely meticulous approach in choice of locations - Partial investment in refurbishment of the locations allows the management to keep the rentals & subsequent annual hikes low

As on August 15, 2021, MBOs operate at an average store area of 10,943 sq feet per store. Comprehensive display of products to provide large number of options to prospective customers across brands & price range.

- ***Diversified product offering & optimal product assortment leveraging our deep knowledge and understanding of regional markets***

We offer our customers a wide product range across multiple categories, brands, price points to ensure that our customers have range of product options to choose from and is able to make the value buy decision. We focus on providing a competitive product range for the leading brands at our store.

We strive to ensure that the latest models & new product launches are available in our stores. Based on our geographic and demographic analysis, we decide the product mix which is to be offered by our stores to cater to our customer preferences, demands and trends. We classify our products internally into three broad categories *viz*., large appliances, mobiles and small appliances, IT and others. This internal Concept Classification is very critical and helpful from the supply chain perspective and ensures the right product reaches the right store and targeted group of customers. A product-wise revenue break up for the preceding three Financial Years has been provided below:

(₹ in million)

S. No.	Product category	Financial Year 2019	Financial Year 2020	Financial Year 2021
1.	Large appliances	16,066.17	16,649.25	16,507.60
2.	Mobiles	7,703.38	10,177.60	10,310.08
3.	Small appliances, IT and others	2,710.73	2,949.83	3,470.26
	Sale of Products – Consumer Electronics & Durables	**26,480.28**	**29,776.68**	**30,287.94**

We sell more than 6,000 SKUs for our varied product categories. We use our understanding of the regions to customise our product assortment keeping in mind local demands and preferences. Our stores offer our customers a comprehensive, distinctive and convenient shopping experience similar to a retail mall which enables us to showcase a wide range of electronic products of varied brands and price ranges under one roof, thereby offering one-stop-solution to all the electronic needs of our existing and prospective customers. Our customised product assortment and comprehensive product portfolio enables us to achieve better visibility, brand recognition, deeper market penetration and increased customer base.

We provide a complete and unique shopping experience to our customers, by either showcasing a wide range of electronic products under one roof in our MBO model or providing a specialized brand experience with EBOs.

- ***Strategically located logistics and warehousing facilities backed by stringent inventory management using IT systems***

Our strategically located warehousing facilities enable us to fulfil our promise of timely delivery at cost competitive prices. We operate through a combination of large centrally located warehousing facilities which are backed by individual storage areas at store level.

Our company operates 7 large warehouses with an average area of 31,028 sq ft. We have 6 large warehouses in Hyderabad to cater to the Telangana region and 1 central warehouse in Vijayawada to cater for the Andhra Pradesh region. Further, our Company also has several individual storage areas of varying sizes to cater to individual stores or a group of stores. Our core strength lies in our ability to effectively manage inventory levels across our large warehouses and individual storage areas and store level display inventory, which is the backbone of our supply chain and supports our consumer durable and electronic retail store network

Our network of multiple store level storage areas enables us to deliver products to our customers within a reasonable time period

Our wide-spread supplier network and warehousing facilities located within the reach of our consumer durable and electronic retail stores has also allowed us to provide products at cost competitive prices due to the reduced procurement and transportation costs. Our sourcing capability, efficient logistics network and robust technological infrastructure have enabled us to deliver on our value retailing promise and create a brand presence among our customers and brand partners. We have an extensive network of suppliers and more than 80% of the volume of our procurement is from OEMS, which enables us to efficiently source our products and minimise our procurement costs.

Our robust information technology systems, supplier network and tracking systems enable us to send updates to our customers on the status of their orders on a real time basis along with the contact details of the concerned personnel assigned for the delivery of the products. Further, our stores utilise a computerised inventory management system, which allows us to track the inventory level and movement of our SKUs on a daily basis. Our inventory management system also records specific information in respect of our inventory, such as stock description, merchandise mix and positioning, prices and sales, on an individual store basis. As the inventory management systems of all our stores are synchronised with our distribution centres and offices, we are able to share such information and data on a periodic basis, thereby allowing us to control our inventories effectively across each of our stores. Our supply chain ensures that goods are dispatched in the appropriate quantities and times to reach our stores. We closely monitor our inventory levels to ensure that our inventories are fresh by adopting a first-in, first-out policy for all our merchandise. Our robust technology system and supply chain efficiencies enable us to provide time efficient and quality services to our customers.

We have also benefitted from our understanding of local needs and our ability to respond quickly to changing consumer preferences. This has been achieved in part due to our advanced technology adopted in procurement, sales and inventory management. We use the ERP and POS systems from leading industry software providers for such functions. Our technological systems are our core strength as they enable us to identify and quickly react to changes in customer preferences and consequently align our inventory to such preferences by adjusting our products available, brands procured, stock levels and pricing in each of our stores. Our technological systems aid us in effectively and uniformly monitoring and managing the performance of each of our stores and providing logistical support to ensure that our product portfolio remain updated and our delivery is timely and effective.

Our technological systems have been designed keeping in mind our specific business needs with a wide range of data management tools, which support key aspects of our business, including procurement, sales and inventory management across all our stores on a daily basis. Our technological systems also support our cash management, in-store systems, logistics systems, human resources and other administrative functions.

Together with our supply chain management systems, our internal controls enable us to minimise occurrence of interruptions such as product shortage and pilferage and help us operate efficiently and productively with minimal disruptions in our day-to-day operations.

- ***Robust customer service support, timely delivery & installation support***

  We have well trained in-house floor managers and section managers' sales teams who they are assigned to and also speak the regional language which helps in establishing connect with the customers. We also strive to achieve customer satisfaction by providing after sales support with the help of our dedicated store-wise customer support team with trained and experienced team members. Our customer support team are operational on all seven days of the week. Our widespread vendor/ supplier network and robust tracking systems, ensure timely delivery of products with limited procurement costs. For the brand specific products sold by our stores, the sales invoices contain customer support number for all brands which enables efficient and timely redressal of complaints.

  We continue to make investments in our after-sale support by recruiting skilled workforce and to further enhance our user experience, provide innovative services to our buyers and suppliers and increase the speed and efficiency of our e-commerce platforms and customer support services.

- ***Experienced management team with a proven track record***

  Our business is consumer-driven. Our strong Promoter background and an experienced senior management team have helped us to offer high standards of customer service and a pleasant shopping experience at our stores. Our senior management brings their vision and leadership which we believe has been instrumental in our success. Our experienced management team and trained employees have enabled us to successfully establish a customer-oriented corporate culture, providing a foundation to maintain and enhance our long-term competitiveness.

  Our Board and senior management have a proven track record and an understanding of the retail business in India and local consumer preferences. We believe that our stable, senior management team has helped us successfully implement our development and operating strategies and provide quality service to our customers over the years. We also believe that our employees have been an important factor in our success as the quality and efficiency of the services we provide are dependent on them. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity.

Our Strategies

- ***Expand reach across select geographies and deepen the footprint in our existing markets.***

  We aim to continue to deepen our store network in our existing clusters to increase our market share in the Hyderabad, Telangana, and Andhra Pradesh markets.

  Our aim is to follow a peripheral and concentric expansion approach pursuant to which, we will look to target contiguous states, to avail new opportunities. We have, in the past, expanded our stores through a cluster-based expansion model and intend to continue to do so in the future. We also intend to open stores and build our store network in the NCR region by opening 34 MBOs and nine EBOs. We intend to continue to identify properties that we believe may be viable retail property spaces at strategic locations and enter into arrangements to lock such properties for our stores. We are at various stages of negotiations to enter into arrangements for locking such retail property for our future requirements to open stores.

  Our total store count grew from 59 in Financial Year 2019 to 93 in Financial Year 2021, while our retail business area grew from 0.65 million sq. ft. to 0.94 million sq. ft. over this period. Increasing our penetration in existing cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. We intend to continue focusing on modernization of our stores, improving our store infrastructure to provide comprehensive display of products to provide a number of options to prospective customers across brands and price range. If opportunity arises, we may adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new stores in the existing clusters, such as local population density, accessibility and proximity to our competitors.

- ***Enhancing sales volumes by continuing to prioritise customer satisfaction through optimal product assortment and offering value for money***

  a) Right mix of product assortments at competitive pricing

  Our strategy is to provide our customers with a comprehensive range of products at value for money prices and maintain optimal customer service standards. In order to maintain and enhance our competitive position, we will continue to offer our products at competitive prices achieved through our low procurement, supply, operational and other costs. We will continue to focus on optimal product assortment keeping in mind the local needs and preferences. We will continue to introduce new products depending on customer needs at one or several of our stores. A continuous review of our merchandise according to our understanding of evolving customer preferences will help us better cater to our customers' needs, enhance their shopping experience and maximise our sales.

  b) Leveraging consumer finance to provide convenience and enhance purchasing ability

  We intend to further expand our financing options to make our products accessible to all our customers and consequently widen our customer base and outreach. We have entered into arrangements with our financing partners, which allows us offer financing solutions in the form of low cost or zero cost EMIs to our customers. Effective consumer financing will make our products affordable enable us to cater to customers belonging to all income categories, thereby expanding our market reach and brand recognition.

  c) *Focus on differentiated customer experience and engagement*

  Shopping is considered a family activity in many of our markets. We endeavour to provide a one stop shopping experience. All our stores are air conditioned and we aim to provide a pleasant ambience and functional store layout. We have installed computerised billing points coupled with convenient payment options including, credit and debit cards, UPI which provide greater flexibility and convenience to our customers. We intend to improve our customers' shopping experience by improving the checkout time and to continue to undertake periodic renovation of our stores. We also aim to engage in "Intelligent Marketing" wherein we can inform our registered customers of the new schemes or offers for specific products based on such customer's previous purchases.

  We intend to continue to invest in advertisement and branding and continuously improve our customer relationship management, or strategies, and campaigns to analyse and manage customer interactions throughout the customer lifecycle, with the goal of creating a long-term relationship with customers, building customer retention and driving sales. We invest in marketing activities by advertising our products, offers and the launch of our new stores through print media, digital media and radio shows. Since, the consumer durable and electronic retail industry is highly competitive in nature, we propose to make further investments in our marketing initiatives to further imbibe our brand presence amongst our customers.

- ***Technology led effective inventory management & lean operating structure to maintain & improve operating efficiencies***

  Our business model requires us to maintain high levels of operational efficiency on a regular basis. Further, we believe that supply chain management is critical to our business. Our supply chain management is critical in reducing operational costs and helping maintain an optimum balance between the level of inventory available and the availability of products at all stores as per customer requirements. This involves planning, sourcing, vendor management, logistics, quality control, pilferage control, replacement and replenishment. We intend to further strengthen our internal systems and controls regarding our inventory management to monitor and reduce shrinkage and pilferage. We plan to further improve our operating efficiency and ensure efficient supply chain management, including by (i) investing further in our technological systems to improve our productivity and time management thereby increasing our operating efficiency; and (ii) expanding and upgrading our warehouse to improve the efficiency of our inventory and supply management; (iii) continuing to absorb best industry practices and (iv) supplement our current security system, consisting of manual checks and electronic surveillance. We believe that by improving our supply chain management will help us optimise in-store availability of products, and consequently meet customer demands effectively.

In the changing business landscape, we are responding to the importance of being a digital business. To ensure that investments in analytics and technology improve our current business model, our digital strategy is geared to deliver on two fronts - expectations of our customers as well as our internal functions. To provide a seamless shopping experience to our customers as they become more digital in their lifestyle, we plan to be equipped for an omni-channel business model as well. We are currently leveraging and shall continue to leverage, technology and analytics to drive our business operations.

- ***Maintaining & forging new relationships with leading brands across existing and new format stores thereby ensuring wider product range***

We intend to expand our relation with existing business partners as well as forge new relations with renowned brands in order to set up and operate increased number of stores including EBOs. We also intend to increase the product range presently available across our MBOs.

As of August 15, 2021, out of 99 stores, 88 stores are MBOs, including two specialised stores and 11 stores are EBOs. In order to further our vision and to expand our specialized store network, our Company has set up specialised stores under the name "*Kitchen Stories*" which caters to the kitchen specific demands by showcasing various kitchen appliances for them to choose from. Further, we are in the process of setting up another specialized store format under the name "Audio & Beyond" focusing on high end home audio and home automation solutions.

We intend to expand our network and presence among the renowned electronic brands to further diversify our product portfolio and increase the categories of our products to establish our brand as a comprehensive and complete dealer and distributor of major electronic brands. We believe that our focus on expanding our EBOs, specialized stores and brand network will enable us to provide specialized and brand centric services which may further establish our brand presence through the quality and diversity of our operations.

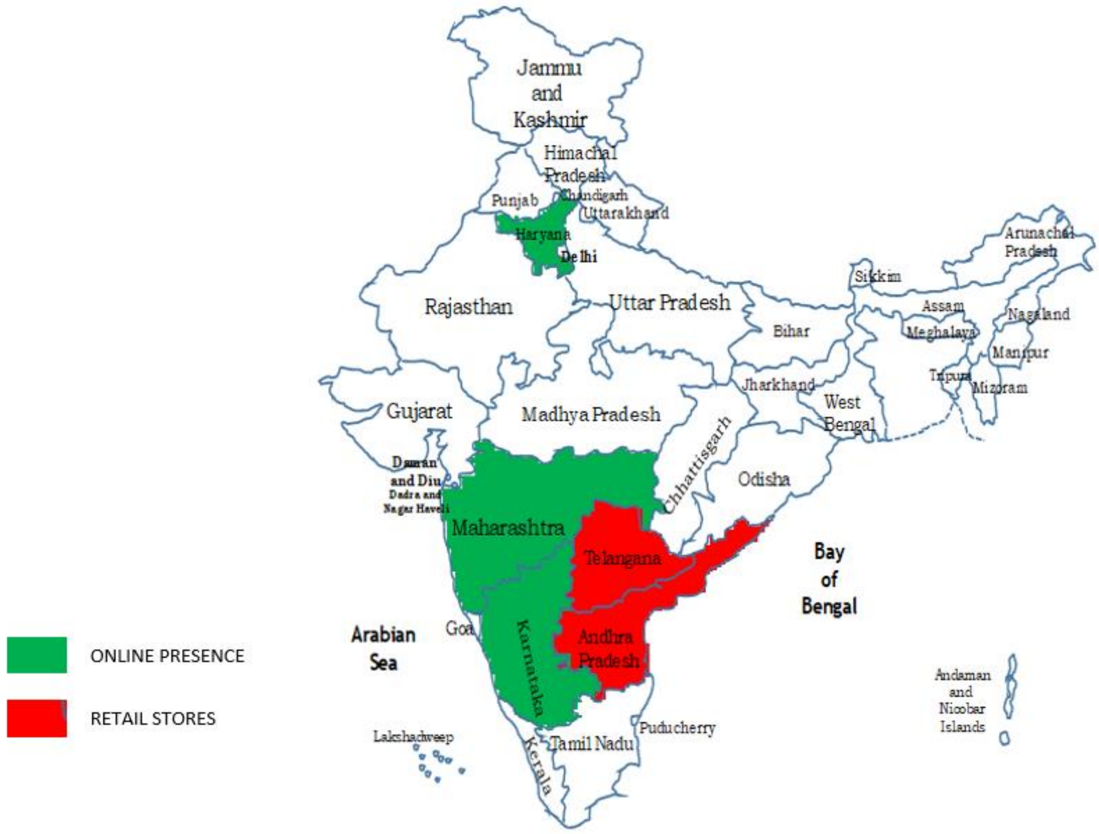
- ***Continuous training of manpower***

Our success in the future will depend on our ability to continue to maintain a pool of experienced professionals. We aim at identifying fresh talent, training, grooming them and providing opportunities for growth. We have been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attrition and attracting and retaining our employees. We also provide technical and functional training to our employees. We intend to further improve our training programmes to ensure that our employees have the skills to meet our customers' demands and provide quality customer service. We have also adopted an organisation-wide human resource policy which lays emphasis on providing continuous training to our employees and establish definite career growth paths for them. We intend to continue to encourage our employees to be enterprising and help them to 'learn on the job' and grow within our organisation.

Our Presence

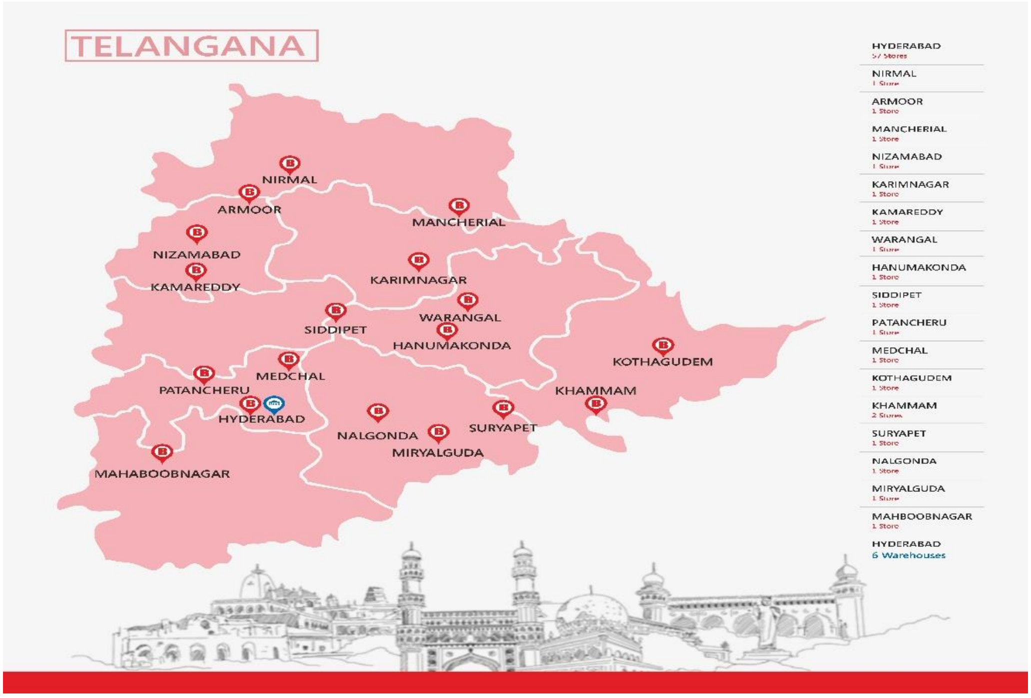
Our presence in Southern India is depicted below through the following maps:

a) Presence in India:



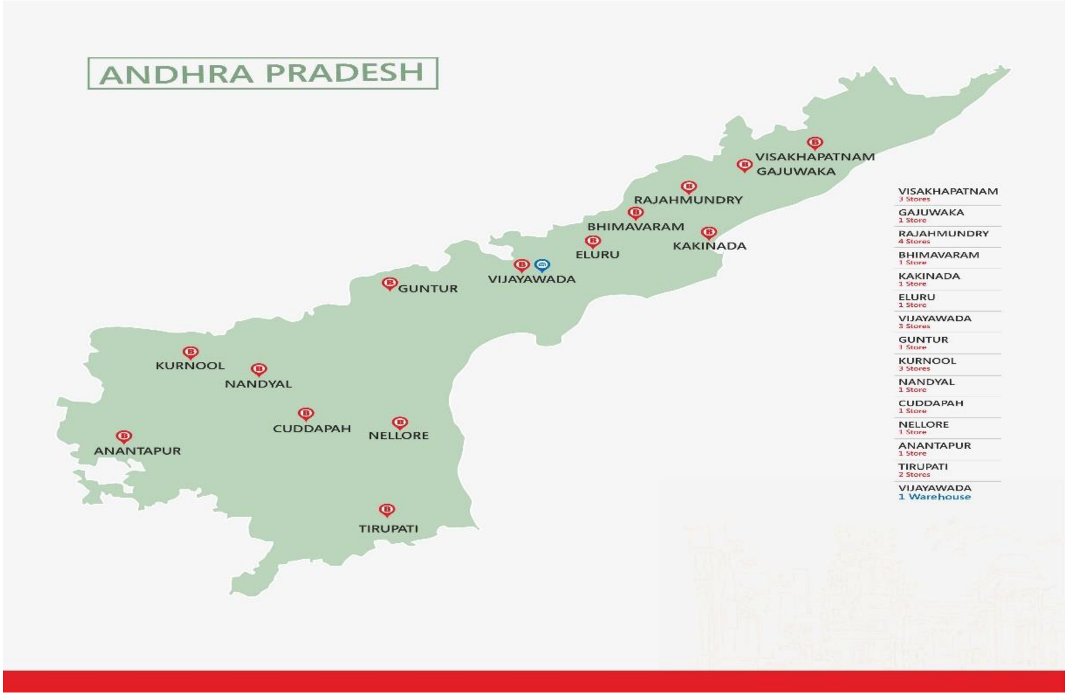
Note: Map not to scale

b) Presence in Telangana



Note: Map not to scale

c) Presence in Andhra Pradesh



Note: Map not to scale

Our Stores

- Multi-brand outlets - Our multi-brand outlets showcase various consumer durables and electronics products of various brands thereby providing multiple options to the customers.

- Exclusive Brand Outlets - Our exclusive-brand outlets showcase only the consumer durables / electronics products of a single brand to cater the needs of a brand specific customer.

- Specialized stores - Our specialized store exhibits 10 global brands that are leaders in their segment. We showcase exquisite designs in modular kitchens as well as all other products that a luxury kitchen requires. It is the place for Connoisseurs who lead their life in style.

Our online presence

E-commerce platforms - We have partnered with an internationally reputed online market place provider in India to sell our products to online customers.

Business collaborations

Our Company has entered into dealership agreements with the vast majority of our brand partners for selling and showcasing the products manufactured by them, in our MBOs. Our Company is associated with more than 70 electronic brands and has a long-standing relationship of more than 15 years with certain of these brands which operate in product categories such as large appliances, mobiles, small appliances, IT and others. The dealership agreements prescribe the manner, terms and conditions of selling their products by our Company, usage of their trade names or trademarks, terms for profit sharing or payment of commission, *etc*. The dealership agreements can be terminated without cause by either party with the specified number of days' written notice, and can be terminated immediately by our brand partners on the occurrence of events specified within such agreements such as if we become incapable of performing its obligations; or if we suffer an insolvency event (such as if an application is filed against us for insolvency or bankruptcy) *etc*. In addition to the dealership agreements, our Company has also executed collaboration agreements with our brand partners for setting up EBOs for exclusively selling their products. These agreements lay down the terms, conditions and manner of identifying our EBOs as exclusive stores of such brands and the usage of the marks, designs, logos and other intellectual property of the brand partners. The dealership agreements can be terminated without cause by the brand partner with specified number of days' written notice, without assigning any reason whatsoever or on the occurrence of specific events of defaults mentioned therein. We have also executed collaboration agreements with third parties for our specialised stores wherein such third parties shall build and set up modular kitchens, furniture, *etc.* for our customers. The collaboration agreement governs the payments terms, contractual obligations of the parties and also prescribes a lock-in period of three to five years from the effective date during which the termination cannot be terminated by either of the parties. However, such collaboration agreements can be terminated immediately by us upon the occurrence of certain events, such as if either of the parties (a) fails to remedy a breach of the agreement within the time period specified in the agreement; (b) suffers an insolvency event (such as if an application is filed against the vendor for insolvency or bankruptcy); or (c) commits a material breach of the agreement, *etc*.

Our Company offers consumer finance options to our customers and has accordingly entered into merchant/dealer agreements with our finance partners to access their payment gateways for providing paper finance and other payment options to our customers. Our Company has collaborated with a third-party service provider for setting up and launching of its new exclusive and specialised automation stores "*Audio and Beyond*". As per the collaboration agreement, our Company shall supply or sell the relevant appliances required for making homes or offices smart and automated and the third-party service provider shall install the devices for our customers. The collaboration agreements, as per the mutual understanding of the parties, sets out the terms for revenue sharing, contractual obligation, usage of the trademark and logo "*Audio and Beyond*", *etc*. The agreement also prescribes a lock-in period of two years from the effective date during which the termination cannot be terminated by either of the parties. The collaboration agreement can be terminated without cause by either party with 90 days' written notice, and can be terminated immediately by us upon the occurrence of certain events, such as if either of the parties (a) fails to remedy a breach of the agreement within the time period specified in the agreement; (b) suffers an insolvency event (such as if an application is filed against the vendor for insolvency or bankruptcy); or (c) commits a material breach of the agreement or fraud or breach of trust, *etc*.

Further, our company has collaborated with various IT firms to support the Company's IT infrastructure and software.

Our Business Process

Business Planning:

We are the 4th largest consumer durable and electronics retailer in India and as of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh *(Source: CRISIL Report)*. We plan to continue to deepen our store network in Andhra Pradesh & Telangana; and also gradually plan to expand our network in the NCR region.

Our Company carefully studies market data from various sources and shortlists the designated areas or sites on various parameters such as visibility, population density, demography of the population, rental costs in the location, ease of access for customers, parking, ambience, size of stores, conditions imposed by landlord *etc*. Only after careful analysis on these lines, our Company shortlists the areas and potential sites in which our stores are to be set up which generally takes up to 45-60 days. In the last three Financial Years, there has been only one store closure, which augurs well for the Company's track record of store selection.

We have in-house business development and project teams, focusing on acquiring or leasing properties for our new stores in accordance with our locational needs at reasonable prices and on timely completion of construction and commencement of operations.

We have largely kept the layout and design of our stores consistent across particularly MBOs, meanwhile EBOs are designed in consultation with respective brands & vendors. We believe that adoption of a standard formats for our stores has also helped us in establishing our brand in the markets where we operate.

From our inception, we have grown into what is now a chain of electronic stores across Andhra Pradesh and Telangana, offering various products at competitive prices.

Presently, there is a wide range of available options from which electronics may be purchased, be it from online players, large brick & mortar stores, local dealers, brand stores, *etc*. In such cases, it becomes imperative to maintain a high top of the mind awareness score for which we are required to advertise throughout the year:

We capitalize on sales during two major seasons in India, i.e. the festival season and the summer season, which are crucial for our business operations. During these seasons, we advertise mostly through various media networks such as print media, radio shows, electronic media, digital media, etc. to capture the attention of the public. Further, to spread awareness and engage with our customers, we advertise in prominent newspapers and digital media which helps us in updating our customers with the latest offers on our products and the latest additions to our product portfolio.

We also undertake certain day-specific campaigns on certain public and festive holidays which gives us a spike in the sale. Such day specific advertising is run through multiple channels such as print, radio, digital, etc.. During the launch of our stores, to let our customers know that we have come closer to them, we try to use various channels to reach them out. Therefore, depending on the geography, we advertise in area specific channels which gives us a considerable mileage in that particular area. We even invite celebrities and popular personalities to take part in our publicity/marketing events. We deploy a similar strategy during our product launches.

Sponsored Events and Sales Promotions: These are promotional opportunities that allow us to target customers by building brand awareness and generating media exposure at reduced costs. During the festive periods such as Dusshera / Diwali, every year we run a special 'shop n win' contest under the name *'India's Biggest Festive Offer'* in which a customer can win cash price up to ₹ 10 million and small passenger cars. During this contest, we provide our customers with offers where they can enter into a lucky draw. We often invite a celebrity or a publicly known personality to draw the name of the winner from the dropbox. Every year, this is one of the most awaited events by our customers.

Product Assortment

We offer our customers a wide product range across multiple categories, brands, price points to ensure that our customers have range of product options to choose from and is able to make the value buy decision. We focus on providing a competitive product range for the leading brands at our store.

We strive to ensure that the latest models & new product launches are available in our stores. Based on our geographic and demographic analysis, we decide the product mix which is to be offered by our stores to cater to our customer preferences, demands and trends. We classify our products internally into three broad categories viz., large appliances, mobiles and small appliances, IT and others.

The MBOs we operate have an average store area of 10,943 sq feet per store which enables us to diplay a comprehensive range of products to provide large number of options to prospective customers across brands &

price ranges while our EBOs are designed and display requirements is decided in consultation with respective brands & vendors.

We have an extensive network of suppliers and more than 80% of the volume of our procurement is from OEMS, which enables us to efficiently source our products and minimise our procurement costs. In order to maintain and enhance our competitive position, we will continue to offer our products at competitive prices achieved through our low procurement, supply, operational and other costs.

Supply chain/inventory management

Our core strength lies in our ability to effectively manage inventory levels across our large warehouses and individual storage areas and store level display inventory, which is the backbone of our supply chain and supports our consumer durable and electronic retail store network

Our company looks at the supply chain on season-by-season basis and starts planning well in advance before the season commences. After a robust two-way discussion with the individual brands on upcoming models, availability of stock at the manufacturer, support offered by brands in marketing, pricing *etc*. a demand plan is formulated and conveyed to the respective brands. Based on this the brands organise their supply chains and hold stock in their respective warehouses. Our Company also places purchase orders in advance with staggered deliveries wherever required to secure the supply. The Company liaises with the Brands to deliver to any of our stores/warehouses. The company deals in the "Deliver at Place (DAP)" with all brands. Apart from this we also monitor stock levels of all our products on a daily basis and take replenishment actions. A continuous review of our merchandise according to our understanding of evolving customer preferences helps us optimize inventory levels, better cater to our customers' needs, enhance their shopping experience and maximise our sales.

Our company has six large warehouses in Hyderabad to cater to the Telangana region and 1 central warehouse in Vijayawada to cater to the Andhra Pradesh region. Our Company also has several individual storage spaces of varying sizes to cater to individual stores or a group of stores. To cater to the requirements of transporting goods between various warehouses and stores, our Company maintains a fleet of 16 trucks. In addition to this, we have also outsourced delivery services to various third-party transport operators and liaise with various auto/small truck owners to deliver products to end customers.

In addition to the six large warehouses in Hyderabad and one central warehouse in Vijayawada, we have a network of storage areas of varying sizes to cater to individual stores or a group of stores which enables us to deliver products to our customers within a reasonable time period. We strive to ensure robust customer service support, timely delivery & installation of products for our customers.

Store Level Operations

Our business and the industry we operate in are vulnerable to the problem of product shrinkage which may occur through a combination of shoplifting by customer or pilferage by employees. We maintain security and surveillance equipment at our existing stores and warehouses to prevent such occurrences.

We have well trained in-house floor managers and section managers' sales teams who they are assigned to and also speak the regional language which helps in establishing connect with the customers. We also strive to achieve customer satisfaction by providing after sales support with the help of our dedicated store-wise customer service team with trained and experienced team members. Our customer support team are operational on all seven days of the week. For the brand specific products sold by our stores, the sales invoices contain customer support number for all brands which enables efficient and timely redressal of complaints.

Backend Support

Payments by our customers at our stores are handled by our cashiers at our check-out counters. We reconcile our cash proceeds received from our sales against receipts recorded in our point-of-sale systems in all of our stores on a daily basis. Cash is deposited in banks through on-site vaults, which are present in many of our stores which is later collected and deposited in banks on a regular basis. As we handle a significant amount of cash every day, we have implemented necessary procedures for the handling of cash in our stores. Our daily cash proceeds are only handled by our cashiers, and surveillance cameras are set up in all of our stores to monitor the cashiers' counters.

We use scalable technology including integrated ERP systems to maintain and improve operational efficiencies in procurement, sales and inventory management, cash management, in-store systems, logistics systems, human resources as well as other administrative functions. Our technological systems enable us to identify and react to changes in customer preferences and consequently align our inventory levels to such preferences. Our technological systems aid us in effectively and uniformly monitoring and managing the performance of each of our stores and providing logistical support to ensure that our product portfolio remain updated and our delivery is timely and effective.

Our Company has a lean organizational structure. As on August 15, 2021, 1,830 employees are on the on rolls of our Company. We also employ a significant number of contract employees to meet our business needs. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development. Our Company has also adopted a 'Policy on Prevention of Sexual Harassment' and formed an internal complaints committee to redress sexual harassment complaints, bring a feeling of togetherness among women and other such befitting functions as may be taken up from time to time.

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities. Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotions to lateral hiring. In addition to employees fixed salary, certain performance-linked incentives are offered to showroom employees and senior executives. Our performance-linked incentives consist of additional remuneration payments determined based on each employee's performance and position.

We conduct on-the-job functional training for our employees to help them develop their skill sets, which we believe complements their key responsibility areas, and helps them perform with improved efficiency. We have appointed customer sales representatives at each of our stores and provide them training to ensure that our employees have the requisite skills to meet our customers' demands and provide quality customer service.

We have structured processes, which are intended to facilitate a friendly and cohesive organizational culture. Such processes are supplemented by our internal policies, which are also aimed at a positive atmosphere and establishing common ethical values within the workplace.

Risk Management

Our Company has implemented a risk management policy, the main objectives of which are, inter-alia, to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed, to protect the brand value through strategic control and operational policies and to enable compliance with appropriate regulations wherever applicable, through the adoption of best practices. In order to achieve this key objective, the policy establishes a structural and disciplined approach to risk management, which helps in arriving at correct solutions for various risk related issues.

Intellectual property

Our Company, has availed a trademark registration for "EMI", under class 9 of the Trade Mark Act, 1999. Four trademark applications under class 35, two trademark applications under class 37 and two trademark applications under class 42 of the Trade Mark Act, 1999 are presently assigned the status 'Marked for examination' and two of our trademark applications for "EMI" under class 9 of the Trade Mark Act, 1999 are presently opposed. Further, 19 of our trademark applications for "EMI", "BAJAJ ELECTRONICS", "KITCHENSTORIES" and "IQ" under classes 9, 20, 35, 37 and 42 of the Trade Mark Act, 1999 are objected and ready for show cause hearing by the Trade Mark Registry. See "*Risk Factors- Internal Risk Factors- If third parties, including our current or future competitors are able to circumvent our protection measures which are put in place for the protection of intellectual property and other proprietary rights, our business and reputation would be adversely affected*".

Data collection, storage and information security

Our Company has adopted certain data security measures to protect the confidentiality and integrity of the consumer data, employee data and business data which is available on the cloud (in case of enterprise application softwares) and on the server of our head office and stores. We have enabled a firewall and anti-virus to protect from outside threats. Physical security is enabled for the server set up at our head office and firewall implementation at stores and warehouse level is in progress. We have adopted the following policies for data collection and protection:

1. Data Security Policies adopted:

    a. Data Capturing/generation shall be electronic in nature except for HR related data at present. Within a month, Employee Master Data and Payroll data maintenance and report generation will be electronic.
    b. Users shall be given Access to data on "need to know basis".
    c. Predominantly, enterprise application softwares are used for capturing of the data.

2. User ID creation Policies:

    a. User ID creation is done using enterprise application softwares as required upon the email approval of the HR & HOD/Reporting Manager whichever Position is the highest and also with information to CTO
    b. Deactivation of the User ID shall be based on the communication from the HR
    c. Change in the Access rights is upon approval from HR & respective HOD with due information to the CTO. CTO shall understand the requirement and provide the requested access only when necessary and considering the availability of Licenses as well.

3. Policies for different stages of Data Life Cycle:

    a. Data Capturing:
    Data Capturing shall be through respective software only.
    b. Data Modification:
    Data modification is not allowed from backend. It is always through a process in the software only which requires either approval from the concerned Manager or in case of Customer, through OTP
    c. Data Deletion is not allowed in the Production Database
    d. Viewing of the Data in the form of Queries and Reports also shall be given to authorized roles and users
    e. Preserving Data:
    The policy is to maintain the data for 7 years from the end of the tax assessment of the financial year.
    f. Archival of the Data: Data is archived in the servers periodically
    g. Backup of the Data for Business Continuity:
    h. Daily incremental backup and weekly full backup is taken and kept on site as well as off site.

4. Policies for Dissemination of Data:

    a. Data is shared to the internal users upon email request with immediate HOD approval for analysis, decision making *etc*.
    b. External vendors, to whom Data access is given to execute their assigned responsibilities, shall sign NDA, before getting the assignment

5. Verification and Validation

    The CTO shall
    a. Verify the User IDs and privileges once in three months;
    b. Take necessary corrective and preventive actions time to time
    c. Check the Authorization matrices
    d. Check the compliance with the Licensing terms and conditions
    e. In case of any clarification, the respective HODs shall be contacted

Competition

The Indian electronics retail market has become increasingly competitive in recent years. We believe the principal bases of competition in India in organized retailing of electronics are pricing, range of brands and convenience of locations. Our key direct competitors include other organized brick & mortar retailers such as

Reliance Retail, Croma, Vijay Sales, Sathya, Sargam, Girias, Aditya Vision, Adishwar, Viveks, etc. *(Source: CRISIL Report)* and unorganized retailers such as local electronic stores and others. Each of the aforementioned organised retailers of electronics has an established presence in the markets we operate and in some cases across India and each is continuing to open additional stores**.** The increasing competition shall result in shrinkage of catchment area of our stores. Further, the availability of multiple options enhances the bargaining power of the customers, which in turn forces the store operators to resort to aggressive discounting practices affecting the gross margins.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products including, work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. We maintain insurance policies customary for our industry to cover certain risks, including burglary insurance policy, standard fire and special perils policy for the warehouses and stores. We believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See *"Risk factors - Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability"* on page 42**.**

Corporate Social Responsibility

As a part of our corporate social responsibility ("**CSR**"), we have already setup a CSR Committee comprising Astha Bajaj, Anil Nath and Karan Bajaj**.** We believe in contributing to the communities in which we operate. While being focused on sustained economic performance, we are also aware of the necessity and importance of social stewardship. In our efforts towards CSR, and in terms of our CSR policy, we intend to focus on activities relating to eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, contributing to the Swachh Bharat Kosh set-up by the Central Government of India for the promotion of sanitation and to making safe drinking water easily available for all, promoting education, including vocational education among children, women, elderly, and the differently abled, to enhance their livelihoods. For instance, our Company has identified a CSR project to help patients of Beta Thalassemia and sickle cell affected children. The amount of ₹19.53 million has been committed to the project.

Property

We have taken on lease our Registered Office which is located at D No: 6-1-91, Shop No. 10, Ground Floor, Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad, Telangana – 500 004, India. As of August 15, 2021, out of our total 99 stores, 85 stores are situated on premises taken on lease, eight stores are owned and six stores are partly owned and party taken on lease. As of August 15, 2021, all of our seven large warehouses were located on premises that we lease.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant Indian laws and regulations which are applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details, see *"Risk Factors - Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and financial performance."* on page 46.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly 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 281.

Key regulations applicable to our Company

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the States in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia,* the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used, and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules define "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, whole sale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia,* the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules, . The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the Act and the Rules.

Laws relating to Country of Origin

Currently, Legal Metrology (Packaged Commodities) Rules, 2011 ("**Packaged Commodity Rules**") require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. The Packaged Commodity Rules were *vide* and amendment made applicable to the product listing information on e-commerce platforms and inter alia, mandates the specification of Country of Origin on the product listing page. Demands for specifying the

Country of Origin ("**COO**") of products sold online has gained ground in view of Prime Minister's vision "Make in India". The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 01, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, inter alia, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller.

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The Information Technology (Amendment) Act, 2008, which amends the IT Act, facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 ("**IT Intermediary Rules**") in respect of Section 79(2) of IT Act, requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

The DoIT has recently notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediary Rules**") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediaries Rules further requires the intermediaries to provide for a grievance redressal mechanism and appoint a nodal officer and a resident grievance officer.

Personal Data Protection Bill, 2019 ("PDP Bill")

The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Indian Government, Indian companies, foreign companies dealing with personal data of individuals in India, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data ("**NPD**"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data *i.e.*, data pertaining to characteristics, traits or attributes of identity, which can be used to identify an individual), access and sharing of NPD with government and corporations alike and a registration regime for "data businesses", being business that collect, process or store data, both personal and non-personal.

Bureau of Indian Standards Act, 2016

Bureau of Indian Standards Act, 2016 provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the development of the activities, inter alia, standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services, and for matters connected therewith and incidental thereto. Functions of the BIS include, inter alia, (a) recognizing as an Indian standard, with the prior approval of the Central Government, the mark of any international body or institution at par with the standard mark, for such goods, articles, process, system or service in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; (c) providing training services in relation to inter alia, quality management, standards, conformity assessment; (d) publishing Indian standards; promotion of safety in connection with any goods, article, process, system or service; and (e) any such other functions as may be necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stakeholders.

The Trademarks Act, 1999 ("Trademarks Act")

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individually or jointly, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 provides for simultaneous protection of trademark in India and other countries which has been made available to owners of Indian and foreign trademarks. The Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act, along with the Copyright Rules, 1958, serves to create property rights for certain kinds of intellectual property. The Copyright Act governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection and the owner of such software becomes entitled to protect his works against unauthorised use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author.

Reproduction of a copyrighted software for sale or hire or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amount to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

Consumer Protection Act, 2019 ("COPRA")

COPRA is preceded by the Consumer Protection Act, 1986. COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA has extended the definition of a 'consumer' to include purchase of goods or services through an offline and online transaction, and provides a mechanism for the consumer to file a complaint against a service provider in cases of, *inter alia*, unfair trade practices, restrictive trade practices, deficiency in services and price charged being unlawful. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties. The COPRA has also brought e-commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online market places and online auction sites.

The Ministry of Consumer Affairs, Food and Public Distribution issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020 which govern the online sale of goods, services, digital products by entities which own, operate or manage digital or electronic facility or platform for electronic commerce ("**E-Commerce Entities**"), all models of e-commerce (including marketplace or inventory model), and all ecommerce sellers. The E-Commerce Rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers.

The Sale of Goods Act, 1930 (the "Sale of Goods Act")

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

Indian Contract Act, 1872

Indian Contract Act governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; competency of people to contract, additionally, revocation, and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act, 1872. However, the law is not updated yet to deal with electronic contracts, where there is absence of online signatures.

Environmental Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

Laws relating to taxation

The tax related laws along with their respective rules that may be applicable to the operations of our Company include:

1. the Income Tax Act 1961, as amended by the Finance Act in respective years;
2. Central Goods and Services Tax Act, 2017, (along with the various state-wise legislations issued thereunder);
3. The Integrated Goods and Service Tax Act, 2017;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-specific legislations made thereunder

Laws governing foreign investments

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments 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.

Since, the business of multi-brand retail trading falls under the restricted route of investment under the FDI Policy, accordingly FDI investment in our Company is restricted and is subject to prior government approval. Therefore, Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of the FDI route. Therefore, FPIs may purchase or sell equity instruments of our Company subject to the total holding by each FPI or an investor group, not exceeding 10% of our total paid-up Equity Share Capital on a fully diluted basis. Furthermore, the total holdings of all FPIs put together, including any other direct and indirect foreign investments in our Company, permitted under these rules, shall not exceed 24 % of our total paid-up Equity Share Capital on a fully diluted basis. The said limit of 10 % and 24 % shall be called the individual and aggregate limit, respectively.

Therefore, in this Issue Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of the FDI route and will have to invest as Foreign Portfolio Investors, subject to their investment not exceeding the individual and aggregate limits. FPIs can invest up to 10% individually and up to 24 % of our Company's paid-up Equity Share Capital on a fully diluted basis on an aggregate basis. 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-Issue Equity Share capital. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 316.

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, as amended, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require the prior approval of the RBI.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- EPFMP Act;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;

- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Code of Wages, 2019;
- The Occupational Safety, Health and Working Conditions Code, 2020;
- The Industrial Relations Code, 2020;
- The Code on Social Security, 2020; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally formed as a sole proprietorship under the name of 'M/s Bajaj Electronics' at Hyderabad in 1980 and it was converted into a partnership firm under the name of 'M/s Bajaj Electronics' ("**Bajaj Electronics**") pursuant to partnership deed dated March 25, 2011 and was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, Hyderabad (South) on April 13, 2011. Pursuant to deed of partnership dated July 31, 2017, constitution of 'M/s Bajaj Electronics' was modified to admit new partners and a memorandum acknowledging receipt of documents for change in constitution of partnership was issued by Registrar of Firms, Hyderabad (South), on August 2, 2017. Bajaj Electronics was thereafter converted into public limited company under the Companies Act, 2013 with the name Electronics Mart India Limited pursuant to certificate of incorporation issued by Central Registration Centre, Registrar of Companies dated September 10, 2018.

Changes in the Registered Office

Our Registered Office is located at D. No: 6-1-91, Shop No. 10, Ground Floor, Next to Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad – 500 004. There has been no change in registered office of our Company since the date of incorporation.

Main objects of our Company

The main objects contained in our MoA are as follows:

1. "*To continue and carry on the existing business of M/s. BAJAJ ELECTRONICS (a partnership firm) on an ongoing concern basis.*

2. *To carry on the business as trader, retailers, wholesalers, distributors, merchants, agents, sub-agents, stockist or in any other capacity in India or elsewhere and to carry on the business of manufacture including production, processing, fabrication, assembling, repairing, alteration, marketing and to import, export, buy, sell, exchange or otherwise deal and trade in all type and varieties of electrical, electro mechanical and electronic appliances, equipments, lightings and lighting fixtures, consumer products, health products, medical products, household and / or commercial appliances and / or articles and accessories, spares, components and all kinds of consumables etc. including but not limited to televisions, mobile phones, computers, laptops and accessories, IT products, washing machines, kitchen-wares, kitchen appliances, air purifiers, water purifiers, water dispensers, dish washers, ovens, mixies, electric irons, refrigerators, commercial refrigerators, television sets, fans, air conditioners, commercial air conditioners, air coolers, communication equipments, photocopying machines, cameras, gas stoves and hobs.*

3. *To carry on in India or elsewhere the business of architectural work, HVAC work, home automation, building automation, home furnishing, building furnishing, IT enabled surveillance security, interior and exterior work/ design, and to act as interior and exterior designers/ decorators, consultants, advisors, contractors, turnkey contractors and to undertake business of dealers, distribution, contractor, manufacturer, develop, fabricate and to act as importer, exporter, buyer, seller, job worker either alone or jointly of equipment and material required for interior and exterior works of residential, commercial and industrial projects."*

The main objects as contained in our MoA enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the MoA

The following changes have been made to our Memorandum of Association since its incorporation:

Date of Shareholders' resolution	Particulars
May 04, 2021	Clause III (A) of the MoA was altered to reflect the insertion of the following sub-clause (3), after sub clause (2) of clause 3(a): *"To carry on in India or elsewhere the business of architectural work, HVAC work, home automation, building automation, home furnishing, building furnishing, IT*

Date of Shareholders' resolution	Particulars
	enabled surveillance security, interior and exterior work/ design, and to act as interior and exterior designers/ decorators, consultants, advisors, contractors, turnkey contractors and to undertake business of dealers, distribution, contractor, manufacturer, develop, fabricate and to act as importer, exporter, buyer, seller, job worker either alone or jointly of equipment and material required for interior and exterior works of residential, commercial and industrial projects"

Major events and milestones of our Company

The table below sets forth some of the major events in the history of our Company:

Financial Year	Event
2021	Number of operational stores reached to 99 stores comprising 88 multi brand outlets and 11 exclusive brand outlets.
2020	Crossed INR 30,000 million in net sales
2019	Expanded our operations beyond our brick and mortar stores situated at Andhra Pradesh and Telangana by commencing our business operations on E-commerce platform in association with Amazon and PayTm.
2018	Opened 50th store in Hyderabad
	Crossed INR 20,000 million in net sales
	Our Company was incorporated pursuant to its conversion from a partnership firm into a public limited company.
	Launched first Apple IQ store at Attapur, Telangana
2017	Forayed into ecommerce space through our website www.bajajelectronics.com
2016	Crossed INR 10,000 million in net sales
2014	Crossed INR 5000 million in net sales
1980	Opened first retail store at Lakdikapool

Awards and Accreditations

Calendar Year	Event
2020	Awarded "*Most promising channel partner – Dispensers*" by Voltas at the Channel Partner Meet 2020
	Awarded "*Highest Sales - Retail Chain"* to Hyderabad Branch*"* by Voltas at the Channel Partner Meet 2020
	Awarded "*Certificate of Appreciation"* by Pine Labs
	Awarded "*Best Sales Performance across categories -2020*" by Samsung
2019	Awarded "*Best Business Partner Excellence Award-2019"* and "*Best Contribution-2019*" by VIVO
	Awarded "*Highest Sales - Retail Chain"* to Hyderabad Branch*"* by Voltas at the Channel Partner's Meet 2019
	Awarded "*Remarkable Contribution Award"* by Oppo at the O-Partner's Gratitude Meet 2019.
2018	Awarded "*Highest RA Sales (Regional Retail) Award"* to Hyderabad branch by Daikin at the Dealer Awards 2018
	Awarded "*Certificate of Recognition"* by Samsung
2017	Awarded "*Outstanding Performer (Air Coolers)"* by Voltas

Time and cost over-runs

As on the date of this Draft Red Herring Prospectus, our Company has not experienced any time or cost overruns in setting up any projects.

Defaults, re-scheduling or re-structuring of borrowings with financial institutions/banks

Other than as disclosed below, there have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in the Company.

Our Company had delayed in the repayment of the borrowings to HDFC Bank and Kotak Mahindra Bank in Fiscal 2020 and to HDFC Bank and Bajaj FinServ Limited in Fiscal 2019. The delay in the repayment of the borrowings to the banks is as follows:

a) In Fiscal 2020

Banks	Amount of default (₹ *in million)*	Period of default (in days)
HDFC Bank Limited	1.19	2
	1.71	8
	0.92	33
Kotak Mahindra Bank Limited	2.55	3

b) In Fiscal 2019

Banks	Amount of default (₹ *in million)*	Period of default (in days)
HDFC Bank Limited	4.05	1
	1.74	2
Bajaj FinServ Limited	0.61	1
	2.42	2

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.

Launch of key products or services, entry into new geographies or exit from existing markets

We have set up two exclusive stores for buying, selling, reselling, supplying, storing, promoting and marketing kitchen and other home appliances under brand name "Kitchen Stories". Similarly we are in the process of setting up one exclusive store under the brand name "Audio & Beyond" for buying, selling, reselling, supplying, storing, promoting and marketing home/ office automation products and to construct, set up, install home/ office automation, smart home/ office, smart lighting, home/ office security, home/office theatres, multi room audio, voice control etc. For details of the agreements executed for the above-mentioned set up and other key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" on page 132.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not made any material acquisitions or divestments of any business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last 10 years.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, Associates and Joint Venture

As of the date of this Draft Red Herring Prospectus, our Company has two subsidiaries.

1. **Cloudnine Retail Private Limited ("Cloudnine")**

   Corporate Information

   Cloudnine was incorporated on August 29, 2019 as a private limited company under the Companies Act, 2013. Its corporate identification number is U52190TG2019PTC135128. It has its registered office at Municipal No. 23-6-918, Ground Floor, Shahalibunda, Hyderabad – 500 065, Telangana, India.

   Nature of business

   Cloudnine is authorised to undertake retail business of electronic and electrical home appliances and IT products through e-commerce platforms. Cloudnine Retail Private Limited is yet to start its operations.

   Capital Structure

The authorized, issued, subscribed and paid-up share capital is ₹1,000,000 divided into 100,000 equity shares of ₹10 each.

Shareholding

The shareholding pattern of Cloudnine is as follows:

Name of the Shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
Company	99,990	99.99
Karan Bajaj*	10	0.01
Total	**100,000**	**100.00**

**As a nominee of our Company*

Accumulated Profits or Losses of our Subsidiary

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company as on date of this Draft Red Herring Prospectus.

2. **EMIL CSR Foundation ("ECF")**

Corporate Information

ECF was incorporated on February 25, 2021 under section 8 of the Companies Act, 2013. Its corporate identification number is U85300TG2021NPL149022. It has its registered office at 23-6-918, Shahalibanda, Moghalpura, Hyderabad – 500 065, Telangana, India.

Nature of business

ECF is authorized to undertake corporate social responsibility activities of the Company and to carry on such activities as mentioned in schedule VII of the Companies Act, 2013, as amended from time to time. EMIL CSR FOUNDATION is yet to start its operations of undertaking CSR activities.

Capital Structure

The authorized, issued, subscribed and paid-up share capital is ₹ 100,000 divided into 10,000 equity shares of ₹10 each.

Shareholding

The shareholding pattern of ECF is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding for the respective classes of shares (%)
Company	9,990	99.90
Karan Bajaj*	10	0.10
Total	**10,000**	**100**

**As a nominee of our Company*

Accumulated Profits or Losses of our Subsidiary

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company as on date of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, our Company has no associate or joint venture entities.

Shareholders' agreements and other agreements

Shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders agreements.

Key terms of other subsisting material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company. For details on business agreements of our Company, see "*Our Business*" on page 132.

Agreements with Key Managerial Personnel, Directors, Promoters or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel, Directors or Promoters 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.

Common Pursuits between our Subsidiaries and our Company

There are no common pursuits between our Company and Subsidiaries and except as disclosed in "*Restated Financial Information - Note 34 - Related party disclosures"* on page 230, our Subsidiaries have no business interests in our Company.

Other Confirmations

None of the securities of any of our Subsidiaries have been refused listing by any stock exchange in India or abroad during last 10 years, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

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 three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors including three Executive Directors and three Non-executive Directors of which all three are independent Directors. Our Board comprises of one woman, independent Director.

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

S. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
1.	**Pavan Kumar Bajaj** ***Designation****:* Chairman and Managing Director ***Address****:* 6-3-1247, Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Hyderabad 500 082, Telangana, India ***Occupation****:* Business ***Date of birth:*** October 16, 1954 ***Nationality****:* Indian **Period of directorship and Term**: For a period of five years with effect from October 01, 2018, until September 30, 2023 ***DIN****:* 07899635	66	• Cloudnine Retail Private Limited • EMIL CSR Foundation
2.	**Karan Bajaj** ***Designation****:* Chief Executive Officer and Whole-time Director ***Address****:* 6-3-1247, Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Hyderabad 500 082, Telangana, India ***Occupation****:* Business ***Date of birth:*** March 20, 1987 ***Nationality****:* Indian ***Period of directorship and Term****:* For a period of five years with effect from October 01, 2018, until September 30, 2023 and is liable to retire by rotation ***DIN****:* 07899639	34	• Cloudnine Retail Private Limited • EMIL CSR Foundation
3.	**Astha Bajaj** ***Designation***: Executive Director & Whole-time Director ***Address****:* Flat No. 201/202, Sagar Apartments, Raj Bhavan Road, Somajiguda, Nampally, Hyderabad 500 082, Telangana, India ***Occupation****:* Business ***Date of birth:*** March 28, 1990	31	• Cloudnine Retail Private Limited • EMIL CSR Foundation

S. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
	Nationality: Indian ***Period of directorship and Term:*** For a period of five years with effect from October 01, 2018, until September 30, 2023 ***DIN:*** 07899784		
4.	**Anil Rajendra Nath** ***Designation***: Independent Director ***Address:*** 701, Gabbana House, 15th Road, Above HDFC Bank, Khar West, Mumbai 400 052, Maharashtra, India ***Occupation:*** Professional ***Date of birth:*** December 24, 1952 ***Nationality:*** Indian **Period of directorship and Term**: For a period of five years with effect from December 3, 2018, until December 02, 2023 ***DIN:*** 07261148	68	• Samaaru Finance Private Limited
5.	**Mirza Ghulam Muhammad Baig** ***Designation***: Independent Director ***Address:*** 1-1-486, F-501, Rakesh Residency, Gandhi Nagar, Hyderabad 500 080, Telangana, India ***Occupation:*** Consultant ***Date of birth:*** July 17, 1951 ***Nationality:*** Indian ***Period of directorship and Term:*** For a period of five years with effect from December 3, 2018, until December 02, 2023 ***DIN:*** 08281763	70	Nil
6.	**Suman Kumar** ***Designation***: Independent Director ***Address:*** Flat No. 2200, Building 5B, Lodha Bellezza, KPHB Colony, Kukatpally, Tirumalagiri, Hyderabad 500 072, Telangana, India ***Occupation:*** Businesswoman ***Date of birth:*** July 28, 1948 ***Nationality:*** Indian	73	• Confederation of Women Entrepreneurs of India • Grindwell Pulverizers Private Limited • Siddhi Ceracolors Private Limited • Sukaso Ceracolors Private Limited • Sukaso Engineering Enterprises Private Limited

S. No.	Name, designation, address, occupation, date of birth, nationality, period and term and DIN	Age (years)	Directorships in other companies
	Period of directorship and Term: For a period of five years with effect from December 3, 2018, until December 02, 2023 ***DIN:*** 00580302		

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board. Further, none of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Relationship between our Directors

Except for Karan Bajaj who is the son of Pavan Kumar Bajaj, and husband of Astha Bajaj, none of our Directors are related to each other.

Brief Biographies of Directors

Pavan Kumar Bajaj is the founder Promoter, Chairman and Managing Director of our Company. He has basic education and has appeared for the first and second year examinations of bachelor's degree in commerce held in Osmania University. He founded the erstwhile sole proprietorship 'M/s. Bajaj Electronics' in 1980 and has over 40 years of experience in retail business management.

Pavan Kumar Bajaj is unable to trace copies of documents pertaining to his educational qualifications. For further details, see *"Risk Factors – Reliance has been placed on declarations and an affidavit furnished by Pavan Kumar Bajaj, our Promoter, for details of his profile included in this Draft Red Herring Prospectus*" on page 33.

Karan Bajaj is the Chief Executive Officer and Whole-time Director of our Company. He has cleared the examination of the degree course of bachelor's of commerce from Osmania University and holds a post graduate diploma in international management from University of Strathclyde. He has over 10 years of experience in retail business management.

Astha Bajaj is a Whole-time Director designated as the Executive Director of our Company. She holds a bachelor's degree in science from Gujarat University and a master's degree in biochemistry from Nirma University. She has over four years of experience in business management.

Anil Rajendra Nath is an Independent Director of our Company. He has received a certificate of distinction from Khalsa College, Amritsar for attaining eighth position in the final year of degree course of bachelor's of commerce. He holds a master's degree in business administration from Punjab University and a post graduate diploma in bank management from National Institute of Bank Management. He holds an experience in banking and finance and was associated with HSBC Bank, HDFC Bank and State Bank of India in various capacities. He is also a certified associate of the Indian Institute of Bankers.

Mirza Ghulam Muhammad Baig is an Independent Director of our Company. He holds a bachelor's degree and a master's degree in arts from Osmania University. He has over 31 years of experience in tax administration and has served as a Deputy Commissioner. He was also associated with Deloitte Touch Tohmatsu India Private Limited in the capacity of a support consultant – revenue and tax administration from 2013 to 2015 for a project funded by Department of International Development. He has also worked with the World Bank in the capacity of a short-term consultant in 2015.

Suman Kumar is an Independent Director of our Company. She holds a bachelor's degree in science (home science) from University of Delhi and a bachelor's degree in education from University of Mumbai. She has experience in the education industry and has also been associated with Small Industries Development Bank in the capacity of a director. She was appointed as a member of the Southern Regional Advisory Committee of Small Industries Development Bank of India in 1996. She was recognized by the Federation of Andhra Pradesh Chambers of Commerce & Industry as the 'The Best Women Entrepreneur/Scientist/Manager/Technologist in State' in 1999. She was also recognized by the STAR Group as one of the 'Leading Women Entrepreneurs of the World' in 2000.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on any stock exchange during their tenure as a director 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 their tenure as a director in such company.

Confirmations

Except as disclosed in the Draft Red Herring Prospectus, no consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Terms of appointment of Directors

1. **Remuneration to Executive Directors:**

Pavan Kumar Bajaj

Pavan Kumar Bajaj is the Chairman and Managing Director of our Company. Our Board and Shareholders in its meetings held on October 1, 2018 and October 23, 2018, respectively, approved the appointment of Pavan Kumar Bajaj as the Managing Director with effect from October 1, 2018 for a period of five years, unless terminated. Our Company has executed an employment agreement dated October 1, 2018 with Pavan Kumar Bajaj. Further, our Board and the Shareholders in its meetings held on February 28, 2020 and March 16, 2020, respectively, approved the following remuneration for Pavan Kumar Bajaj with effect from April 1, 2019 for the remaining period of his present term of appointment up to September 30, 2023, details of which are set out below:

Particulars	Remuneration
Salary	₹ 22 million per annum to be paid monthly. The annual salary shall be broken up into various components as per the rules of Company.
Annual Increment	Annual increment at the discretion of the Board
Commission	He is entitled to a commission not exceeding 1.5% of the net profits of the Company, subject to the discretion of the Board.
Performance bonus	He is entitled to a performance bonus not exceeding 500% of the annual salary, payable annually as may be recommended by the Nomination & Remuneration Committee and approved by the Board.
Perquisites, allowances and reimbursement of expenses	He is entitled to receive perquisites and allowances including (i) fully furnished rent free residential accommodation including the cost of repairs, maintenance, utilities and society charges; (ii) club fee of two clubs subject to a maximum of two clubs excluding life membership fees; (iii) car with driver for official use and personal use; (iv) medical reimbursement for self and family provided that the reimbursement shall not exceed one month's salary in a year of three month's salary over a period of three years; (v) personal accident insurance provided that the premium of the policy shall not exceed ₹ 0.1 million; (vi) leave travel concession for self and family once in a year in accordance with the rules of the Company; (vii) gratuity as per the Payment of Gratuity Act, 1972 and rules made thereunder; and (viii) annual leave of 30 days per year or as the Board may approve from time to time and leave encashment facility. He is also entitled to receive reimbursement for all expenses, including entertainment and travelling expenses incurred by him in connection with the conduct of the business / affairs of our Company.

During Financial Year 2021, Pavan Kumar Bajaj was paid remuneration of ₹ 31.23 million by the Company.

Further, he has not been paid any remuneration in Financial Year 2021 by our Subsidiaries, including contingent or deferred compensation for Financial Year 2021.

Karan Bajaj

Karan Bajaj is the Chief Executive Officer and Whole-time Director of our Company. Our Board and Shareholders in its meetings held on October 1, 2018 and October 23, 2018, respectively approved the appointment of Karan Bajaj as the Chief Executive Officer and Whole-time Director with effect from October 1, 2018 for a period of five years. Our Company has executed an employment agreement dated October 1, 2018 with Karan Bajaj. Further, our Board and Shareholders in its meetings held on February 28, 2020 and March 16, 2020, respectively, approved the following remuneration for Karan Bajaj with effect from April 1, 2019 for the remaining period of his present term of appointment up to September 30, 2023, details of which are set out below:

Particulars	Remuneration
Salary	₹ 24 million per annum to be paid monthly. The annual salary shall be broken up into various components as per the rules of Company.
Annual Increment	Annual increment at the discretion of the Board
Commission	He is entitled to a commission not exceeding 1.5% of the net profits of the Company, subject to the discretion of the Board.
Performance bonus	He is entitled to a performance bonus not exceeding 500% of the annual salary, payable annually, as may be recommended by the Nomination & Remuneration Committee and approved by the Board.
Perquisites, allowances and reimbursement of expenses	He is entitled to receive perquisites and allowances including (i) fully furnished rent free residential accommodation including the cost of repairs, maintenance, utilities and society charges; (ii) club fee of two clubs subject to a maximum of two clubs excluding life membership fees; (iii) car with driver for official use and personal use; (iv) medical reimbursement for self and family provided that the reimbursement shall not exceed one month's salary in a year of three month's salary over a period of three years; (v) personal accident insurance provided that the premium of the policy shall not exceed ₹ 0.1 million; (vi) leave travel concession for self and family once in a year in accordance with the rules of the Company; (vii) gratuity as per the Payment of Gratuity Act, 1972 and rules made thereunder; and (viii) annual leave of 30 days per year or as the Board may approve from time to time and leave encashment facility. He is also entitled to receive reimbursement for all expenses, including entertainment and travelling expenses incurred by him in connection with the conduct of the business / affairs of our Company.

During Financial Year 2021, Karan Bajaj was paid remuneration of ₹ 25.97 million by the Company. Further, he has not been paid any remuneration in Financial Year 2021 by our Subsidiaries, including contingent or deferred compensation for Financial Year 2021.

Astha Bajaj

Astha Bajaj is a Whole-time Director designated as Executive Director of our Company. Our Board and Shareholders in their meetings held on October 1, 2018 and October 23, 2018, respectively approved the appointment of Astha Bajaj as a Whole-time Director with effect from October 1, 2018 for a period of five years. Our Company has executed an employment agreement dated October 1, 2018 with Astha Bajaj. Further, our Board and Shareholders in their meetings held on February 28, 2020 and March 16, 2020, respectively, approved the following remuneration for Astha Bajaj with effect from April 1, 2019 for the remaining period of his present term of appointment up to September 30, 2023, details of which are set out below:

Particulars	Remuneration
Salary	₹ 15 million per annum to be paid monthly. The annual salary shall be broken up into various components as per the rules of Company.
Annual Increment	Annual increment at the discretion of the Board
Commission	She is entitled to a commission not exceeding 1.5% of the net profits of the Company, subject to the discretion of the Board.

Particulars	Remuneration
Performance bonus	She is entitled to a performance bonus not exceeding 500% of the annual salary, payable annually as may be recommended by the Nomination & Remuneration Committee and approved by the Board.
Perquisites, allowances and reimbursement of expenses	She is entitled to receive perquisites and allowances including (i) fully furnished rent free residential accommodation including the cost of repairs, maintenance, utilities and society charges; (ii) club fee of two clubs subject to a maximum of two clubs excluding life membership fees; (iii) car with driver for official use and personal use; (iv) medical reimbursement for self and family provided that the reimbursement shall not exceed one month's salary in a year of three month's salary over a period of three years; (v) personal accident insurance provided that the premium of the policy shall not exceed ₹ 0.1 million; (vi) leave travel concession for self and family once in a year in accordance with the rules of the Company; (vii) gratuity as per the Payment of Gratuity Act, 1972 and rules made thereunder; and (viii) annual leave of 30 days per year or as the Board may approve from time to time and leave encashment facility. She is also entitled to receive reimbursement for all expenses, including entertainment and travelling expenses incurred by him in connection with the conduct of the business / affairs of our Company.

During Financial Year 2021, Astha Bajaj was paid remuneration of ₹ 15.04 million by the Company. Further, she has not been paid any remuneration in Financial Year 2021 by our Subsidiaries, including contingent or deferred compensation for Financial Year 2021.

2. **Remuneration to Non-executive Directors:**

Pursuant to the Board resolution dated February 28, 2020, each Non-executive Director is entitled to receive sitting fees of approximately ₹ 40,000 per meeting for attending meetings of the Board and sitting fees of ₹ 25,000 per meeting for attending meetings of committees of the Board and ₹ 15,000 per meeting for attending general meetings of our Company, within the limits prescribed under the Companies Act, and the rules made thereunder. The details of remuneration paid to our Non-executive Directors *i.e.*, our Independent Directors during Financial Year 2021 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹million)
1.	Anil Rajendra Nath	0.30
2.	Mirza Ghulam Muhammad Baig	0.27
3.	Suman Kumar	0.16

Shareholding of Directors in our Company

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares:

Name of Director	Number of Equity Shares held	Percent Shareholding (%)
Pavan Kumar Bajaj	152,057,999	50.69
Karan Bajaj	147,878,566	49.29
Astha Bajaj	13,287	Negligible

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in our Subsidiaries

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any equity shares in our Subsidiaries:

Name of the Director	Name of Subsidiaries	Number of equity shares	Percentage Shareholding (%)
Karan Bajaj	Cloudnine Retail Private Limited	10	0.01
	EMIL CSR Foundation	10	0. 10

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof and general meetings, and reimbursement of expenses available to them. Pavan Kumar Bajaj, Karan Bajaj and Astha Bajaj may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Terms of appointment of our Directors - Remuneration to Executive Directors*" on page 167, and Equity Shares held by them in the Company.

Except Pavan Kumar Bajaj and Karan Bajaj, who are promoters of our Company, none of our Directors have any interest in the promotion of our Company, except in the ordinary course of business. Pavan Kumar Bajaj, Astha Bajaj and Karan Bajaj may also be regarded as interested in the Equity Shares held by them or by their relatives, if any or to of any dividend payable to them and other distributions in respect of such Equity Shares.

Except as stated below, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company, in the three years preceding the date of this Draft Red Herring Prospectus:

Our Company has entered into sale cum rectification deeds dated February 06, 2021, June 10, 2020 and June 23, 2020 with our Promoter, Chairman and Managing Director, Pavan Kumar Bajaj, to convey the title of the following properties held by him in the capacity of a partner of the *erstwhile* M/s. Bajaj Electronics to our Company without payment of any consideration:

a) Municipal No. 11-13-1376/4/1, Commercial Building known as "Pinnacle One Complex", on Plot No. 1, Survey Number 7C, Saroor Nagar Village and Mandal, Ranga Reddy District, Telangana;

b) Part of basement, ground floor, first floor and second floor, House No. 15-31-83 on Plot No. 3-MIG, Survey Numbers 1058 and 1059, Dharmareddy Colony, Phase- I, Kukatpally village and Municipality, Balanagar Mandal, Ranga Reddy district;

c) Municipal Nos. 1-7-178, 182 to 184, commercial building complex known as "Paradise Pearl", Mahatma Gandhi Road, Penderghast, Secunderabad; and

d) Municipal Door Nos. 1-12-118/14, 1-12-118/14/A, 1-12-118/14/ B&C Commercial Building known as "Manikonda Plaza" on Plot No. LIG-B-14, in Survey Number 461 to 469, Dr. A.S. Rao Nagar, under GHMC Kapra Circle, Keesara Mandal, Medchal-Malkajgiri, Rangareddy District, Telangana, India.

Our Company has entered into leave and license agreements with Pavan Kumar Bajaj, Karan Bajaj and Renu Bajaj, who is the wife of Pavan Kumar Bajaj, with respect to the usage of various commercial properties located in Hyderabad, Telangana, wherein our Corporate Office is located. For details, see "*Restated financial Information - Note 34 - Related party disclosures*" on page 230 and "*Our Business*" – "*Property*" at page 152.

Further, except as disclosed in "*Restated financial Information - Note 34 - Related party disclosures*" on page 230, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Astha Bajaj	October 1, 2018	Appointed as Whole-time Director & Executive Director
Karan Bajaj	October 1, 2018	Appointed as Whole-time Director & Chief Executive Officer
Pavan Kumar Bajaj	October 1, 2018	Appointed as Managing Director
Anil Rajendra Nath	December 10, 2018	Appointed as Independent Director
Mirza Ghulam Muhammad Baig	December 10, 2018	Appointed as Independent Director
Suman Kumar	December 10, 2018	Appointed as Independent Director

Borrowing Powers of Board

Pursuant to our Shareholders' resolution dated March 16, 2020, in accordance with Section 180 of the

Companies Act, 2013, our Board is empowered to borrow money from time to time any sum of moneys at its discretion on such terms and conditions as it may deem fit, notwithstanding that the moneys so borrowed by our Company together with the moneys already borrowed or to be borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of its business), and outstanding at any one time shall not exceed the sum of ₹ 12,000.00 million.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the stock exchanges, BSE and NSE. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Committees of the Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act.
In terms of the Listing Regulations and the Companies Act, our Company has constituted the following Board-level committees:

Audit Committee

The members of the Audit Committee are:

1. Anil Rajendra Nath (*Chairman)*;
2. Pavan Kumar Bajaj (*Member)*; and
3. Suman Kumar (*Member)*.

The Audit Committee was constituted on December 28, 2018 and the terms of reference were updated on April 14, 2021 and August 23, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and the Listing Regulations and its terms of reference include the following:

(i) The Audit Committee shall have powers, which should include the following:

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain outside legal or other professional advice;
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- (b) Recommendation for appointment, re-appointment and removal/replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

- (c) Approval of payments to statutory auditors for any other services rendered by them to the Company;

- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) 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;
(ii) Changes, if any, in accounting policies and practices and reasons for the same;
(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
(iv) Significant adjustments made in the financial statements arising out of audit findings;
(v) Compliance with listing and other legal requirements relating to financial statements;
(vi) Disclosure of any related party transactions; and
(vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) 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 utilised 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;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, 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;

(k) Scrutiny of inter-corporate loans and investments;

(l) Conduct valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) 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;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) 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;

(r) 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;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Reviewing the functioning of the whistle blower mechanism;

(u) Approval of the appointment of the Chief Financial Officer of the Company (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;

(v) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

(w) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(x) monitoring the end use of funds raised through public offers and related matters;

(y) 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;

(z) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(aa) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(bb) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

(cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Mirza Ghulam Muhammad Baig, (*Chairman)*;
2. Anil Rajendra Nath (*Member)*; and
3. Suman Kumar (*Member)*.

The Nomination and Remuneration Committee was constituted on December 28, 2018 and the terms of reference were updated on April 14, 2021 and September 20, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director). The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) 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;

(g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining 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;

(j) Perform 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;

(k) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**");

(l) Determining the eligibility of employees to participate under the ESOP Scheme;

(m) Granting options to eligible employees and determining the date of grant;

(n) Determining the number of options to be granted to an employee;

(o) Determining the exercise price under the ESOP Scheme;

(p) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(q) 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, as amended; and
b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

by the Company and its employees, as applicable.

(r) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(s) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(t) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Suman Kumar (*Chairman*);
2. Astha Bajaj (*Member)*; and
3. Karan Bajaj (*Member).*

The Stakeholders' Relationship Committee was originally constituted by our Board at their meeting held on December 28, 2018 and reconstituted on April 14, 2021. The terms of reference were updated and approved on April 14, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, issue of new / duplicate certificates, general meetings etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) 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;

(e) Reviewing the 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;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(g) 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. Astha Bajaj (*Chairman)*;
2. Anil Rajendra Nath (*Member)*; and
3. Karan Bajaj (*Member)*.

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on December 28, 2018 and the terms of reference were also approved on April 14, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a. To formulate and recommend to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013;

b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

c. To monitor the corporate social responsibility policy from time to time; and

d. Any other matter as the corporate social responsibility policy 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. Pavan Kumar Bajaj (*Chairman*);
2. Karan Bajaj (*Member)*;
3. Astha Bajaj (*Member)*; and
4. Mirza Ghulam Muhammad Baig (*Member)*.

The IPO Committee was originally constituted by our Board at their meeting held on December 28, 2018 and reconstituted on April 14, 2021. The terms of reference were also updated on April 14, 2021. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Issue, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Issue, to appoint various intermediaries, negotiating and executing Issue related agreements and to submit applications and documents to relevant statutory and other authorities from time to time. The terms of reference of the IPO Committee of our Company include the following:

(i) To decide on the size, timing, pricing and all the terms and conditions of the issue and transfer of the Equity Shares including the number of the Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of any oversubscription), price and any discount as allowed under applicable laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;

(ii) To make applications to seek clarifications and obtain approvals from, where necessary, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Registrar of Companies and/or any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications/amendments/alterations/corrections in the DRHP, RHP, and the Prospectus as may be prescribed or imposed by any of the above mentioned authorities while granting such approvals, permissions and sanctions as may be required;

(iii) If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

(iv) To take all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;

(v) To appoint and enter into arrangements with the book running lead managers for the Offer ("**BRLMs**"), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank, refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsels each to the Company and the BRLMs and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation, execution and, if required, amendment of the Offer agreement with the BRLMs and the underwriting agreement with the underwriters;

(vi) To negotiate, finalise, settle, execute and deliver or arrange the delivery of Offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements, amendments and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(vii) To decide the pricing, the terms and conditions of the issue of the Equity Shares, all other related matters regarding the Pre-IPO Placement if any, including the execution of the relevant documents with the investors, in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;

(viii) To decide in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;

(ix) to finalise, settle, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**") and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto for the offer of Equity Shares and take all such actions in consultation with the BRLMs as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law;

(x) To seek, if required, the consent of the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

(xi) To open and operate bank account(s) of the Company in terms of the cash escrow agreement, sponsor bank agreement, as applicable for handling of refunds for the Offer and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xii) To authorise and approve in consultation with the BRLMs the incurring of expenditure in relation to the Offer and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(xiii) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

(xiv) To approve suitable policies in relation to the Offer such as policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under Applicable Laws and the listing agreement to be entered into by the Company with the relevant stock exchanges;

(xv) To approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws or the listing agreement to be entered into by the Company with the relevant stock exchanges in connection with the Offer;

(xvi) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(xvii) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xviii) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer in consultation with the BRLMs;

(xix) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(xx) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with Applicable Laws;

(xxi) To make applications for listing of Equity Shares on the recognised Stock Exchanges for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements;

(xxii) To do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(xxiii) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;

(xxiv) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment of the equity shares as aforesaid and matters incidental thereto in consultation with the BRLMs and to delegate the powers conferred hereinunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may be deemed necessary and permissible under Applicable Laws to the officials of the Company;

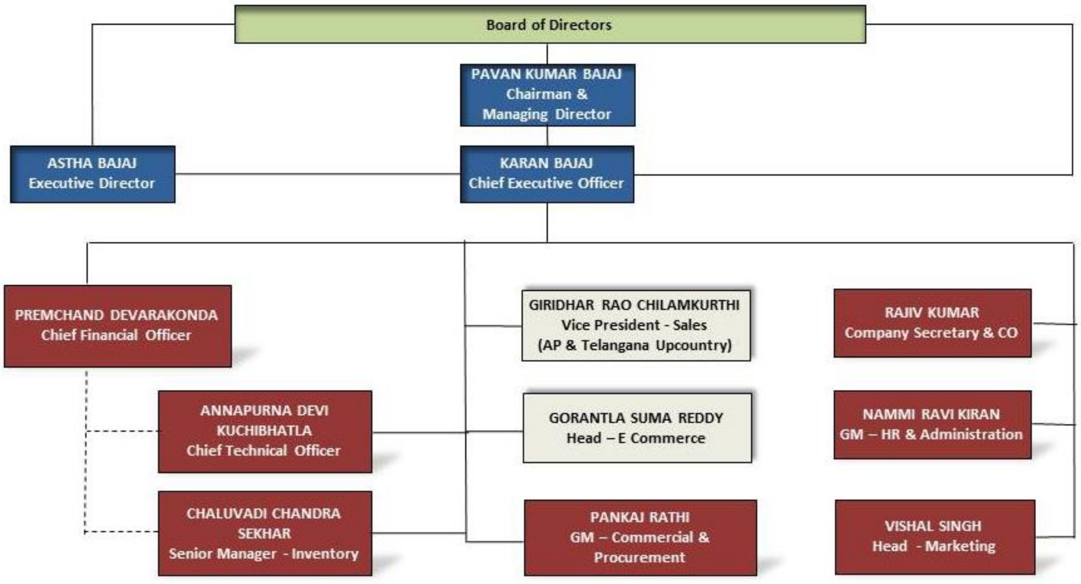
(xxv) To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;

(xxvi) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(xxvii) To submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed; and

(xxviii) To authorize and empower officers of the Company, (each, an "**Authorized Officer(s)**"), for and o behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchanges(s), the registrar's agreements, the offer agreement with the BRLMs and (other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the stabilization agreement, the cash escrow and sponsor bank agreement, the share escrow agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and such persons or agencies as may be involved in or concerned with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer, and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

Management Organisation Chart



Key Managerial Personnel

In addition to Pavan Kumar Bajaj, Karan Bajaj and Astha Bajaj, our Executive Directors, the following persons are our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus. For details see "*Brief Biographies of Directors*" and "*Remuneration to Executive Directors*" on pages 166 and 167, respectively. The details of our other Key Managerial Personnel are as follows:

Premchand Devarakonda is the Chief Financial Officer of our Company. He has been associated with our Company since October 30, 2019 and was appointed the Chief Financial Officer with effect from March 2, 2020. His term of office is till his resignation or termination of service by our Company. He holds a bachelor's degree in commerce from Andhra University. He is a fellow member of the Institute of Chartered Accountants of India and has also cleared the final examination and the information systems audit test held by the Institute of Chartered Accountants of India. In the past, he was associated with M/s. Manoj & Prem Associates, Chartered Accountants in the capacity of a partner, Services & Trade Company in the capacity of manager-internal audit and Coromandel Fertilisers Limited in the capacity of manager – management audit and Services & Trade Company LLC in the capacity of an Executive Director. During the Financial Year 2021, he was paid gross salary of ₹ 7.09 million.

Giridhar Rao Chilamkurthi is the Vice President - Sales of our Company. He has been associated with our Company since June 06, 2019. His term of office is till his resignation or termination of service by our Company. He holds a bachelor's degree in science and a master's degree in business administration from Nagarjuna University. Prior to joining our Company, he was associated with Tirumala Music Centre Private Limited in the capacity of a chief operating officer from 2014 to 2019. During the Financial Year 2021, he was paid gross salary of ₹ 4.16 million.

Rajiv Kumar is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since September 10, 2018. His term of office is till his resignation or termination of service by our Company.He holds a bachelor's degree in commerce from University of Delhi and a master's degree in business administration from Amity University. He is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with GENPACT India as a process associate from 2006 to 2011 for a period of four years and with SNJ Synthetics Limited as a company secretary from 2016 to 2017 for a period of more than one year. During the Financial Year 2021, he was paid gross salary of ₹ 0.99 million.

Annapurna Devi Kuchibhatla is the Chief Technical Officer of our Company. She has been associated with our Company since January 27, 2020. Her term of office is till her resignation or termination of service by our Company. She holds a bachelor's degree in science from Nagarjuna University and a master's degree in computer applications from Padmavati Mahila Visva Vidyalayam. She has received a certificate from Carnegie Mellon University on completion of requirements of professional education series and is also a certified information systems auditor. Prior to joining our Company, she was associated with LV Prasad Eye Institute in the capacity of a chief technical officer from 2009 to 2015 and in the capacity of consultant (chief technical officer) from 2015 to 2020. During the Financial Year 2021, she was paid gross salary of ₹ 3.58 million.

Gorantla Suma Reddy is the Head- E-commerce of our Company. She has been associated with our Company since December 01, 2016. Her term of office is till her resignation or termination of service by our Company. She has cleared the examination of bachelor's of commerce and master's of business administration from Osmania University. Prior to joining our Company, she was associated with Saisanj Retail Private Limited in the capacity of a vendor manager. During the Financial Year 2021, she was paid gross salary of ₹ 1.43 million.

Nammi Ravi Kiran is the General Manager-HR and Administration of our Company. He has been associated with our Company since November 17, 2017. His term of office is till his resignation or termination of service by our Company. He holds a provisional bachelor's degree in computer applications from Madurai Kamaraj University and has completed a post graduate diploma in business management (marketing management with human resource management). Prior to joining our Company, he was associated with Mahathi Software Private Limited in the capacity of a human resource manager from March 2017 until November 2017. During the Financial Year 2021, he was paid gross salary of ₹ 1.50 million.

Chaluvadi Chandra Sekhar is the Senior Manager- Inventory of our Company. He has been associated with our Company since March 08, 2019. His term of office is till his resignation or termination of service by our Company. He holds a bachelor's degree in arts from Andhra University and has received a provisional pass certificate for passing the examination of the degree course of master's in science (I.T.) from Kuvempu University. Prior to joining our Company, he was associated with Innovative Retail Concepts Private Limited in the capacity of an inventory head from 2018 to 2019. During the Financial Year 2021, he was paid gross salary of ₹ 0.95 million.

Pankaj Rathi is the General Manager- Commercial and Procurement of our Company. He has been associated with our Company since August 22, 2017. His term of office is till his resignation or termination of service by our Company. He holds a bachelor's degree in commerce from Maharshi Dayanand Saraswati University and has received a certificate from Association of Chartered Certified Accountants ("**ACCA**") for completing the strategic professional ACCA examinations. He has also cleared the final examination held by the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with ProArch IT Solutions Private Limited in the capacity of an associate general manager (finance) from 2016 to 2017. During the Financial Year 2021, he was paid gross salary of ₹ 2.79 million.

Vishal Singh is the Head- Marketing of our Company. He has been associated with our Company since August 28, 2020. His term of office is till his resignation or termination of service by our Company. He holds a bachelor's degree in commerce from Veer Bahadur Singh Purvanchal University and has completed post graduate diploma in management (marketing management) from Vishwa Vishwani Institute of Systems and Management. Prior to joining our Company, he was associated with Bennett Coleman & Company Limited in the capacity of a manager in response department from 2011 to 2020. During the Financial Year 2021, he was paid gross salary of ₹ 1.09 million.

Status of Key Managerial Personnel

All our Key Management Personnel are permanent employees of our Company.

Relationship between our Key Managerial Personnel and Directors

Except as stated below, none of our Key Management Personnel and Directors is related to each other:

Karan Bajaj is the son of Pavan Kumar Bajaj and husband of Astha Bajaj.

Shareholding of Key Managerial Personnel

Except as disclosed "*Our Management - Shareholding of Directors in our Company*" on page 169, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares
1.	Pavan Kumar Bajaj	152,057,999
2.	Karan Bajaj	147,878,566
3.	Astha Bajaj	13,287
	Total	**299,949,852**

Bonus or Profit-Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel

Except as disclosed in "*Our Management - Interest of Directors*" on page 169, our Key Management 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 and reimbursement of expenses incurred by them during the ordinary course of business.

The Key Management Personnel may be regarded as interested in the Equity Shares held by them, if any, and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Changes in the Key Managerial Personnel

In addition to the changes in our Board with respect to our Executive Directors as set forth under "*Our Management – Changes in the Board in the last three years*" on page 170, the changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change

Name	Designation	Date of change	Reason for change
Ramesh Madhupalli	Chief Financial Officer	July 24, 2021	Resigned as the Chief Financial Officer
Vishal Singh	Head- Marketing	August 28, 2020	Appointed as the Head- Marketing
Premchand Devarakonda	Chief Financial Officer	March 2, 2020	Appointed as the Chief Financial Officer
Annapurna Devi Kuchibhatla	Chief Technical Officer	January 27, 2020	Appointed as Chief Technical Officer
Aravind Devarakonda	Chief Financial Officer	September 26, 2019	Resigned as the Chief Financial Officer
Giridhar Rao Chilamkurthi	Vice President - Sales	June 06, 2019	Appointed as the Vice President - Sales
Chaluvadi Chandra Sekhar	Senior Manager- Inventory	March 08, 2019	Appointed as the Senior Manager-Inventory
Aravind Devarakonda	Chief Financial Officer	February 8, 2019	Appointed as the Chief Financial Officer
Ramesh Madhupalli	Chief Financial Officer	September 10, 2018	Appointed as the Chief Financial Officer
Rajiv Kumar	Company Secretary	September 10, 2018	Appointed as the Company Secretary

Service Contracts with Directors and Key Managerial Personnel

Except as disclosed in "*Our Management – Terms of appointment of our Directors - Remuneration to Executive Directors"* on page 167, no officer of our Company, including our Directors and the Key Managerial Personnel have entered into a service contract including termination/ retirement benefits with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

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.

Payment or benefit to Key Managerial Personnel

Except as disclosed in this section, no non-salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Pavan Kumar Bajaj and Karan Bajaj are the Promoters of our Company.

As on date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of Promoter	Number of Equity Shares	% of pre-Issue issued, subscribed and paid-up Equity Share capital
1.	Pavan Kumar Bajaj	152,057,999	50.69%
2.	Karan Bajaj	147,878,566	49.29%
	Total	**299,936,565**	**99.98%**

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Build-up of our Promoter's shareholding in our Company*", on pages 69.

Details of our Individual Promoters

	***Pavan Kumar Bajaj*** Pavan Kumar Bajaj, aged 66 years, is the Chairman and Managing Director of our Company. He is an Indian national. For details of his educational qualifications, personal address, date of birth, experience, positions and posts held in the past, other directorships, other ventures, business, financial activities and special achievements, see "*Our Management*" on page 164. His driving license number is AP00920110016253. His PAN is ADQPB9127L and Aadhar card number is [redacted]
	***Karan Bajaj*** Karan Bajaj, aged 34 years, is the Chief Executive Officer and Whole-time Director of our Company. He is an Indian national. For details of his educational qualifications, personal address, date of birth, experience, positions and posts held in the past, other directorships, other ventures, business, financial activities and special achievements, see "*Our Management*" on page 164. His driving license number is DLFAP009336592005. His PAN is AKLPB3840N and Aadhar card number is [redacted]

Our Company confirms that the permanent account numbers, bank account numbers and the passport numbers of Pavan Kumar Bajaj and Karan Bajaj shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Changes in the management and control of our Company

There has not been any change in the management or control of our Company in five years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; (3) of being Executive Directors and Key Management Personnel of our Company and the remuneration payable by our Company to them; (4) of their relatives having been appointed to places of profit in our Company; (5) that they have provided personal guarantees for the loans availed by our Company; and (6) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. In addition, the Promoters are interested to the extent of reimbursement paid to them. For details, see "*Capital Structure*", "*History and Certain Corporate Matters*", "*Our Management*", "*Restated Financial Information - Note 34 - Related party disclosures"* and "*Financial Indebtedness*" on pages 68, 159, 164, 230 and 271, respectively.

Except as stated below and in "*Restated financial Information - Note 34 - Related party disclosures*" on page 230, our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of filing of the Draft Red Herring Prospectus:

Our Company has entered into sale cum rectification deeds dated February 06, 2021, June 10, 2020 and June 23, 2020 with our Promoter, Chairman and Managing Director, Pavan Kumar Bajaj, to convey the title of the following properties held by him in the capacity of a partner of the *erstwhile* M/s. Bajaj Electronics to our Company without payment of any consideration:

a) Municipal No. 11-13-1376/4/1, Commercial Building known as "Pinnacle One Complex", on Plot No. 1, Survey Number 7C, Saroor Nagar Village and Mandal, Ranga Reddy District, Telangana;

b) Part of basement, ground floor, first floor and second floor, House No. 15-31-83 on Plot No. 3-MIG, Survey Numbers 1058 and 1059, Dharmareddy Colony, Phase- I, Kukatpally village and Municipality, Balanagar Mandal, Ranga Reddy district;

c) Municipal Nos. 1-7-178, 182 to 184, commercial building complex known as "Paradise Pearl", Mahatma Gandhi Road, Penderghast, Secunderabad; and

Municipal Door Nos. 1-12-118/14, 1-12-118/14/A, 1-12-118/14/ B&C Commercial Building known as "Manikonda Plaza" on Plot No. LIG-B-14, in Survey Number 461 to 469, Dr. A.S. Rao Nagar, under GHMC Kapra Circle, Keesara Mandal, Medchal-Malkajgiri, Rangareddy District, Telangana, India

Except as stated in this Draft Red Herring Prospectus and in "*Restated financial Information - Note 34 - Related party disclosures*" on page 230, our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Company has entered into leave and license agreements with Pavan Kumar Bajaj, Karan Bajaj and Renu Bajaj, who is the wife of Pavan Kumar Bajaj, with respect to the usage of various commercial properties located in Hyderabad, Telangana, wherein our Corporate Office is located. For details, see "*Restated Financial Information - Note 34 - Related party disclosures*" on page 230 and "*Our Business*" – "*Property*" at page 152. Except as stated in "*Restated Financial Information - Note 34 - Related party disclosures*" on page 230 and disclosed in "*Our Promoters and Promoter Group*" on page 184, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing 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 during the three years preceding the date of filing of the Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

Our Promoters, Pavan Kumar Bajaj, Karan Bajaj and member of our Promoter Group, Renu Bajaj have executed a deed of personal guarantee dated July 28, 2021 in favour of Bajaj Finance Limited to extend personal guarantees for the short term revolving loan credit facility amounting to ₹ 1,000 million availed by our Company. Further, our Promoters, Pavan Kumar Bajaj, Karan Bajaj and member of our Promoter Group, Renu Bajaj have also issued a letter of continuing guarantee dated July 1, 2021 in favour of HDFC Bank Limited to extend personal guarantees amounting to ₹ 3,785.50 million for the working capital and term loan facilities availed from the said bank.

Other than as disclosed in this chapter and in the chapter titled "*Financial Indebtedness*" at page 271 of this Draft Red Herring Prospectus, no material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Except as disclosed in "*Restated Financial Information - Note 34 - Related party disclosures"* on page 230 our Promoters are not involved in any other ventures. Further, our Promoters are not involved in any venture that is in the same line of activities or business as that of our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters are set out below:

Natural persons forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the individuals	Relationships
Pavan Kumar Bajaj		
1.	Renu Bajaj	Spouse
2.	Prem Bajaj	Brother
3.	Praveen Bajaj	Brother
4.	Kanwal Bajaj	Brother
5.	Rakhi Kapoor	Sister
6.	Seema Narula	Sister
7.	Isha Sameer Kalra	Daughter
8.	Lata Puri	Spouse's sister
Karan Bajaj		
1.	Astha Bajaj	Spouse
2.	Kabir Bajaj	Son
3.	Renu Bajaj	Mother
4.	Isha Sameer Kalra	Sister
5.	Devina Vijay Bhardwaj	Spouse's mother

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
1.	Sameto AG Drive Private Limited
2.	M/s. Box Food Company
3.	Bajaj Associates
4.	Intervein Pharmaceutical Solutions Private Limited

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of ‘group companies’, our Company has considered (i) such companies (other than our Subsidiaries) with which there were related party transactions during the period for which Restated Financial Information has been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board.

Accordingly, for (i) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Further, in respect of point (ii) above, our Board has in its meeting held on April 14, 2021 passed a resolution to consider such companies as “material” with which there were transactions in the most recent financial year, which, exceed 5% of the total consolidated restated revenue of our Company, as per the Restated Financial Information.

Based on the parameters outlined above, our Company does not have any group companies as on the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder). Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings and applicable taxes including dividend distribution tax payable by our Company. For details in relation to the risks involved in this regard, see "*Risk Factors – Our Company has not paid any dividends in the past and we may not be able to pay dividends in the future.*" on page 41. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For details, see the section entitled "*Financial Indebtedness*" on page 271. The Company has not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Draft Red Herring Prospectus and until the filing of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Electronics Mart India Limited
M. No 6-3-666/A1 to 7
3rd Floor, Opposite NIMS Hospital
Punjagutta Main Road
Hyderabad – 500 082

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Electronics Mart India Limited** (the "Company" or the "Issuer") and its subsidiaries, Cloudnine Retail Private Limited and EMIL CSR Foundation (the Company and its subsidiaries together referred to as the "Group") comprising:
   a. the Restated Consolidated Statement of Assets and Liabilities of the Group as at 31 March 2021, 31 March 2020 and Restated Standalone Statement of Assets and Liabilities of the Company as at 31 March 2019;
   b. the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement of the Group for the years ended 31 March 2021, 31 March 2020 and Restated Standalone Statements of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity, the Restated Standalone Cash Flow Statement of the Company for the year ended 31 March 2019; and
   c. the Summary of Significant Accounting Policies, and other explanatory information.

   These statements, collectively, the "Restated Consolidated Financial Information" are approved by the Board of Directors of the Company at their meeting held on 23 August 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited (collectively referred as the 'Stock Exchanges') in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(a) to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 12 July 2021 in connection with the proposed IPO of equity shares of Electronics Mart India Limited;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   a. Audited Consolidated financial statements of the Group as at and for the years ended 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 23 August 2021 and 29 October 2020, respectively.

   b. Audited Standalone financial statements of the Company as at and for the period beginning 10 September 2018 to 31 March 2019 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 26 September 2019.

   c. Audited Standalone financial statements of M/s Bajaj Electronics (the erstwhile partnership firm which has been converted into the Company) as at and for the period beginning 1 April 2018 to 10 September 2018 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 23 August 2021.

5. For the purpose of our examination, we have relied on auditors' reports issued by us dated 23 August 2021, 29 October 2020, 26 September 2019, and 23 August 2021 on the consolidated financial statements of the Group as at and for the years ended 31 March 2021 and 31 March 2020, financial statements of the Company as at and for the period 10 September 2018 to 31 March 2019, financial statements of M/s Bajaj Electronics (the erstwhile partnership firm) as at and for the period 1 April 2018 to 10 September 2018, respectively 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 Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020, period beginning 10 September 2018 to 31 March 2019, period beginning 1 April 2018 to 10 September 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2021;

   b. does not contain any qualifications regarding adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Note 36(iii)(3) to the Restated Consolidated Financial Information; and

   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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 and relevant stock exchanges 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 **Walker Chandiok &Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAAEX2707

Place: Hyderabad
Date: 23 August 2021

Electronics Mart India Limited
Restated Consolidated Statement of Assets and Liabilities
(All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,754.66	2,229.39	1,781.48
Right-of-use assets	35	3,975.47	3,482.39	3,075.27
Capital work-in-progress	5	20.44	24.27	195.28
Other intangible assets	6	6.35	3.04	12.10
Financial assets				
- Loans	7(a)	176.69	133.11	95.34
- Others	8(a)	73.45	61.26	-
Deferred tax assets (net)	27	115.76	67.50	85.18
Non-current tax assets	26(c)	47.69	86.27	59.12
Other non-current assets	9(a)	31.50	171.58	99.32
		7,202.01	**6,258.81**	**5,403.09**
Current assets				
Inventories	10	4,813.69	4,017.81	3,277.72
Financial assets				
- Trade receivables	11	953.92	845.98	843.42
- Cash and cash equivalents	12	350.21	870.73	507.73
- Loans	7(b)	9.54	9.29	10.38
- Others	8(b)	1.71	2.43	-
Other current assets	9(b)	1,904.19	1,470.96	1,049.14
		8,033.26	**7,217.20**	**5,688.39**
Total assets		**15,235.27**	**13,476.01**	**11,091.48**
Equity and liabilities				
Equity				
Equity share capital	13	3,000.03	3,000.03	3,000.03
Other equity	14	1,919.15	1,330.73	404.94
Equity attributable to equity holders of holding company		**4,919.18**	**4,330.76**	**3,404.97**
Non-current liabilities				
Financial liabilities				
- Borrowings	15(a)	621.30	629.70	549.98
- Lease liabilities	35	4,016.83	3,365.51	2,987.36
Provisions	16	20.51	12.56	-
		4,658.64	**4,007.77**	**3,537.34**
Current liabilities				
Financial liabilities				
- Borrowings	15(b)	4,739.06	4,480.90	3,132.26
- Trade payables				
- total outstanding dues of micro enterprises and small enterprises	17	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	17	75.86	66.62	362.83
- Other financial liabilities	18	659.77	479.97	448.54
Other current liabilities	19	164.38	109.99	154.54
Current tax liabilities	26(d)	18.38	-	51.00
		5,657.45	**5,137.48**	**4,149.17**
Total equity and liabilities		**15,235.27**	**13,476.01**	**11,091.48**

The accompanying notes form an integral part of these Restated Consolidated Financial Information.
This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Sanjay Kumar Jain
Partner
Membership No.: 207660

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Karan Bajaj
Wholetime Director & CEO
DIN: 07899639

Premchand Devarakonda
Chief Financial Officer

Rajiv Kumar
Company Secretary

Place: Hyderabad
Date: 23 August 2021

Place: Hyderabad
Date: 23 August 2021

Electronics Mart India Limited
Restated Consolidated Statement of Profit and Loss
(All amounts in ₹ in millions, except earnings per equity share and unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	20	32,018.76	31,724.77	28,236.48
Other income	21	54.92	65.40	24.50
Total income		**32,073.68**	**31,790.17**	**28,260.98**
Expenses				
Purchases of stock-in-trade		28,469.14	27,762.26	24,669.39
Changes in inventories of stock-in-trade	22	(795.88)	(740.09)	(701.35)
Employee benefits expense	23	614.33	586.32	494.10
Finance costs	24	716.74	633.75	525.69
Depreciation and amortization expense	4, 6, 35	581.37	507.62	423.12
Other expenses	25	1,692.36	1,839.87	1,614.40
Total expenses		**31,278.06**	**30,589.73**	**27,025.35**
Profit before tax and exceptional item		**795.62**	**1,200.44**	**1,235.63**
Exceptional item	41	-	(78.65)	-
Profit before tax		**795.62**	**1,121.79**	**1,235.63**
Tax expense	26(a)			
(a) Current tax expense		257.67	349.45	497.28
(b) Deferred tax benefit		(48.26)	(43.74)	(32.61)
Profit for the year attributable to the Shareholders of the Company		**586.21**	**816.08**	**770.96**
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
(a) Remeasurement gain/(loss) on the defined benefit plans	23(b)	2.21	(4.64)	0.71
Total other comprehensive income/(loss), net of tax		**2.21**	**(4.64)**	**0.71**
Total comprehensive income for the year attributable to the Shareholders of the Company		**588.42**	**811.44**	**771.67**
Earnings per equity share (EPES) (in absolute ₹ terms):				
Basic and Diluted EPES (in absolute ₹ terms)	39	1.95	2.72	2.57

The accompanying notes form an integral part of these Restated Consolidated Financial Information.
This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 23 August 2021

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Karan Bajaj
Wholetime Director & CEO
DIN: 07899639

Premchand Devarakonda
Chief Financial Officer

Rajiv Kumar
Company Secretary

Place: Hyderabad
Date: 23 August 2021

Electronics Mart India Limited

Restated Consolidated Statement of Changes in Equity

(All amounts in ₹ in millions, except equity shares data and unless otherwise stated)

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 1 April 2018	-	-
Issued pursuant to conversion of firm as on 10 September 2018 (refer note 37)	300,003,000	3,000.03
As at 31 March 2019	**300,003,000**	**3,000.03**
Issued during the year	-	-
As at 31 March 2020	**300,003,000**	**3,000.03**
Issued during the year	-	-
As at 31 March 2021	**300,003,000**	**3,000.03**

(b) Partners' capital

	Amount
As at 1 April 2018	2,902.13
Profit for the period - transferred from reserves and surplus	320.22
Drawings during the period	(223.56)
Adjustments during the period	1.24
Equity shares issued pursuant to conversion of firm (refer note 37)	(3,000.03)
Balance as at 10 September 2018	**-**

(c) Other Equity

	Reserves and Surplus	Other Comprehensive Income - Actuarial gain/(loss)	Total
	Surplus in the Statement of Profit and Loss		
Balance as at 1 April 2018	-	-	-
Restatement adjustments (refer note 36(i)(b))	(46.51)	-	(46.51)
Profit for the year	770.96	-	770.96
Other comprehensive income for the year	-	0.71	0.71
Transferred to partner's capital as on 10 September 2018	(320.22)	-	(320.22)
Balance as at 31 March 2019	**404.23**	**0.71**	**404.94**
Restatement adjustments (refer note 36(i)(a))	114.35	-	114.35
Profit for the year	816.08	-	816.08
Other comprehensive income for the year	-	(4.64)	(4.64)
Balance as at 31 March 2020	**1,334.66**	**(3.93)**	**1,330.73**
Profit for the year	586.21	-	586.21
Other comprehensive income for the year	-	2.21	2.21
Balance as at 31 March 2021	**1,920.87**	**(1.72)**	**1,919.15**

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Sanjay Kumar Jain
Partner
Membership No.: 207660

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Karan Bajaj
Wholetime Director & CEO
DIN: 07899639

Premchand Devarakonda
Chief Financial Officer

Rajiv Kumar
Company Secretary

Place: Hyderabad
Date: 23 August 2021

Place: Hyderabad
Date: 23 August 2021

Electronics Mart India Limited
Restated Consolidated Cash Flow Statement
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities			
Profit before tax	795.62	1,121.79	1,235.63
Adjustments to reconcile profit before tax to net cash flows:			
- Depreciation and amortization expense	581.37	507.62	423.12
- Provision for employee benefits	10.07	8.23	8.84
- Bad debts written-off	47.56	19.46	20.85
- Advances written-off	5.83	13.95	17.34
- Liabilities no longer required written back	(8.44)	(40.55)	(8.11)
- Gain on de-recognition of right-of-use assets	(1.88)	-	-
- Rent concessions	(16.38)	-	-
- Loss on sale of property, plant and equipment	-	78.65	-
- Interest expense	700.76	622.35	518.19
- Interest income	(15.34)	(13.90)	(7.21)
Adjustments for working capital :			
Increase in loans	(31.98)	(28.96)	(19.10)
Increase in other assets	(439.07)	(432.36)	(447.03)
Increase in inventories	(795.88)	(740.09)	(701.35)
Increase in trade receivables	(155.49)	(22.03)	(176.75)
Increase/(decrease) in trade payables	9.24	(296.21)	284.36
Increase/(decrease) in financial liabilities	100.37	(6.01)	134.17
Increase/(decrease) in other current liabilities and provisions	54.49	(4.29)	6.75
Cash generated from operations	**840.85**	**787.66**	**1,289.70**
Income taxes paid, net	(200.71)	(427.60)	(597.48)
Net cash generated from operating activities	**640.14**	**360.06**	**692.22**
Cash flow from investing activities			
Purchase of property, plant and equipment, including intangible assets	(544.19)	(643.98)	(486.23)
Proceeds from sale of property, plant and equipment	-	50.00	-
Payment towards right-of-use assets	(47.27)	(48.51)	(45.52)
Movement in bank deposits	(12.20)	(61.26)	-
Interest received	4.21	0.26	7.21
Net cash used in investing activities	**(599.45)**	**(703.49)**	**(524.54)**
Cash flow from financing activities			
Partner's drawings	-	-	(222.32)
Repayment of long-term borrowings	(104.86)	(100.49)	(97.36)
Proceeds from long-term borrowings	120.70	186.69	293.80
Proceeds from short-term borrowings, net	258.16	1,348.65	711.90
Payment of lease liability	(134.68)	(114.18)	(81.18)
Interest paid	(700.53)	(614.24)	(516.88)
Net cash generated from/(used in) financing activities	**(561.21)**	**706.43**	**87.95**
Net increase/(decrease) in cash and cash equivalents	(520.52)	363.00	255.63
Cash and cash equivalents at the beginning of the year	870.73	507.73	252.10
Cash and cash equivalents at the end of the year (refer note 12)	**350.21**	**870.73**	**507.73**

This is the Restated Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Sanjay Kumar Jain
Partner
Membership No.: 207660

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Karan Bajaj
Wholetime Director & CEO
DIN: 07899639

Premchand Devarakonda
Chief Financial Officer

Rajiv Kumar
Company Secretary

Place: Hyderabad
Date: 23 August 2021

Place: Hyderabad
Date: 23 August 2021

1. Group Overview

The Restated Consolidated Financial Information comprises of restated financial information of Electronics Mart India Limited ("EMIL", "Holding Company" or "the Company") and its subsidiaries Cloudnine Retail Private Limited and EMIL CSR Foundation for the financial year ended 31 March 2021; EMIL and its subsidiary Cloudnine Retail for the financial year ended 31 March 2020; and of EMIL for the financial year ended 31 March 2019 (Holding Company and its subsidiaries collectively termed as "the Group"). The Holding Company is a public limited company incorporated under the provisions of the Companies Act, 2013. It was duly converted from a partnership firm, M/s Bajaj Electronics," with effect from 10 September 2018 vide CIN No. U52605TG2018PLC126593. The registered office of the Company is located at D. No.: 6-1-91, Shop No. 10, Ground Floor, Telephone Bhavan, Secretariat Road, Saifabad, Hyderabad, Telangana – 500004. The Holding Company's principal place of business is located at 6-3-666/A1 to 7, Opp. NIMS Hospital, Punjagutta Main Road, Hyderabad, Telangana – 500 082.

The Group is engaged in the business of sale of consumer electronics and durable products through a chain of retail stores located in the states of Telangana and Andhra Pradesh and also through the online platform.

These Restated Consolidated Financial Information have been prepared as a going concern on the basis of relevant Indian Accounting Standards ('Ind AS') and were approved by the Board of Directors and authorized for issue on 23 August 2021. The functional currency of the Group is 'Indian National Rupee'.

2. Summary of significant accounting policies

(a) Basis of preparation

The Restated Consolidated Financial Information have been prepared in accordance with the recognition and measurement principles of the accounting standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India ('Indian GAAP').

These Restated Consolidated Financial Information comprises of:
a. the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and Restated Standalone Statement of Assets and Liabilities as at 31 March 2019;
b. the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Cash Flow Statement and the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2021, 31 March 2020 and Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Cash Flow Statement and the Restated Standalone Statement of Changes in Equity for the year ended 31 March 2019; and
c. the summary of the significant accounting policies and other explanatory information

These statements are collectively hereinafter referred to as 'Restated Consolidated Financial Information'. The Restated Consolidated Financial Information have been prepared on a historical cost convention and on an accrual basis, except for the following: financial instruments/financial assets measured at fair value or amortized cost; employee defined benefit assets/ liability recognized as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

The financial statements of the erstwhile partnership firm, M/s Bajaj Electronics, for the period upto 10 September 2018 have been revised by the Company to conform to the format prescribed for companies under the Companies Act, 2013 in accordance with Ind AS notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (the "Re-casted Financial Statements").

2. **Summary of significant accounting policies** (continued)

These Re-casted financial statements have been audited by the statutory auditors of the Company, Walker Chandiok & Co LLP, Chartered Accountants, for the period upto 10 September 2018; additionally, they are also the first auditors of the Company and have audited the first financial statements of the Company prepared for the period 10 September 2018 to 31 March 2019 (collectively, 'the Audited Financial Statements'). The Statement of Profit and Loss as per these re-casted financial statements of the erstwhile partnership firm for the period 1 April 2018 to 10 September 2018 has been aggregated with the Statement of Profit and Loss of the Company for the period 10 September 2018 to 31 March 2019 in order to present a Statement of Profit and Loss for the year ended 31 March 2019 for the purpose of these Restated Consolidated Financial Information. The details of the income and expenses of the erstwhile partnership firm for the period 1 April 2018 to 10 September 2018 and the details of the income and expenses of the Company for the period 10 September 2018 to 31 March 2019 are as follows:

Particulars	For the period		For the year ended 31 March 2019
	1 April 2018 to 10 September 2018	10 September 2018 to 31 March 2019	
Revenue from operations	11,749.99	16,486.49	28,236.48
Other income	13.99	10.51	24.50
Total income	**11,763.98**	**16,497.00**	**28,260.98**
Expenses			
Purchases of stock-in-trade	9,814.07	14,855.32	24,669.39
Changes in inventories of stock-in-trade	147.38	(848.73)	(701.35)
Employee benefits expense	161.46	335.29	496.75
Finance costs	89.76	172.95	262.71
Depreciation and amortization expense	62.79	81.18	143.97
Other expenses	832.44	1,148.31	1,980.75
Total expenses	**11,107.90**	**15,744.32**	**26,852.22**
Profit before tax	656.08	752.68	1,408.76
Tax expense	299.95	272.67	572.62
Profit for the period/year	**356.13**	**480.01**	**836.14**
Other comprehensive income	2.66	0.71	3.37
Total comprehensive income for the period/year attributable to the Shareholders	**358.79**	**480.72**	**839.51**

These aggregated amounts for the year ended 31 March 2019, prior to adjustments on account of matters detailed in note 36, has been considered for the purpose of these Restated Consolidated Financial Information.

These audited financial statements form an integral part of the restated financial information, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (collectively, the 'Offer Documents'). All references made to the Company for the period when it was the erstwhile partnership firm are solely for the purpose of the Issue and reference in the Offer Documents.

In the Restated Consolidated Financial Information:

i. material amounts relating to adjustments for previous year on account of changes in accounting policies have been appropriately adjusted to ensure consistency of presentation, disclosures and the accounting policies for all the years presented in line with the audited consolidated financial statements of the Group for the year ended 31 March 2021;

2. Summary of significant accounting policies (continued)

ii. adjustments were made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group for the year ended 31 March 2021 prepared under Ind AS and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations');

iii. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated consolidated Financial Information have been prepared by the management of the Company in connection with the proposed listing of the equity shares of the Company by way of Initial Public Offering, to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and the National Stock Exchange of India Limited and BSE Limited (the 'Stock Exchanges') in accordance with the requirements of:

- Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013;

- Relevant provision of ICDR Regulations 2018, issued by SEBI as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and

- The Guidance note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountant of India (ICAI), as amended (the "Guidance Note").

(b) Consolidation process:

i. Subsidiaries:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these Restated Consolidated Financial Information from the date that control commences until the date that control ceases. For the purpose of preparing these Restated Consolidated Financial Information, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company, wherever applicable.

ii. Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in full while preparing these Restated Consolidated Financial Information. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

iii. Loss of Control:

Upon loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any noncontrolling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the restated consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL) financial asset, depending on the level of influence retained.

2. **Summary of significant accounting policies** (continued)

(c) These Restated Consolidated Financial Information have been prepared on the basis of the financial statements of the following subsidiaries:

S.No.	Names of the subsidiaries	Country of incorporation	% Holding	Date of Incorporation
1.	Cloudnine Retail Private Limited	India	100%	29 August 2019
2.	EMIL CSR Foundation	India	100%	25 February 2021

Details of subsidiaries consolidated while preparation of these Restated Consolidated Financial Information:

Names of the subsidiaries	2021	2020	2019
1. Cloudnine Retail Private Limited	Yes	Yes	Not applicable
2. EMIL CSR Foundation	Yes	Not applicable	Not applicable

Both the aforementioned subsidiaries are yet to commence their commercial operations as at 31 March 2021.

(d) Use of estimate

The preparation of Restated Consolidated Financial Information requires the management to make accounting estimates, assumptions and judgements that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(e) Operating cycle and current and non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. Summary of significant accounting policies (continued)

(f) Fair value measurement:

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Group 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.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, freight, non-refundable taxes and duties, specified foreign exchange gains or losses and any other cost attributable to bring the asset to its working condition for its intended use. Expenditure directly relating to construction activity is capitalized if the recognition criteria are met. Indirect expenditure is capitalized to the extent those relate to the construction activity or is incidental thereto. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gain or losses arising from derecognition of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives as estimated by the management. The details of useful lives as assessed by the management and as prescribed in the Schedule II to the Companies Act, 2013 is as follows:

2. Summary of significant accounting policies (continued)

Particulars	Management estimate (No. of years)	Schedule II (No. of years)
Buildings	60 years	60 years
Plant and equipment	15 years	15 years
Furniture and fixtures	8 years	10 years
Vehicles	8 - 10 years	8 - 10 years
Office equipment	5 years	5 years
Electrical installations and equipment	8 - 10 years	10 years
Computers and data processing units	3 - 6 years	3 - 6 years
Other equipments	15 years	15 years

Leasehold improvements are depreciated on straight-line method over the lease period or the useful lives as determined by management, whichever is lower.

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use.

Capital work-in-progress are not depreciated as these assets are not yet available for use.

(h) Intangible assets

Intangible assets in the nature of computer software are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortization of intangible assets
Intangible assets are amortized on a straight-line basis over the estimated useful life. The intangible assets are amortized over a period of three years from the date when the asset is available for use, as estimated by management. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds three years, the Group amortizes the intangible asset over the best estimate of its useful life.

(i) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. Summary of significant accounting policies (continued)

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified to the following category:

- Debt instruments at amortized cost

Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Equity instruments
All equity investments in subsidiaries are measured at cost less diminution other than temporary.

Cash and cash equivalents
Cash and cash equivalents represent cash and bank balances and fixed deposits with banks with original maturity of less than three months. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

De-recognition
The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Summary of significant accounting policies (continued)

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for following financial assets and credit risk exposures:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, commission receivables, other advances and bank balances

b) Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets, and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial Liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

2. Summary of significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Taxes

Tax expense comprises of current and deferred tax.

i) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current taxes are recognised in statement of profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity in which case, the income taxes are recognised in Other Comprehensive Income or directly in equity respectively.

The Group recognises interest levied on income tax assessments as interest expenses.

ii) *Deferred tax*

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (continued)

(l) Inventories

Inventory is valued at lower of cost and net realizable value.

Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. In determining the cost, weighted average cost method is used. The carrying cost of inventories are appropriately written down when there is a decline in the net realisable value of such materials. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

(n) Provisions and contingencies

Provisions
A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies
Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Given the nature of business, the period between the transfer of goods and payment by customer is generally immediate and is less than one year for wholesale sales, accordingly management has determined that there is no adjustment needed to the transaction price for time value of money.

2. Summary of significant accounting policies (continued)

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
ii. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
iii. the Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

Further, at the time of revenue recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

Specifically, the following basis is adopted for various sources of income:

Sale of goods
Revenue from sale of goods comprises the sale of consumer electronics and durables and is recognised at a point in time, on satisfaction of performance obligation upon transfer of control of promised products which generally coincides with delivery. Amounts disclosed as revenue are net of returns, trade allowances, rebates and exclusive of goods and services tax.

Commission and incentives
Revenue in relation to commission and incentives are recognized when the right to receive and performance of agreed contractual task has been completed in accordance with the terms of agreements entered.

(p) Retirement and other employee benefits

Provident fund and employee state insurance fund are defined contribution schemes and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation as per the projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

(q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (continued)

i. Right-of-use assets:
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the balance lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

ii. Lease liabilities:
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets:
The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(s) Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment' and believes that the Group has only one reportable segment namely "retailing and wholesale of electronic household items and accessories through its stores and online platforms". Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, and the Managing Director, who together constitute as Chief Operating Decision Maker ('CODM').

2. Summary of significant accounting policies (continued)

(t) Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors.

(u) Earnings per equity share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3. (A) Significant accounting judgments, estimates and assumptions

The preparation of the Group’s financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements

In the process of applying the Group 's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

Leases

(1) Lease term:
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

(2) Discount rate:
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as comparable interest rates for similar instruments and availing a quote from lenders, if required.

3. (A) Significant accounting judgments, estimates and assumptions (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Group's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss. The tax rules in the jurisdiction in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

Current income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Allowance for slow moving, damaged and obsolete inventory

An allowance for inventory to write down to the lower of cost or net realisable value is made by management based on the estimates of the selling price and direct cost to sell the slow moving/damaged inventory. The write down is included in the operating results.

Life time expected credit loss on trade and other receivables:

Trade receivables do not carry any interest and are stated at their transaction value as reduced by life time expected credit losses ("LTECL"). As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head other expenses/other income in the P&L. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. (A) Significant accounting judgments, estimates and assumptions (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Employee benefits plan

The cost of defined benefit gratuity plan as well as the present value of the gratuity obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increase and mortality rates. Due to the complexity of the valuation, the underlying assumptions, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Depreciation on property, plant and equipment:

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. Considering the applicability of Schedule II to Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently considered fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these in certain cases are different from lives prescribed under Schedule II to the Companies Act, 2013.

3. (B) Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose consolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

3. (B) Recent pronouncements (continued)

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Electronics Mart India Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

4 Property, plant and equipment

	Land#	Buildings#	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installations and equipment	Computers and data processing units	Leasehold improvements	Other equipments	Total
Gross carrying amount											
As at 1 April 2018	**422.71**	**558.38**	**25.42**	**88.52**	**23.11**	**77.90**	**7.34**	**30.17**	**452.86**	**0.01**	**1,686.42**
Additions during the year	66.58	311.20	9.82	75.96	2.82	5.44	23.82	6.32	46.76	-	548.72
Adjustments during the year (refer note 1)	(13.01)	(112.15)	(4.60)	(28.58)	(4.94)	(42.90)	(1.15)	(21.54)	(153.69)	-	(382.56)
As at 31 March 2019	**476.28**	**757.43**	**30.64**	**135.90**	**20.99**	**40.44**	**30.01**	**14.95**	**345.93**	**0.01**	**1,852.58**
Additions during the year	81.39	306.87	20.80	80.19	56.43	8.25	71.46	6.06	75.49	-	706.94
Adjustments during the year*	-	(12.40)	-	-	-	-	-	-	-	-	(12.40)
Deletions during the year	(90.34)	-	-	-	-	-	-	-	-	-	(90.34)
As at 31 March 2020	**467.33**	**1,051.90**	**51.44**	**216.09**	**77.42**	**48.69**	**101.47**	**21.01**	**421.42**	**0.01**	**2,456.78**
Additions during the year	33.92	309.13	12.49	68.49	24.86	18.57	41.10	13.36	187.81	-	709.73
As at 31 March 2021	**501.25**	**1,361.03**	**63.93**	**284.58**	**102.28**	**67.26**	**142.57**	**34.37**	**609.23**	**0.01**	**3,166.51**
Accumulated depreciation											
Up to 1 April 2018	**-**	**25.06**	**2.91**	**17.51**	**3.43**	**36.51**	**1.36**	**17.31**	**128.18**	**-**	**232.27**
Charge for the year	-	10.76	2.08	19.16	3.38	15.59	2.18	8.39	64.03	-	125.57
Adjustments during the year (refer note 1)	-	(30.04)	(3.77)	(25.61)	(4.94)	(43.61)	(2.06)	(21.13)	(155.57)	-	(286.73)
Up to 31 March 2019	**-**	**5.77**	**1.22**	**11.06**	**1.87**	**8.49**	**1.48**	**4.57**	**36.63**	**-**	**71.10**
Charge for the year	-	15.84	3.08	28.87	9.00	14.54	7.23	7.46	70.28	-	156.30
Up to 31 March 2020	**-**	**21.61**	**4.30**	**39.93**	**10.87**	**23.03**	**8.71**	**12.03**	**106.91**	**-**	**227.40**
Charge for the year	-	21.22	4.17	34.82	11.63	12.43	12.99	6.45	80.74	-	184.45
Up to 31 March 2021	**-**	**42.83**	**8.47**	**74.75**	**22.50**	**35.46**	**21.70**	**18.48**	**187.65**	**-**	**411.85**
Net carrying amount											
As at 31 March 2021	**501.25**	**1,318.20**	**55.46**	**209.83**	**79.78**	**31.80**	**120.87**	**15.89**	**421.58**	**0.01**	**2,754.66**
As at 31 March 2020	**467.33**	**1,030.29**	**47.14**	**176.16**	**66.55**	**25.66**	**92.76**	**8.98**	**314.51**	**0.01**	**2,229.39**
As at 31 March 2019	**476.28**	**751.66**	**29.42**	**124.84**	**19.12**	**31.95**	**28.53**	**10.38**	**309.30**	**0.01**	**1,781.48**

Land and Buildings with net carrying values of ₹233.18 (31 March 2020: ₹320.86; 31 March 2019: ₹409.70) and ₹353.33 (31 March 2020: ₹634.17; 31 March 2019: ₹534.14) respectively are held in the name of erstwhile partnership firm and were transferred to the Company pursuant to conversion of the same effective 10 September 2018. The same is pending for registration in the name of the Company.

*Represents the balance of capital creditors which has been written back during the year ended 31 March 2020.

Note 1: Represents:

(i) Adjustments for assets with gross block of ₹143.24 and accumulated depreciation of ₹36.70 transferred to the Partners of the erstwhile partnership firm, M/s Bajaj Electronics during the period 1 April 2018 to 10 September 2018 as drawings.

Note: For property, plant and equipment existing as at date of transition to Ind AS, the Company has used Indian GAAP carrying values as deemed cost as permitted by Ind AS 101 - First time adoption. Accordingly, the net written down value as per previous GAAP as at 1 April 2016 has been considered as deemed cost under Ind AS.

(All amounts in ₹ in millions, unless otherwise stated)

5 Capital work-in-progress

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Capital work-in-progress	20.44	24.27	195.28
	20.44	**24.27**	**195.28**

6 Other intangible assets

	Computer Software	Trademarks	Total
Gross carrying amount			
As at 1 April 2018	**54.81**	**1.36**	**56.17**
Other adjustments*	(33.80)	(0.18)	(33.98)
As at 31 March 2019	**21.01**	**1.18**	**22.19**
Additions during the year	0.49	-	0.49
As at 31 March 2020	**21.50**	**1.18**	**22.68**
Additions during the year	4.83	-	4.83
As at 31 March 2021	**26.33**	**1.18**	**27.51**
Accumulated amortization			
Up to 1 April 2018	**27.11**	**0.23**	**27.34**
Charge for the year	18.06	0.34	18.40
Adjustments during the year	(1.47)	(0.20)	(1.67)
Other adjustments*	(33.80)	(0.18)	(33.98)
Up to 31 March 2019	**9.90**	**0.19**	**10.09**
Charge for the year	9.21	0.34	9.55
Up to 31 March 2020	**19.11**	**0.53**	**19.64**
Charge for the year	1.18	0.34	1.52
Up to 31 March 2021	**20.29**	**0.87**	**21.16**
Net carrying amount			
As at 31 March 2021	**6.04**	**0.31**	**6.35**
As at 31 March 2020	**2.39**	**0.65**	**3.04**
As at 31 March 2019	**11.11**	**0.99**	**12.10**

*Represents the adjustments made to the balances of gross block and accumulated depreciation of the erstwhile partnership firm in order to reconcile to the balances transferred upon conversion to Company.

Note: For Other intangible assets existing as at date of transition to Ind AS, the Company has used Indian GAAP carrying values as deemed cost as permitted by Ind AS 101 - First time adoption. Accordingly, the net written down value as per previous GAAP as at 1 April 2016 has been considered as deemed cost under Ind AS.

7 Loans

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Non-current			
(Unsecured, considered good)			
Security deposits with:			
- related party	3.27	2.93	1.92
- others	173.42	126.03	93.42
Loans to employees	-	4.15	-
	176.69	**133.11**	**95.34**
(b) Current			
(Unsecured, considered good)			
Loans to:			
- employees	9.49	9.24	10.33
- others	0.05	0.05	0.05
	9.54	**9.29**	**10.38**

(All amounts in ₹ in millions, unless otherwise stated)

8 Other financial assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Non-current			
(Unsecured, considered good)			
Fixed deposits with maturity period of more than 12 months	0.80	0.80	-
Margin money deposits*	72.65	60.45	-
Interest accrued	-	0.01	-
	73.45	**61.26**	**-**

*Represents deposits held as security against loans availed by the Group.

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(b) Current			
(Unsecured, considered good)			
Interest accrued	1.71	2.43	-
	1.71	**2.43**	**-**

9 Other assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Non-current			
(Unsecured, considered good)			
Capital advances*	31.50	171.58	99.32
	31.50	**171.58**	**99.32**

*Includes advances outstanding to the tune of ₹Nil (31 March 2020: ₹55.66; 31 March 2019: ₹Nil) being personally guaranteed by Key managerial personnel ('KMP') (refer note 34).

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(b) Current			
(Unsecured, considered good)			
Advance to vendors	910.06	501.12	290.98
Balances with government authorities	935.83	909.45	687.81
Prepaid expenses	21.84	21.18	12.89
Other advances	36.46	39.21	57.46
	1,904.19	**1,470.96**	**1,049.14**

10 Inventories

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Valued at the lower of cost or net realisable value			
Stock-in-trade*	4,813.69	4,017.81	3,277.72
	4,813.69	**4,017.81**	**3,277.72**

*Net of ₹68.04 (31 March 2020 ₹46.39; 31 March 2019: ₹60.22) representing adjustment towards net realisable value and slow moving inventories.

11 Trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)			
- from others (refer notes below)	953.92	845.98	843.42
	953.92	**845.98**	**843.42**

Trade receivables:

(i) No trade receivables are due from directors or other officers of the group either severally or jointly with any other person.

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

12 Cash and bank balances

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents			
Balances with banks			
- on current accounts*	304.09	867.48	458.30
Cash on hand	46.12	3.25	49.43
	350.21	**870.73**	**507.73**
Bank balances other than above			
Margin money deposits**	72.65	60.45	-
Less: Amounts reclassified to other non-current financial assets	(72.65)	(60.45)	-
	-	**-**	**-**
	350.21	**870.73**	**507.73**

*There are no repatriation restrictions with regard to cash and cash equivalents.

**Represents deposits held as a security against loans availed by the Group.

(All amounts in ₹ in millions, except number of equity shares and unless otherwise stated)

13 Equity share capital

	31 March 2021		31 March 2020		31 March 2019	
	Number	Amount	Number	Amount	Number	Amount
Authorized						
Equity shares of ₹10 each	1,000,000,000	10,000.00	1,000,000,000	10,000.00	1,000,000,000	10,000.00
	1,000,000,000	**10,000.00**	**1,000,000,000**	**10,000.00**	**1,000,000,000**	**10,000.00**
Issued, subscribed and fully paid-up						
Equity shares of ₹10 each	300,003,000	3,000.03	300,003,000	3,000.03	300,003,000	3,000.03
	300,003,000	**3,000.03**	**300,003,000**	**3,000.03**	**300,003,000**	**3,000.03**

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting year

	31 March 2021		31 March 2020		31 March 2019	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	300,003,000	3,000.03	300,003,000	3,000.03	-	-
Issued pursuant to conversion of the firm (refer note 37)	-	-	-	-	300,003,000	3,000.03
Balance at the end of the year	**300,003,000**	**3,000.03**	**300,003,000**	**3,000.03**	**300,003,000**	**3,000.03**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting.
In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

	31 March 2021		31 March 2020		31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹10 each fully paid						
Pavan Kumar Bajaj	152,057,999	50.69%	152,057,999	50.69%	152,057,999	50.69%
Karan Bajaj	147,878,566	49.29%	147,878,566	49.29%	147,878,566	49.29%

(d) Details of equity shares issued without payment being received in cash:

During the year ended 31 March 2019, the Company had issued 300,003,000 equity shares of ₹10 each fully paid up to the partners of the erstwhile partnership firm M/s. Bajaj Electronics pursuant to conversion of the said firm into the Company on 10 September 2018.

14 Other equity

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Retained Earnings - Surplus in the Statement of Profit and Loss			
At the beginning of the year	1,334.66	404.23	-
Restatement adjustments (refer note 36(i))	-	114.35	(46.51)
Add: Profit for the year	586.21	816.08	770.96
Transferred to partner's capital as on 10 September 2018*	-	-	(320.22)
At the end of the year	**1,920.87**	**1,334.66**	**404.23**
Other comprehensive income/(loss)			
Actuarial gain/(loss) on employment benefits:			
At the beginning of the year	(3.93)	0.71	-
Add: Other comprehensive income/(loss) for the year	2.21	(4.64)	0.71
At the end of the year	**(1.72)**	**(3.93)**	**0.71**
	1,919.15	**1,330.73**	**404.94**

*Represents adjustments towards issue of equity share capital to the Partners of the erstwhile partnership firm on its conversion into the Company.

(All amounts in ₹ in millions, unless otherwise stated)

14 Other equity (continued)

Nature and purpose of reserves

(a) Surplus in Statement of Profit and Loss

Surplus in Statement of Profit and Loss represents the profits that the group has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

(b) Actuarial gain/(loss) on employment benefits

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the group. The remeasurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to Statement of Profit and Loss.

15 Borrowings

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Non-current borrowings			
Secured			
Term loans from			
- Banks (refer notes 15(i) and (ii))	60.90	114.80	147.96
- Financial institutions (refer notes 15(i) and (ii))	679.49	609.75	490.39
	740.39	**724.55**	**638.35**
Less: Current maturities of long-term borrowings (refer note 18)	(119.09)	(94.85)	(88.37)
	621.30	**629.70**	**549.98**
(b) Current borrowings			
Secured, loans repayable on demand			
Working capital loans from:			
- Banks (refer note 15(iii))	2,655.59	2,535.78	2,191.83
Unsecured, loans repayable on demand			
- Banks (refer note 15(iv))	554.43	340.30	-
- Financial institutions (refer note 15(iv))	1,529.04	1,604.82	940.43
	4,739.06	**4,480.90**	**3,132.26**

Changes in liabilities arising from financing activities:

The below section sets out an analysis of liabilities arising from financing activities and the movements for each of the years presented:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 35)	4,199.29	3,511.02	3,100.66
Current borrowings	4,739.06	4,480.90	3,132.26
Non-current borrowings	740.39	724.55	638.35
Interest accrued (refer note 18)	13.52	13.29	5.18
Liabilities arising from financing activities	**9,692.26**	**8,729.76**	**6,876.45**

	Liabilities from financing activities				
	Lease liabilities	**Interest accrued**	**Current borrowings**	**Non-current borrowings**	**Total**
As at 1 April 2018	**2,473.17**	**3.87**	**2,420.36**	**441.91**	**5,339.31**
Lease liabilities recognised during the year	708.67	-	-	-	708.67
Cash inflows/(outflows), net	(81.18)	-	711.90	196.44	827.16
Interest expense	262.97	255.22	-	-	518.19
Interest paid	(262.97)	(253.91)	-	-	(516.88)
As at 31 March 2019	**3,100.66**	**5.18**	**3,132.26**	**638.35**	**6,876.45**
Restatement adjustments (refer notes 35 and 36(2)(a))	(53.20)	-	-	-	(53.20)
Lease liabilities recognised during the year	577.74	-	-	-	577.74
Cash inflows/(outflows), net	(114.18)	-	1,348.65	86.20	1,320.67
Interest expense	316.59	305.76	-	-	622.35
Interest paid	(316.59)	(297.65)	-	-	(614.24)
As at 31 March 2020	**3,511.02**	**13.29**	**4,480.90**	**724.55**	**8,729.76**
Lease liabilities recognised during the year	863.07	-	-	-	863.07
Lease liabilities derecognised during the year	(23.74)	-	-	-	(23.74)
Cash inflows/(outflows), net	(134.68)	-	258.16	15.84	139.32
Interest expense	370.85	329.91	-	-	700.76
Interest paid	(370.85)	(329.68)	-	-	(700.53)
Rent concessions during the year	(16.38)	-	-	-	(16.38)
As at 31 March 2021	**4,199.29**	**13.52**	**4,739.06**	**740.39**	**9,692.26**

Electronics Mart India Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

15 Borrowings (continued)

(i) Terms and conditions of secured term loans from banks and financial institutions and nature of security:

S. No.	Name	Outstanding balance as at			Interest rate (%)			Repayment terms	Types of security
		31 March 2021	31 March 2020	31 March 2019	31 March 2021	31 March 2020	31 March 2019		
1	HDFC Bank Limited* (HDFC Bank)	-	-	2.42	NA	NA	Ranging from 9.00% to 12.5% p.a.	Repayable in 72 equated monthly installments ("EMI's") starting from 7 August 2013	Collateral security in the form of property representing H.No. LIG B-14-1-12/18/14, Plot No. 14 - Survey No. 461 to 469, A S Rao Nagar, Kapra, Telangana.
2	HDFC Bank*	-	-	14.49	NA	NA	Ranging from 9.00% to 12.45% p.a.	Repayable in 71 EMI's starting from 7 October 2013	Collateral security in the form of property representing north east portion of ground, first, second and third floor bearing municipal number 1-7-178, 182 to 184, Mahatma Gandhi Road, Secunderabad.
3	HDFC Bank*	-	8.88	20.22	NA	Ranging from 10.75% to 11.30% p.a.	Ranging from 10.75% to 11.30% p.a.	Repayable in 61 EMI's starting from 7 December 2015	Collateral security in the form of property representing Survey no. 209, 210, 211/2, 219, Bapuji Nagar, Nacharam Village, Uppal, Ranga Reddy District.
4	HDFC Bank*	-	20.95	31.92	NA	Ranging from 10.30% to 11.05% p.a.	Ranging from 10.30% to 11.05% p.a.	Repayable in 20 equal quarterly installments starting from 7 January 2017	Collateral security in the form of property representing Vikram Puri Colony, Opposite BATA showroom, Secunderabad.
5	Kotak Mahindra Bank Limited (KMBL)	50.52	65.65	78.91			Current KMBL Floating Rate less KMBL LIBOR; currently 8.98% p.a.	Repayable in 61 EMI's starting from 10 February 2019	
6	KMBL	9.72	18.09	-	Current KMBL Floating Rate less KMBL LIBOR; currently in the range of 8.29% to 9.94% p.a.	Current KMBL Floating Rate less KMBL LIBOR; currently in the range of 8.94% to 9.94% p.a.	NA	Repayable in 36 EMI's starting from 10 May 2019	First and exclusive charge by way of morgate against the property: Plot Nos 2,3,5,6,7,8,9, Sy. no. 38/ part, Ground Floor in "ZENATH CASTLE", Rajendranagar Mandal, Upparpally, Rangareddi-500030.
7	KMBL	0.66	1.23	-			NA	Repayable in 36 EMI's starting from 10 May 2019	
8	Bajaj Finance Limited (BFL)	60.59	68.18	74.98	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 9.65% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 9.65% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 9.65% p.a.	Repayable in 120 EMI's starting from 2 October 2016	a) First charge by way of morgate against the property: H. No. 8-2-672/B, Road No. 13, Banjara Hills, Hyderabad - 500034; and b) Demand Promissory Note.
9	BFL	92.23	100.61	108.24				Repayable in 122 EMI's starting from 2 January 2018	a) First charge by way of mortgage against the property: (i) Villa No. L1, Ground and Two Upper Floors, "Prem Parvat by PVP", bearing municipal no 8-2-545 in survey nos 129/64 and 65 correlating to T. S. No. 20/1 and 20/2, situated at Road No. 7, Banjara Hills, Hyderabad ; (ii) H. No. 8-2-672/B, Road No. 13, Banjara Hills, Hyderabad - 500034; and b) demand promissory note.
10	BFL	84.77	92.47	99.49	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 11.65% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 11.65% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.15% - 11.65% p.a.	Repayable in 122 EMI's starting from 2 January 2018	a) First charge by way of mortgage against the property: (i) Plot No. 17, Ground plus four upper floors in Survey No. 302/3 and 321 (part) RCC Building, TSIIC, Electronics Complex Extension, Kushaiguda, under GHMC Kapra Circle and Mandal, Medchal-Malkajgiri District, Telangana ; and b) demand promissory note.
11	BFL	97.92	106.30	113.94				Repayable in 123 EMI's starting from 2 September 2018	a) First charge by way of mortgage against the property: (i) Villa No. L1, Ground and Two Upper Floors, "Prem Parvat by PVP", bearing municipal no 8-2-545 in survey nos 129/64 and 65 correlating to T. S. No. 20/1 and 20/2, situated at Road No. 7, Banjara Hills, Hyderabad ; (ii) H. No. 8-2-672/B, Road No. 13, Banjara Hills, Hyderabad - 500034; and (iii) Plot No. 17, Ground plus four upper floors in Survey No. 302/3 and 321 (part) RCC Building, TSIIC, Electronics Complex Extension, Kushaiguda, under GHMC Kapra Circle and Mandal, Medchal-Malkajgiri District, Telangana.
12	BFL	81.38	87.87	93.74	Current BFL Floating Reference Rate less Spread i.e. 20.8% - 10.8% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.8% - 10.8% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.8% - 10.8% p.a.	Repayable in 122 EMI's starting from 2 December 2018	a) First charge by way of mortgage against the property: (i) 'Suncity', Plot No. 13 & 25 in Survey No. 18/1 to 18/3 situated at Hydershakote and G.P. Rajendra Mandal, Rangareddy District, Telangana
13	BFL	143.79	154.32	-	Current BFL Floating Reference Rate less Spread i.e. 20.90% - 11.15% p.a.	Current BFL Floating Reference Rate less Spread i.e. 20.90% - 11.15% p.a.	NA	Repayable in 120 EMI's starting from 2 September 2019	a) First charge by way of mortgage against the property: (i) IZZAT SIRI SAMPADA, No. 8-3-215/C/8 & 9, No. 8-3-215/C/6, No. 8-3-215/C/6/A in Survey No. 60, Ameerpet Village, Srinivasa Nagar Colony, Hyderabad,Telangana -500038
14	BFL	118.81	-	-	Current BFL Floating Reference Rate less Spread i.e. 20.90% - 11.65% p.a.	NA	NA	Repayable in 180 EMI's starting from 2 October 2020	a) First charge by way of mortgage against the property: (i) Commercial space east side part of ground & First floor,Aparna astute,sy no's 75/A & 76,new sy no's 103 & 104,T.S.Nos.15/1,2&3,shaikpet village & Mandal under GHMC limits,Hyderabad-500008
		740.39	**724.55**	**638.35**					

(All amounts in ₹ in millions, unless otherwise stated)

15 Borrowings (continued)

* All the aforesaid loans availed from HDFC bank are secured as follows:

a) First exclusive charge on:

(i) stock and book debts (including credit card receivables) of the Company;

(ii) all the movable property, plant and equipment of the Company; and

(iii) extension of exclusive charge on the current assets.

All the aforesaid loans from HDFC Bank, KMBL and BFL are additionally secured as follows:

a) Collateral security are specified against the each loan.

b) Personal guarantee of Pavan Kumar Bajaj, Karan Bajaj and Renu Bajaj.

(ii) Maturity profile of long-term borrowings:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Within 1 year	119.09	94.85	88.37
1-2 years	64.13	91.16	75.42
2-5 years	234.38	238.35	206.21
More than 5 years	322.79	300.19	268.35
	740.39	**724.55**	**638.35**

(iii) Terms and conditions of working capital loans from banks and nature of security

S. No.	Name	Outstanding balance as at			Interest rate (%) as at			Repayment terms	Types of security
		31 March 2021	31 March 2020	31 March 2019	31 March 2021	31 March 2020	31 March 2019		
1	HDFC Bank	2,655.59	2,535.78	2,191.83	MCLR* + 0.75%	MCLR* + 0.75%	MCLR* + 0.85%	Payable on demand	(i) First exclusive charge on: - stock and book debts (including credit card receivables) of the Company; - all the movable property, plant and equipment of the Company; and - extension of exclusive charge on the current assets. (ii) Personal guarantee of Pavan Kumar Bajaj, Karan Bajaj and Renu Bajaj
		2,655.59	**2,535.78**	**2,191.83**					

*Marginal cost of funds based lending rate.

(iv) Terms and conditions of unsecured loans

(a) The Group has availed unsecured loans amounting to ₹554.43 (31 March 2020: ₹340.30; 31 March 2019: ₹Nil) from IDFC First Bank Limited for working capital requirements carrying an interest rate at 9.50% p.a. (31 March 2020: 9.50% p.a; 31 March 2019: Nil). These amounts are repayable on demand.

(b) The Group has availed unsecured loans amounting to ₹1,529.04 (31 March 2020: ₹1,604.82; 31 March 2019: ₹940.43) from Bajaj Finance Limited for working capital requirements carrying an interest rate at 12.75% p.a. (31 March 2020: 12.75% p.a; 31 March 2019: 12.75% p.a). These amounts are repayable on demand.

(All amounts in ₹ in millions, unless otherwise stated)

16 Provisions

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current			
Provision for employee benefits			
- Gratuity, funded (refer note 23(b))	20.51	12.56	-
	20.51	**12.56**	**-**

17 Trade payables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Trade payables			
- others	75.86	66.62	362.83
	75.86	**66.62**	**362.83**

(i) Trade payables are non-interest bearing and are normally settled based on the agreed payment terms.
(ii) There are no micro and small enterprises to whom there are outstanding dues as at each reporting date. The micro and small enterprises have been identified by management on the basis of information available and have been relied upon by the auditors.

18 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
At amortized cost			
Current maturities of long-term borrowings (refer note 15(a))	119.09	94.85	88.37
Current maturities of lease liabilities	182.46	145.51	113.30
Interest accrued	13.52	13.29	5.18
Creditors for capital expenditure	45.22	18.76	28.12
Creditors for expenses	158.03	82.26	111.59
Dues to employees	141.45	117.78	101.98
Book overdraft	-	7.52	-
	659.77	**479.97**	**448.54**

19 Other current liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Statutory liabilities	31.52	41.01	79.85
Provision for Corporate Social Responsibility expenditure	19.54	-	-
Advances received from customers (refer (a) below)	113.32	68.98	74.69
	164.38	**109.99**	**154.54**

(a) Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year ₹63.54 (31 March 2020: ₹61.95; 31 March 2019: ₹40.46) and performance obligations satisfied in previous years is ₹Nil (31 March 2020: ₹Nil; 31 March 2019: ₹Nil). Total contract liabilities outstanding as on 31 March 2021 will be recognised in next 12 months.

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(All amounts in ₹ in millions, unless otherwise stated)

20 Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from contracts with customers			
Sale of products - Consumer electronics and durables	30,287.94	29,776.68	26,480.28
Other operating revenue:			
- Commission income	308.87	357.26	348.33
- Incentives income	1,305.61	1,456.11	1,342.40
- Other collections from customers	116.34	134.72	65.47
	32,018.76	**31,724.77**	**28,236.48**

(i) **Reconciliation of revenue from sale of products with the contracted price:**

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue at contracted price	31,368.35	30,766.18	27,387.68
Less: Sales return	1,080.41	989.50	907.40
Total revenue from contracts with customers	**30,287.94**	**29,776.68**	**26,480.28**

(ii) **Disaggregation of revenues:**

Revenue based on type of customer

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
- Retail	29,312.84	28,991.35	25,801.72
- Wholesalers	530.53	505.22	465.81
- E-commerce	444.57	280.11	212.75
Total revenue from contracts with customers	**30,287.94**	**29,776.68**	**26,480.28**

(iii) The Group has operations only in India, hence there are no separately reportable geographical segments.

21 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Other non-operating income:			
(i) Interest income on:			
- Bank deposits	3.48	2.69	-
- Security deposits	11.86	11.21	7.21
(ii) Rent concessions	16.38	-	-
(iii) Liabilities no longer required, written back	8.44	40.55	8.11
(iv) Miscellaneous income	14.76	10.95	9.18
	54.92	**65.40**	**24.50**

22 Changes in inventories of stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Stock-in-trade at the beginning of the year	4,017.81	3,277.72	2,576.37
Less: Stock-in-trade at the end of the year	4,813.69	4,017.81	3,277.72
	(795.88)	**(740.09)**	**(701.35)**

(All amounts in ₹ in millions, unless otherwise stated)

23 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	569.19	543.74	455.76
Contribution to provident and other funds (note (a))	29.03	26.52	18.24
Gratuity and compensated absences (note (b))	10.07	8.23	8.84
Staff welfare expenses	6.04	7.83	11.26
	614.33	**586.32**	**494.10**

(a) Defined contribution plan

The group contributed ₹24.01 (31 March 2020: ₹21.78; 31 March 2019: ₹12.88) to provident fund and ₹5.02 (31 March 2020: ₹4.74, 31 March 2019: ₹5.36) towards employee state insurance fund.

(b) Defined benefit plan

(i) The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age.

The amounts recognized in the statement of profit and loss are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	9.22	7.98	6.73
Net interest cost (net of interest on plan assets)	0.85	0.25	2.11
Total amount recognised in the statement of profit and loss	**10.07**	**8.23**	**8.84**

The amounts recognized in the other comprehensive income are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gains) / losses	(2.21)	4.64	(0.71)
Total amount recognised in the other comprehensive income	**(2.21)**	**4.64**	**(0.71)**

Changes in present value of defined benefit obligation:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation at beginning of the year	40.09	25.58	20.51
Current service cost	9.22	7.98	6.73
Interest cost	2.72	2.20	2.11
Benefits paid	(0.91)	(0.31)	(3.06)
Re-measurement of actuarial (gains) / losses on obligation	(2.21)	4.64	(0.71)
Present value of defined benefit obligation at end of the year	**48.91**	**40.09**	**25.58**

The fair value of defined benefit plan assets estimated as at:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of the year	27.53	25.58	-
Add: Contributions made	-	-	25.58
Less: Benefits Paid	(1.00)	-	-
Add: Interest income	1.87	1.95	-
Fair value of plan assets at the end of the year	**28.40**	**27.53**	**25.58**

(All amounts in ₹ in millions, unless otherwise stated)

23 Employee benefits expense (continued)

(b) Defined benefit plan (continued)

Reconciliation of present value of obligation and the fair value of plan assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation at end of the year	48.91	40.09	25.58
Fair value of plan assets at the end of the year	28.40	27.53	25.58
Net liability recognised in the balance sheet	**20.51**	**12.56**	**-**

The assumptions used in accounting for the gratuity plan are set out as below:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.85%	6.80%	7.90%
Retirement age	58 years	58 years	58 years
Salary escalation	8.00%	8.00%	8.00%
Attrition rate	1.69%	3.68%	4.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The group evaluates these assumptions annually based on its long-term plans of growth and industry standards.

Impact on defined benefit obligation - (decrease)/increase

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assumptions			
Sensitivity level			
- Discount rate : 1.00% increase	(7.01)	(4.97)	(2.98)
- Discount rate : 1.00% decrease	8.81	6.04	3.59
- Future salary : 1.00% increase	8.14	5.57	3.47
- Future salary : 1.00% decrease	(6.62)	(4.69)	(2.97)
- Attrition rate : 50.00% increase	(0.65)	(1.06)	(0.34)
- Attrition rate : 50.00% decrease	0.84	1.29	0.37
- Mortality rate : 10.00% increase	0.05	(0.01)	-
- Mortality rate : 10.00% decrease	0.07	0.01	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

Defined benefit liability and employer contributions

The following contributions and undiscounted future benefit payments are expected:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Expected future benefit payments			
Within 1 year	0.93	1.34	1.05
2 - 5 years	7.54	9.18	6.86
6 - 10 years	11.01	11.58	7.91
Beyond 10 years	161.60	102.16	75.67

24 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on:			
- Financial liabilities measured at amortized cost	329.91	305.76	255.22
- Lease liabilities	370.85	316.59	262.97
Other borrowing costs	15.98	11.40	7.50
	716.74	**633.75**	**525.69**

(All amounts in ₹ in millions, unless otherwise stated)

25 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	10.79	9.79	14.53
Power and fuel	158.35	149.55	118.65
Rates and taxes	39.56	33.72	78.93
Insurance	7.87	12.57	6.80
Repairs and maintenance:			
- Buildings	197.18	219.61	146.16
- Others	42.09	33.10	22.47
Advertisement expenses	240.54	343.70	317.36
Business promotion expenses	55.87	131.97	101.36
Carriage outwards	18.35	9.26	21.36
Commission expenses	86.17	28.80	27.89
Communication expenses	17.79	11.84	10.10
Sales promotion expenses	665.02	719.56	630.05
Travelling and conveyance	5.79	15.77	12.44
Postage and courier charges	7.53	7.68	7.84
Printing and stationery	18.28	15.56	16.73
Professional and consultancy charges	22.51	27.85	25.30
Payments to auditor:			
- As auditor*	4.56	5.30	3.50
- For other services	-	3.50	-
- Out of pocket expenses	-	0.01	-
Water charges	6.11	5.45	4.59
Bad debts written-off	47.56	19.46	20.85
Advances written-off	5.83	13.95	17.34
Director's Sitting fee	0.72	0.72	0.25
Donations	0.27	-	-
Corporate social responsibility (refer note (a) below)	19.53	-	-
Miscellaneous expenses	14.09	21.15	9.90
	1,692.36	**1,839.87**	**1,614.40**

* Includes amounts billed towards cost overrun amounting to ₹2.00 for the year ended 31 March 2020.

(a) Details of CSR expenditure

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Gross amount required to be spent by the group during the year	19.53	-	-
b. Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
Amount remaining to be spent**	**19.53**	**-**	**-**

**Duly accrued in accordance with the accounting principles.

26 Income taxes

(a) Income tax expense recognised in the statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss			
Current tax expense	257.67	349.45	497.28
Deferred tax benefit	(48.26)	(43.74)	(32.61)
	209.41	**305.71**	**464.67**

(All amounts in ₹ in millions, unless otherwise stated)

26 Income taxes (continued)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	795.62	1,121.79	1,235.63
At India's statutory income tax rate of 25.168% (31 March 2020 : 25.168%; 31 March 2019 : 34.944%)	200.24	282.33	431.78
Reconciling items:			
Permanent disallowances	5.78	4.34	16.73
Benefit under 80JJAA	(1.54)	-	-
Deferred tax asset on long term capital loss, not recognised	-	23.08	-
Change in tax rates	-	6.65	-
Others	4.93	(10.69)	16.11
At the effective income tax rates	**209.41**	**305.71**	**464.62**

(c) Non-current tax assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current tax assets	47.69	86.27	59.12

(d) Current tax liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current tax liabilities	18.38	-	51.00

27 Deferred tax assets, net

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:			
Deferred tax assets/(liabilities):			
Property, plant and equipment	(29.79)	(11.49)	(4.70)
Right-of-use assets	(1,000.55)	(876.45)	(1,022.07)
Lease liability	1,056.88	883.65	1,083.50
Statutory liabilities	5.14	-	10.08
Fair valuation of security deposits	60.61	53.74	9.66
Employee payables	6.35	6.37	-
Other temporary tax differences	17.12	11.68	8.71
Deferred tax assets, net	**115.76**	**67.50**	**85.18**

(All amounts in ₹ in millions, unless otherwise stated)

27 Deferred tax assets, net (continued)

(a) Reconciliation of deferred tax assets/(liabilities) for the year ended 31 March 2021:

	As at 1 April 2020	Charged/ (credited) to profit or loss	As at 31 March 2021
Property, plant and equipment	**(11.49)**	18.30	**(29.79)**
Right-of-use assets	**(876.45)**	124.10	**(1,000.55)**
Lease liability	**883.65**	(173.23)	**1,056.88**
Statutory liabilities	**-**	(5.14)	**5.14**
Fair valuation of security deposits	**53.74**	(6.87)	**60.61**
Employee payables	**6.37**	0.02	**6.35**
Other temporary tax differences	**11.68**	(5.44)	**17.12**
	67.50	**(48.26)**	**115.76**

Reconciliation of deferred tax assets/(liabilities) for the year ended 31 March 2020:

	As at 1 April 2019	Adjustments (refer note 36(i)(a))	Adjusted balance	Charged/ (credited) to profit or loss	As at 31 March 2020
Property, plant and equipment	**(4.70)**	-	**(4.70)**	6.79	**(11.49)**
Right-of-use assets	**(1,022.07)**	1,022.07	**-**	876.45	**(876.45)**
Lease liability	**1,083.50**	(1,083.50)	**-**	(883.65)	**883.65**
Statutory liabilities	**10.08**	-	**10.08**	10.08	**-**
Fair valuation of security deposits	**9.66**	-	**9.66**	(44.08)	**53.74**
Employee payables	**-**	-	**-**	(6.37)	**6.37**
Other temporary tax differences	**8.71**	-	**8.71**	(2.97)	**11.68**
	85.18	**(61.43)**	**23.75**	**(43.74)**	**67.50**

Reconciliation of deferred tax assets/(liabilities) for the year ended 31 March 2019:

	As at 1 April 2018	Charged/ (credited) to profit or loss	As at 31 March 2019
Property, plant and equipment	**(6.63)**	(1.93)	**(4.70)**
Right-of-use assets	**-**	1,022.07	**(1,022.07)**
Lease liability	**-**	(1,083.50)	**1,083.50**
Statutory liabilities	**16.24**	6.16	**10.08**
Fair valuation of security deposits	**-**	(9.66)	**9.66**
Employee payables	**7.10**	7.10	**-**
Other temporary tax differences	**35.87**	27.16	**8.71**
	52.58	**(32.61)**	**85.18**

Deferred tax assets and deferred tax liabilities have been offset wherever the group has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

(All amounts in ₹ in millions, unless otherwise stated)

28 Fair value measurements

(i) Break-up of financial assets and financial liabilities carried at FVTPL/FVTOCI or amortized cost:

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	FVTPL / FVTOCI	Amortized cost	FVTPL / FVTOCI	Amortized cost	FVTPL / FVTOCI	Amortized cost
Financial assets						
Trade receivables	-	953.92	-	845.98	-	843.42
Cash and bank balances	-	423.66	-	931.98	-	507.73
Loans	-	186.23	-	142.40	-	105.72
Other financial assets	-	1.71	-	2.44	-	-
Financial liabilities						
Long-term borrowings (including current maturities of long-term borrowings)	-	740.39	-	724.55	-	638.35
Short-term borrowings	-	4,739.06	-	4,480.90	-	3,132.26
Lease liability	-	4,199.29	-	3,511.02	-	3,100.66
Trade payables	-	75.86	-	66.62	-	362.83
Other financial liabilities	-	358.22	-	239.61	-	246.87

(ii) The management assessed that cash and bank balances, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(iii) In respect of the balance of non-current financial assets and liabilities in the nature of loans and borrowings, the management has assessed the carrying value of these assets and liabilities approximates to the fair value mainly due to the interest rates are at the market rate or linked to market rate, as the case maybe.

29 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises primarily of interest risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in the following sections relate to the position as at 31 March 2021, 31 March 2020 and 31 March 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021, 31 March 2020 and 31 March 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's variable rate borrowing is subject to interest rate risk. Below is the details of exposure to variable rate instruments:

Particulars	31 March 2021	31 March 2020	31 March 2019
Fixed rate instruments			
Financial liabilities	2,083.47	1,945.12	940.43
Variable rate instruments			
Financial liabilities	3,395.98	3,260.33	2,830.18

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the group's profit before tax (PBT) is affected through the impact on floating rate borrowings, as follows:

Particulars*	31 March 2021	31 March 2020	31 March 2019
Interest rates increase by 100bps - PBT decreases by	33.96	32.60	28.30
Interest rates decrease by 100bps - PBT increases by	(33.96)	(32.60)	(28.30)

* Holding all other variables constant.

(All amounts in ₹ in millions, unless otherwise stated)

29 Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Group's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The credit risk has always been managed by the group through credit approvals, establishing credit limits, and continuously monitoring the credit worthiness of the customers to whom the group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored.

Exposure to credit risk:

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

Financial assets that are neither past due nor impaired:

None of the Group's cash and bank balances, loans, security deposits were past due or impaired as at respective year end. Trade and other receivables includings loans that are neither past due nor impaired are from various individual customers and reputed financial institutions.

Financial assets that are either past due or impaired:

The Group doesn't have any significant trade receivables or other financial assets which are either past due or impaired. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also evaluates the factors that may influence the credit risk of its customer base, including the default risk. The management has established a credit policy, procedures and controls relating to customer credit risk management under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The Group's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's finance team in accordance with the group's policy. Investments of surplus funds are made only with approved and reputed banks and within credit limits assigned to each bank. The amounts invested and details of relevant banks are reviewed by the Group's Board of directors on annual basis.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the group in accordance with practice and limits set by the management.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Less than 1 year			
- Borrowings	4,858.15	4,575.75	3,220.63
- Trade payables	75.86	66.62	362.83
- Lease liability	579.38	484.74	408.04
- Other financial liabilities	358.22	239.61	246.87
1 to 2 years			
- Borrowings	64.13	91.16	75.42
- Lease liability	587.20	485.92	418.14
2 to 5 years			
- Borrowings	234.38	238.35	206.21
- Lease liability	1,727.10	1,445.45	1,246.77
More than 5 years			
- Borrowings	322.79	300.19	268.35
- Lease liability	4,600.05	4,101.20	3,652.07

(d) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(All amounts in ₹ in millions, unless otherwise stated)

30 Capital management

Capital includes equity and all other reserves attributable to share holders. The primary objective of the capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise share holders value. The group manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by equity.

The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

Net gearing ratio:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Borrowings*	5,479.45	5,205.45	3,770.61
Less: Cash and bank balances	(423.66)	(931.98)	(507.73)
Net debt	**5,055.79**	**4,273.47**	**3,262.88**
Equity	3,000.03	3,000.03	3,000.03
Other equity	1,919.15	1,330.73	404.94
Total equity	**4,919.18**	**4,330.76**	**3,404.97**
Total net debt and equity	**9,974.97**	**8,604.23**	**6,667.85**
Gearing ratio	**50.68%**	**49.67%**	**48.93%**

*Total borrowings include long-term borrowings, current maturities of long-term borrowings and working capital loans.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the respective year ended.

There have been no changes made in the objectives, policies or processes for managing capital during the respective year ended.

31 Segment reporting

The Group is engaged in the business of electronics retail and wholesale trade through its Bajaj Electronics stores and online platforms to customers. The Group does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The CODM reviews the results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group operates and manages its business as a single segment mainly by facilitating the sale of products through the stores and online platforms. As the Group's long-lived assets are all located in India and the Group's revenues are derived from India, no geographical information is presented.

Information about geographical areas

The Group has operations only in India, hence there are no separately reportable geographical segments for the Group as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Group.

32 Contingent liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Claims against the group not acknowledged as debts	7.95	8.26	3.87

Note: The Group has received an order from the National Anti-Profiteering Authority of the Central Goods and Services Tax Act, 2017 during the year ended 31 March 2021 demanding an amount of ₹3.43 alleging certain non-compliances with the anti-profiteering regulations of the Goods and Services Act, 2017. The management has filed necessary appeals in this regard with the appropriate appellate authorities which is pending for adjudication as at the date of the financial statements. However, on the basis of its internal assessment of the nature of the allegations, the facts of the case and an independent advise received in this regard, management is confident of resolving this matter in favour of the Group.

33 Capital and other commitments

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Capital commitments	23.72	30.00	213.87

(This space has been intentionally left blank)

(All amounts in ₹ in millions, unless otherwise stated)

34 Related party disclosures

(a) Names of related parties and nature of relationship

Names of the related parties	Nature of relationship
Cloudnine Retail Private Limited EMIL CSR Foundation	Subsidiary Company
Pavan Kumar Bajaj Karan Bajaj Astha Bajaj Ramesh Madhupalli Premchand Devarakonda (Appointed w.e.f. 29 October 2019) Aravind Devarakonda (Appointed w.e.f. 8 February 2019 till 26 September 2019)	Key managerial personnel ('KMP')
Prem Bajaj Renu Bajaj Sameer Kalra Isha Sameer Kalra Devina Vijay Bharadwaj	Relatives of KMP
Anil Nath (Appointed w.e.f. 3 December 2018) Mirza Ghulam Muhammad Baig (Appointed w.e.f. 3 December 2018) Suman Kumar (Appointed w.e.f. 3 December 2018)	Independent Directors

(b) Transactions with related parties

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Pavan Kumar Bajaj			
Reimbursement of expenses	-	-	0.18
Drawings	NA	NA	223.57
Share of profit	NA	NA	191.17
Rent paid	12.54	12.54	3.72
Security deposit given	-	-	10.46
Sale of products	-	0.12	-
Karan Bajaj			
Share of profit	NA	NA	167.55
Security deposit given	-	-	0.83
Rent paid	0.99	0.99	0.08
Sale of products	-	1.94	-
Guarantee's received	-	55.66	-
Loans received	-	0.05	-
Astha Bajaj			
Share of profit	NA	NA	0.01
Sale of products	-	0.06	-
Transaction with key management personnel			
Managerial Remuneration*# (Short-term employee benefits)	85.83	114.55	114.37
Renu Bajaj			
Remuneration*	-	-	0.64
Share of profit	NA	NA	0.01
Security deposit given	-	-	0.74
Rent paid	0.88	0.88	0.63
Isha Sameer Kalra			
Share of profit	NA	NA	0.01
Sameer Kalra			-
Share of profit	NA	NA	0.01
Devina Vijay Bharadwaj			-
Share of profit	NA	NA	0.01
Prem Bajaj			-
Salaries and wages*	2.62	2.50	1.50
Mirza Ghulam Muhammad Baig			-
Director's sitting fees	0.27	0.28	0.08
Sale of products	-	0.11	-
Director's sitting fees	-		
Anil Nath	0.30	0.24	0.10
Suman Kumar	0.16	0.21	0.07

*Excluding employer's contribution to defined contribution plans and provision made for defined benefit plans.
#Includes medical expense reimbursement amounting to ₹17.53 for the year ended 31 March 2020.
NA - Not applicable

(All amounts in ₹ in millions, unless otherwise stated)

34 Related party disclosures (continued)

(c) Balances receivable/(payable)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Karan Bajaj	(19.06)	(27.96)	(29.81)
Pavan Kumar Bajaj	(2.76)	(13.81)	(20.47)
Renu Bajaj	0.60	0.74	0.66
Astha Bajaj	(14.30)	(8.91)	(0.09)
Prem Bajaj	(0.20)	(0.17)	(0.16)
Ramesh Madhupalli	(0.34)	(0.34)	(0.25)
Aravind Devarakonda	-	-	(0.35)
Premchand Devarakonda	(0.44)	-	-

(d) All the secured long-term and short-term borrowings amounting to ₹740.39 (31 March 2020: ₹724.55; 31 March 2019: ₹638.35) and ₹2,655.59 (31 March 2020: ₹2,535.78; 31 March 2019: ₹2,191.83), respectively, have been personally guaranteed by the director's Pavan Kumar Bajaj and Karan Bajaj. Further the working capital faculty availed from HDFC bank is also secured by way of pledge of certain personal properties of Pavan Kumar Bajaj, Karan Bajaj and Renu Bajaj. Additionally, capital advances outstanding as at 31 March 2020 to the tune of ₹55.66 have been personally guaranteed by Karan Bajaj.

35 Leases

Transition to Ind AS 116

Effective 1 April 2019, the group has adopted and applied Ind AS 116 'Leases' using "modified retrospective approach" to all lease contracts existing as on 1 April 2019. However, for the purpose of preparing restated consolidated financial information, Ind AS 116 has been applied using the modified retrospective approach with effect from 1 April 2018. On transition to Ind AS 116, i.e. 1 April 2018, the Group elected to apply the practical expedient to grandfather the assessment of leases. It applied Ind AS 116, Leases, only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116, Leases, was applied only to contracts entered into or changed on or after 1 April 2018. The group has recognized lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability.

On transition, the adoption of the new standard resulted in recognition of Right-of-use assets and lease liabilities of ₹2,600.23 and ₹2,473.17 respectively. The effect of this adoption is significant on the profit before tax, profit for the year and earnings per equity share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar term.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU assets at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The movement in lease liabilities during the year ended is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,511.02	3,100.66	2,473.17
Adjustments (refer note 36(iii)(2)(a))	-	(53.20)	-
Additions during the year	863.07	577.74	708.67
Interest accrued during the year	370.85	316.59	262.97
Payment of lease liabilities	505.54	430.77	344.15
Rent concessions during the year	16.38	-	-
De-recognised during the year	23.74	-	-
Balance at the end of the year	**4,199.29**	**3,511.02**	**3,100.66**
Bifurcation of lease liability as:			
Current lease liabilities	182.46	145.51	113.30
Non-current lease liabilities	4,016.83	3,365.51	2,987.36
	4,199.29	**3,511.02**	**3,100.66**

The details of the contractual maturities of lease liabilities as at respective year ended on an undiscounted basis are as follows:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Less than one year	579.38	484.74	408.04
One to five years	2,314.30	1,931.37	1,664.91
More than five years	4,600.05	4,101.20	3,652.07
Total	**7,493.73**	**6,517.31**	**5,725.02**

The Group does not face a significant liquidity risk with regard to its current lease liabilities as the current assets are sufficient to meet the current obligations related to lease liabilities.

Rental expense recorded for short-term leases was ₹3.79 (31 March 2020: ₹4.97; 31 March 2019: ₹11.67) for the year ended 31 March 2021.

The future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities are -

1) Leases not yet commenced to which the Company is committed amounts to ₹Nil (31 March 2020: ₹476.98; 31 March 2019: ₹Nil).

2) Variable lease payments based on sales amounts to ₹7.00 (31 March 2020: ₹4.82; 31 March 2019: ₹2.86).

(All amounts in ₹ in millions, unless otherwise stated)

35 Leases (continued)

The movement in right-of-use asset during the year ended is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,482.39	3,075.27	2,600.23
Adjustments (refer note 36(iii)(2)(a))	-	122.58	-
Additions during the year	911.24	626.31	754.19
Depreciation expense accrued during the year	395.40	341.77	279.15
De-recognised during the year	22.76	-	-
Balance at the end of the year	**3,975.47**	**3,482.39**	**3,075.27**

Amounts recognised in restated consolidated 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
Interest on lease liabilities	370.85	316.59	262.97
Depreciation on right-of-use assets	395.40	341.77	279.15
Rent expenses adjusted with lease liability	(505.54)	(430.77)	(366.34)
Rent concessions/waivers	(16.38)	-	-
Gain on de-recognition of leases	(1.88)	-	-
Net impact on restated consolidated profit and loss	**242.45**	**227.59**	**175.78**

36 Statement of restatement adjustments to consolidated audited financial statements of the Group:

Summarised below are the adjustments made to the audited consolidated financial statements as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 of the Group:

(i) **Impact on the consolidated 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
Net comprehensive income for the year as per audited financial statements:	**588.42**	**811.44**	**839.51**
Adjustments due to prior period items/restatement adjustments:			
(a) Impact on account of adoption of Ind AS 116, Leases [(increase)/decrease in profit]:			
Impact of total income	-	-	-
Impact on total expenses:			
- Depreciation and amortisation expense	-	-	279.15
- Finance cost	-	-	262.97
- Other expenses (rent)	-	-	(366.34)
Deferred tax impact of above adjustments	-	-	(61.43)
	-	**-**	**114.35**
(b) Taxes for earlier years (increase in profit)	-	-	46.51
Restated profits for the year as per restated consolidated statement of profit and loss	**588.42**	**811.44**	**771.67**

(ii) **Reconciliation of total equity as per audited financial statements with total equity as per Restated Consolidated financial information:**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total Equity as per audited consolidated financial statements	**4,919.18**	**4,330.76**	**3,519.32**
Cumulative impact on adoption of Ind AS 116, leases (net of taxes, as applicable)	-	-	(114.35)
Total restated equity as per restated consolidated financial information	**4,919.18**	**4,330.76**	**3,404.97**

(iii) **Notes:**

1. **Adjustments to audit qualification:** None

2. **Material restatement adjustments:**

(a) Recognition of Right-of-use assets and lease liability:

The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using the "modified retrospective approach", under which the cumulative effect of initially applying the standard, is recognized on the date of initial application 1 April 2019. However, for the purpose of preparing restated consolidated financial information, Ind AS 116 has been applied using the modified retrospective approach with effect from 1 April 2018. On transition to Ind AS 116, i.e. 1 April 2018, the Group elected to apply the practical expedient to grandfather the assessment of leases. It applied Ind AS 116, Leases, only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116, Leases, was applied only to contracts entered into or changed on or after 1 April 2018.

(All amounts in ₹ in millions, unless otherwise stated)

36 Statement of restatement adjustments to consolidated audited financial information of the Group (continued):

(a) Recognition of Right-of-use assets and lease liability (continued):

As a Lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, Leases, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar term.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU assets at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

There were no leases previously classified as finance leases.

As required by the Guidance Note, an adjustment of ₹114.35 has been recorded in retained earnings on 1 April 2019 with a corresponding impact to the balances of Right-of-use assets, lease liabilities and deferred taxes to the tune of ₹122.58, ₹53.20 and ₹61.43, respectively, to reflect and carry forward the opening balance in these line items as per the Audited Consolidated financial statements for year ended 31 March 2020.

(b) Deferred tax assets (net):

Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the Restated Consolidated Financial Information.

(c) Taxes for earlier years:

Taxes pertaining to earlier years has been adjusted to the balance of other equity as at 1 April 2018 in these Restated Consolidated Financial Information.

3. Non-adjusting items:

Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016 (CARO 2016 Order), on the financial statements of the Company and its subsidiaries for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 which do not require any corrective adjustment in the Restated Consolidated Financial Information are as follows:

For the year ended 31 March 2021

Clause (i) (c) of CARO 2016 Order

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of property	Total number of cases	Whether leasehold /freehold	As at 31 March 2021		Remarks
			Gross carrying amount	Net carrying amount	
Land	Multiple	Freehold	233.18	233.18	None
Building	Multiple	Freehold	373.69	353.33	None

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

Clause (vii) (b) of CARO 2016 Order

The dues outstanding in respect of income-tax, duty of customs and goods and service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Amount paid under Protest*	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	Goods and Service Tax	3.43	1.46	1 January 2019 to 30 June 2019	High Court, New Delhi

* Paid subsequent to 31 March 2021.

For the year ended 31 March 2020

Clause (i) (c) of CARO 2016 Order

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of property	Total number of cases	Whether leasehold /freehold	As at 31 March 2020		Remarks, if any
			Gross carrying amount	Net carrying amount	
Land	Multiple	Freehold	320.86	320.86	None
Building	Multiple	Freehold	683.39	634.17	None

(All amounts in ₹ in millions, unless otherwise stated)

36 Statement of restatement adjustments to consolidated audited financial statements of the Group (continued):

3. Non-adjusting items (continued):

Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Summary Statement (continued)

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

Clause (viii) of CARO 2016 Order

There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has not defaulted in repayment of loans/borrowings to financial institutions during the year. The Company has defaulted in repayment of loans/borrowings to the following banks:

Particulars	Amount of default	Period of default (in days)	Remarks, if any
In case of Banks:			
- HDFC Bank Limited	1.19	2	None
	1.71	8	None
	0.92	33	None
- Kotak Mahindra Bank Limited	2.55	3	None

<u>For the period ended 31 March 2019</u>

Clause (i) (c) of CARO 2016 Order

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of property	Total number of cases	Whether leasehold /freehold	As at 31 March 2019		Remarks, if any
			Gross carrying amount	Net carrying amount	
Land	Multiple	Freehold	409.70	409.70	None
Building	Multiple	Freehold	539.43	534.14	None

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which are outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statue	Nature of the dues	Amount	Period which it pertains to	Due Date	Date of payment	Remarks, if any
Employee's State Insurance Act 1948	Employee State Insurance	7.93	FY 2017-18	Various	Not paid	None
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Contribution to Provident Fund	19.89	FY 2017-18	Various	Not paid	None

Clause (viii) of CARO 2016 Order

There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following banks/financial institutions:

Particulars	Amount of default	Period of default (in days)	Remarks, if any
(a) Banks:			
- HDFC Bank Limited	4.05	1	None
	1.74	2	None
(a) Financial Institutions:			
- Bajaj Finserv Limited	0.61	1	None
	2.42	2	None

4. Material regroupings

Appropriate regroupings have been made in the restated consolidated financial information of assets and liabilities, statement of profit and loss and cash flow statements, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to align them with the accounting policies and classification as per the financial information of the Group for the year ended 31 March 2021 prepared in accordance with Schedule III to the Act, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the ICDR Regulations.

37 Treatment of Partner's Capital in the erstwhile partnership firm on conversion to Company

On conversion from a partnership firm under Chapter XXI of the Companies Act, 2013, capital of the partners as on 10 September 2018 of ₹3,000.03 has been taken as the equity share capital of the Company. Balance capital of partners of ₹38.57 has been accumulated and carried forward under other equity.

(All amounts in ₹ in millions, unless otherwise stated)

38 Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act:

As at and for the year ended 31 March 2021:

Particulars/ Name of the entity in the Group		Electronics Mart India Limited (Parent)	Cloudnine Retail Private Limited (Subsidiary)	EMIL CSR Foundation (Subsidiary)	Consolidation adjustment	Total
Net Assets, i.e., total assets minus total liabilities	As % of consolidated net assets	100.01%	0.01%	0.00%	-0.02%	100.00%
	Amount	4,919.47	0.71	0.10	(1.10)	4,919.18
Share in profit or loss	As % of consolidated profit	100.02%	-0.02%	0.00%	0.00%	100.00%
	Amount	586.33	(0.13)	-	-	586.21
Share in other comprehensive income (OCI)	As % of consolidated OCI	100.00%	0.00%	0.00%	0.00%	100.00%
	Amount	2.21	-	-	-	2.21
Share in total comprehensive income (TCI)	As % of consolidated TCI	100.02%	-0.02%	0.00%	0.00%	100.00%
	Amount	588.55	(0.13)	-	-	588.42

As at and for the year ended 31 March 2020:

Particulars/ Name of the entity in the Group		Electronics Mart India Limited (Parent)	Cloudnine Retail Private Limited (Subsidiary)	Consolidation adjustment	Total
Net Assets, i.e., total assets minus total liabilities	As % of consolidated net assets	100.00%	0.02%	-0.02%	100.00%
	Amount	4,330.93	0.83	(1.00)	4,330.76
Share in profit or loss	As % of consolidated profit	100.02%	-0.02%	0.00%	100.00%
	Amount	816.25	(0.17)	-	816.08
Share in other comprehensive income (OCI)	As % of consolidated OCI	100.00%	0.00%	0.00%	100.00%
	Amount	(4.64)	-	-	(4.64)
Share in total comprehensive income (TCI)	As % of consolidated TCI	100.02%	-0.02%	0.00%	100.00%
	Amount	811.61	(0.17)	-	811.44

As at and for the year ended 31 March 2019:

Cloudnine Retail Private Limited was incorporated on 29 August 2019. Hence, the above disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act is not applicable as at and for the year ended 31 March 2019.

39 Earnings per equity share

The Basic and Diluted Earnings per equity share for the year ended 31 March 2019 has been computed considering 300,003,000 number of equity shares of ₹10 each which has been issued to the partners of the erstwhile partnership firm on conversion to the Company on the 10 September 2018.

40 Initial Public Offering (IPO)

The Board of Directors (Board) of the Group in their board meeting dated 14 April 2021 has approved raising of capital for the Group through an Initial Public Offering (IPO). As part of its proposed IPO, the group plans to file Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI).

41 Exceptional item

A loss on account of sale of one of the buildings have been classified and presented as an exceptional item.

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42 The Group has assessed the impact of COVID-19 pandemic on its operations during the year ended 31 March 2021, including on its compliances with various prevailing regulations with respect to timely remittance of statutory dues. For this purpose, the Group considered internal and external sources of information up to the date of approval of these consolidated financial statements while assessing the recoverability of the balance of receivables and other assets. The Group has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of receivables and other assets. As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 23 August 2021

For and on behalf of the Board of Directors of
Electronics Mart India Limited

Pavan Kumar Bajaj
Managing Director
DIN: 07899635

Karan Bajaj
Wholetime Director & CEO
DIN: 07899639

Premchand Devarakonda
Chief Financial Officer

Rajiv Kumar
Company Secretary

Place: Hyderabad
Date: 23 August 2021

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, together with all annexures, schedules and notes thereto ("**Audited Financial Statements**") are available at https://electronicsmartindia.com/investors.php . Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors 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. The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth 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 ₹)	1.95	2.72	2.57
Diluted earnings per share (in ₹)	1.95	2.72	2.57
Return on net worth (%)	11.92	18.84	22.64
Net asset value per share (in ₹)	16.40	14.44	11.35
EBITDA (in ₹ million)	2,038.81	2,276.41	2,159.94
EBITDA Margin (%)	6.37	7.18	7.65

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2021, derived from our Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 239, 189, and 22, respectively.

(₹ in million)

Particulars	Pre-Issue (as at March 31, 2021)	Post Issue*
Debt		
Current borrowings (A)	4,739.06	-
Non-current borrowings (including current maturities of long term borrowings) (B)	740.39	-
Total borrowings (C=A+B)	**5,479.46**	**-**
Equity		
Equity share capital (D)	**3,000.03**	**-**
Other equity (E)	1,919.15	-
Total Equity (F= D+E)	**4,919.18**	**-**
Total non-current borrowings (including current maturities of long-term borrowings) /Total equity (B/F)	**0.15**	-
Total borrowings/ Total equity (C/F)	**1.11**	-

**Post-Issue Capitalisation will be determined after finalisation of Issue Price.*

Notes:

1. *Borrowings (Current) are debts which are due for repayment within 12 months from the date of disbursement of the borrowings.*
2. *Borrowings (Non-current) represent borrowings due after 12 months from the date of disbursement of the borrowings and also includes current maturities of borrowings (non-current).*
3. *Other Equity represents "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. *The amounts disclosed above are based on the Restated Consolidated Financial Information*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the information in the section titled "Summary of Financial Information", and our Restated Consolidated Financial Information included in the section titled "Financial Statements" on pages 56 and 189, respectively. Unless the context requires otherwise, the following discussion and analysis of our financial condition and results of operations as of and for Financial Years 2021, 2020 and 2019, is derived from our Restated Consolidated Financial Information, including the notes, annexures and schedules thereto, which have been derived from our audited financial statements as of and for Financial Years 2021, 2020 and 2019, which are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "Guidance Note"). The Ind AS differs in certain material respects from IFRS, U.S. GAAP and GAAP in other countries and other accounting principles with which prospective investors may be familiar. Our Company does not provide reconciliation of its financial information to IFRS, U.S. GAAP or GAAP in other countries. 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 Company's financial information. For further details and risks, see "Risk Factors - Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition" on page 44. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles, policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting principles, policies and practices on the financial disclosures presented in this section should accordingly be limited.

Our financial year ends on March 31 of each year. Accordingly, references to "Financial Year 2021", "Financial Year 2020" and "Financial Year 2019", are to the 12-month period ended March 31 of the relevant year.

Statements contained in this discussion that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise indicated, the industry-related information contained in this section is derived from the CRISIL Report. We commissioned and paid for such report for the purposes of confirming our understanding of the industry in connection with the Issue. For further details and risks in relation to commissioned reports, see "Risk Factors – Internal Risk Factors – This Draft Red Herring Prospectus contains information from an industry report prepared by CRISIL, commissioned by us for the purpose of the Offer for an agreed fee. The accuracy, reliability or completeness of third-party statistical, financial and other industry information in this Draft Red Herring Prospectus is not guaranteed" on page 41.

You are also advised to read the sections titled "Forward-looking Statements" and "Risk Factors" on pages 15 and 22, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations.

Overview

We are the 4th largest consumer durable and electronics retailer in India and as of Financial Year 2020, we are the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh (*Source: CRISIL Report*). We commenced our business operations in 1980 and since then there has been a steady rise in our revenue from operations. We have been one of the fastest growing consumer durable & electronics retailers in India with a revenue CAGR of 25.60% from Financial Year 2015 to Financial Year 2020 (*Source: CRISIL Report*). We have consistently demonstrated profitability with a robust operating performance.

EMIL has the highest EBITDA margins in Financial Year 2020 amongst its peers (*Source: CRISIL Report*). Even when the nation was grappling with the COVID-19 pandemic and a nationwide lockdown, our Company was able to achieve an operating revenue of ₹ 32,018.76 million in Financial Year 2021 and surpassed its last reported operating revenue of ₹ 31,724.77 million in Financial Year 2020, representing 0.93%, year-on-year growth. As on August 15, 2021, our Company had 99 stores across 31 cities / urban agglomerates with a retail business area of 0.99 million sq. ft.

We have built a longstanding market presence with more than three decades of experience having commenced our business operations as a proprietary concern by setting up our first consumer durable and electronic retail store at Hyderabad. We converted the erstwhile sole proprietorship into a partnership firm under the name of 'M/s Bajaj Electronics' pursuant to a partnership deed dated March 25, 2011 and subsequently converted the partnership firm into a public limited company under the Companies Act, 2013 with the name 'Electronics Mart India Limited'.

We offer a diversified range of products with focus on large appliances (air conditioners, televisions, washing machines and refrigerators), mobiles, small appliances, IT and others. Our offering includes more than 6,000 SKUs across product categories from more than 70 consumer durable and electronic brands.

Our business model is a mix of ownership and lease rental model, as we focus to secure retail spaces which ensures high visibility and easy accessibility to customers. Under the ownership model, we own the underlying property including the land and building and in lease rental model, we enter into a long-term lease arrangement with the property owner(s). As of August 15, 2021, out of the total 99 stores we operate, eight stores are owned, 85 stores are under long-term lease rental model and six stores are partly owned and partly leased.

Despite the ongoing COVID-19 pandemic, we have continued to expand our store network in the Financial Year 2021 we opened 22 stores in our clusters of operations. We have been steadily increasing our market reach to cover 13 cities in Andhra Pradesh and 18 in Telangana by setting up new consumer durable and electronic retail stores and venturing into diverse and specialized product categories. We have expanded our business operations based on high potential locations and created a market presence in the tier-I and tier-II cities in Andhra Pradesh and Telangana. As of August 15, 2021, we have set up 24 stores in Andhra Pradesh and 75 stores in Telangana. We have consistently increased our retail business area over the last three Financial Years from 0.65 million sq. ft. in Financial Year 2019 to 0.76 million sq. ft. in Financial Year 2020 and 0.94 million sq. ft. in Financial Year 2021.

We focus on deepening our presence in the regions we operate in before venturing into new markets which has led us to establish brand presence in Telangana and Andhra Pradesh markets. This enables the target customers to identify with our brand as well as with our product portfolio and aids our understanding of the market segment and the customer demand preference. We believe that this approach also enables us to achieve significant market share and dominance in the markets we operate. We plan to continue to deepen our store network in Andhra Pradesh & Telangana; and also gradually plan to expand our network in the NCR region in pursuing our defined cluster-focused expansion strategy.

We operate our business activities across three channels of retail, wholesale and e-commerce.

Retail: With the object of providing comprehensive electronic solutions, our Company has set up diverse consumer durable and electronic retail stores arraying multifarious as well as specialized electronic products. As of August 15, 2021, out of 99 stores, 88 stores are Multi Brand Outlets ("**MBOs**") and 11 stores are Exclusive Brand Outlets ("**EBOs**"). We operate 85 MBOs under the name "*Bajaj Electronics*", one MBO under the name "*Tirupati Electronics*" and two specialized stores under the name "*Kitchen Stories*" which caters to the kitchen specific demands of our customers. The MBOs are operated under the name "*Bajaj Electronics*" and also include two specialized stores under the name "*Kitchen Stories*" which caters to the kitchen specific demands of our customers. Further, we are in the process of setting up another specialised store format under the name "*Audio & Beyond*" focusing on high end home audio and home automation solutions. The revenue from our retail channel was ₹ 29,312.84 million, ₹ 28,991.35 million and ₹ 25,801.72 million which represented 91.55%, 91.38% and 91.38%, of the revenue from operations, respectively, for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively.

Our MBOs endeavor to offer our customers with a comprehensive, distinctive and convenient shopping experience similar to a retail mall, by arraying a wide range of electronic products under one roof and providing one-stop-shop solutions for all their electronic needs. Our local market knowledge, careful product assortment, supply chain efficiencies coupled with efficient customer services has enabled us in providing our customers with electronic products at competitive prices and a wide range of products to shop from and hand-pick the product best suited to their needs. As on August 15, 2021, MBOs operate at an average store area of 10,943 sq feet per store.

Owing to our longstanding market presence, we have been able to enter into arrangements with our reputed electronic brand partners to operate and manage EBOs showcasing products manufactured by our brand partners, thereby providing one-stop solution for all specialised and specific brand related needs of our customers. As on August 15, 2021, we operate and manage 11 EBOs for our brand partners, which are located in Telangana and Andhra Pradesh including two for LG Electronics. As on August 15, 2021, EBOs operate at an average store area of 2,715 sq feet per store.

Wholesale: We are also engaged in the wholesale business of consumer durables, where we supply products to single shop retailers in Andhra Pradesh and Telangana regions. The revenue from our wholesale channel was ₹ 530.53 million, ₹ 505.22 million and ₹ 465.81 million which represented 1.66%, 1.59% and 1.65%, of the revenue from operations, respectively for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively.

E-Commerce: In 2017, we diversified our operations by venturing into the e-commerce space through our website. Our e-commerce website currently functions as a catalogue for the products we retail at our stores. We further expanded our e-commerce operations in 2019 by associating with the largest domestic and international players of the e-commerce market thereby expanding our business reach from brick-and-mortar retail stores to e-commerce platforms. The revenue from our e-commerce channel was ₹ 444.57 million, ₹ 280.11 million and ₹ 212.75 million which represented 1.39%, 0.88% and 0.75%, of the revenue from operations, respectively for Financial Year 2021, Financial Year 2020 and Financial Year 2019, respectively

We believe that our quality of service and efficiency in managing and operating our electronic retail business have enabled us to maintain business relationships with our brand partners, and resultantly, we have been bestowed with certain awards and titles by our brand partners such as "*Most promising channel partner – Dispensers*" in 2020, "*Best Business Partner Excellence Award*" and "*Best Contribution*" in 2019, "*Highest Sales - Retail Chain*" to our Hyderabad Branch in 2019, "*Remarkable Contribution Award*" in 2019, "*Highest RA Sales (Regional Retail) Award*" to our Hyderabad branch in 2018, "*Outstanding Performer (Air Coolers)*" in 2017 and "*Best Air Conditioner Partner*" in 2012. For further details, please refer to the chapter titled "*History and Certain Corporate Matters*" on page 159 of this Draft Red Herring Prospectus.

Our Company is currently associated with more than 70 electronic brands and has a long-standing relationship of more than 15 years with a certain number of brands which operate in product categories such as large appliances, mobiles, small appliances, IT and others.

We classify the products offered by our consumer durable and electronic retail stores under the following categories:

- *Large appliances*: This category includes refrigerators, televisions, air conditioners and washing machines. In Financial Years 2019, 2020 and 2021, this category constituted 60.67%, 55.91% and 54.50%, respectively, of our sale of products – consumer electronics and durables. We retail large appliance products from leading brands including Sony, LG, Godrej, IFB, Daikin, Panasonic, Philips, Symphony and Voltas among others.

- *Mobiles*: This category includes mobile phones, tablets, smart watches and fitness trackers. We started this category in 2011, and it is the fastest growing product category of our Company in the last three Financial Years. In Financial Years 2019, 2020 and 2021, this category constituted 29.09%, 34.18% and 34.04%, respectively, of our sale of products – consumer electronics and durables. We retail mobiles from leading brands including One Plus, LG, Sony, Oppo and Vivo among others.

- *Small appliances, IT and others*: This category includes items that typically compliment the above-mentioned products, laptops, personal computers, printers, cables, screen guards, head phones, bluetooth speakers, coolers, geysers, ceiling fans, personal care devices and kitchen appliances such as kitchen hobs, chimneys, water purifiers and other allied appliances. In Financial Years 2019, 2020 and 2021, this category constituted 10.24%, 9.91% and 11.46%, respectively, of our sale of products – consumer electronics and durables. We retail small appliances, IT and other products from leading brands including Dell, Sony, AO Smith, Ariston Thermo, Butterfly, Miele, Preethi, Havells, Kaff, Orient, Liebherr and Franke Faber among others.

In order to make our products affordable and to expand our market reach, we offer a number of financing solutions to our customers. We have entered into arrangements with our financing partners, which allows us offer financing solutions in the form of low cost or zero cost EMIs to our customers.

In order to create our brand presence and to create awareness of our product portfolio and stores, we engage in various marketing and promotional campaigns. Our key marketing initiatives are summarised below:

e) The business of our Company is seasonal in nature and experiences two major seasons, the Indian festival season and the summer season. It is crucial for our business operations that we capitalise the market opportunities offered in these seasons and therefore, we market and advertise mostly in prominent media about our products and the prevailing offers on them.

f) We also invest in marketing activities specific to certain days/ events by advertising our products and stores in multiple channels for a shorter duration.

g) We consider our store launches as the most prominent time to capture the attention of our local customer base and to further this strategy, we use various advertising channels to reach out to them.

h) We organise marketing events during Indian festivals like Dusshera and Diwali by organising a contest under the name *'India's Biggest Festive Offer'* in which a customer can win cash prizes up to ₹ 10 million and small passenger cars. During this contest, we provide our customers with offers where they can enter into a lucky draw. We often invite a celebrity or a publicly known personality to draw the name of the winner from the dropbox.

Our expenses in relation to advertisement expenses, business promotion expenses and sales promotion expenses were ₹ 961.43 million, ₹ 1,195.23 million and ₹ 1,048.77 million which represented 56.81%, 64.96% and 64.96% of our total other expenses for Fiscals 2021, 2020 and 2019, respectively. The quality of our products and our associations with renowned brand partners is also a key marketing technique. We believe that our innovative marketing techniques acts as a driving force for our growth and building our brand name in the market.

Our sourcing capability, efficient logistics network and robust technological infrastructure have enabled us to deliver on our value retailing promise and create a brand presence among our customers and brand partners. As one of the leading electronic retail players, our core competencies lie in our efficient inventory management which complements our logistics network. In order to manage and track our inventory, we periodically monitor our stock levels with the help of modern software installed in our warehouses which enables us to maintain optimal levels of inventory and ensures smooth functioning of our consumer durable and electronic retail stores.

We have a long-term relationship with various major brands, supplying consumer durables, electronics, mobile & IT equipment. Most of our purchases are directly from the Original Equipment Manufacturers (OEMs) on either advance payment terms or cash on delivery terms, which puts our Company on a strong platform that enables better price and delivery terms. Our procurement function for the Andhra Pradesh cluster is centralized at our regional office in Vijayawada, where the market demand for various products and customer responses to the new products launched by brands is closely monitored. Based on a critical analysis of the customers, we place orders for various products from time to time. Our sales and inventory levels are captured in the ERP system, which assists the management's decisions on the procurement planning.

We use scalable technology including integrated ERP systems to maintain and improve operational efficiencies in procurement, sales and inventory management as well as other administrative functions. Our technological systems enable us to identify and react to changes in customer preferences and consequently align our inventory levels to such preferences. Our technological systems aid us in effectively and uniformly monitoring and managing the performance of each of our stores and providing logistical support to ensure that our product portfolio remain updated and our delivery is timely and effective.

The COVID-19 pandemic has significantly impacted the consumer durable and electronic retail industry as the customers were unable to visit our stores. Our stores operations were shut either fully or partially by lockdown restrictions, during the months from April 2020 till September 2020 in Financial Year 2020 and partially shut during the months of April 2021, May 2021 and June 2021 in Financial Year 2021, which significantly impacted our business and revenue from operations. The partial shutting down of stores was due to the Central and State Governments imposing restrictions mandating early closure of our stores, leading to business interruption. Even though the consumer durable and electronic retail industry experienced a slowdown due to COVID-19 related restrictions, our Company continued to open 28 stores since the onset of the pandemic, across our existing clusters and has been able to expand our reach, thereby reinforcing our market position and brand strength. Out of the 28 stores, 16 MBOs and two EBOs were opened in Telangana and nine MBOs and one EBO were opened in Andhra Pradesh.

Significant factors affecting our results of operations

Our business, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that we expect will continue to have, a significant impact on our business, results of operations and financial condition follows below:

The impact of COVID-19 on our results of operations and financial condition

In late 2019, COVID-19 emerged and by March 11, 2020 it was declared as a global pandemic by the World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. By the end of March 2020, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 31, 2020. Since May 2020 some of these measures have been lifted and partial travel has been permitted. Further, the COVID-19 pandemic has caused substantial disruption to the global economy and supply chains, created significant volatility and disruption in financial markets, including in India, with the Governor of the Reserve Bank of India stating on May, 22 2020 that the combined impact of demand compression and supply disruption will depress economic activity in the first half of Financial Year 2021and GDP growth in Financial Year 2021 is estimated to remain negative.

In compliance with the lockdown orders announced by the Indian Government, we temporarily closed our stores and initiated remote working for some of our employees. Additionally, many of our customers and service providers temporarily ceased operating their respective enterprises.

As a result, we experienced a decline in sales growth rate due to the impact of COVID-19 and various regulatory measures in response to COVID-19.

The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- We had encountered in the past and may encounter in future the reduced footfall in our stores due to the fear of pandemic among the customers, which impacts the revenues and increases the idle operating costs. The details of the operational and partially operational stores are shown in the table below:

Month	**Total number of stores**	**Non-operational stores**	**Partially operational stores**
April 2020	74	74	0
May 2020	74	38	36
June 2020	75	20	55
July 2020	75	20	55
August 2020	78	4	10
September 2020	84	3	0

- We had to completely close or reduce the store operating hours in the past and may in future face the similar situation due to lockdown restrictions imposed by the Government Agencies to prevent rapid spread of pandemic, which has an adverse effect on the revenues and operating expenses envisaged by us and increases the inventory carrying costs.

- We had experienced in the past and may experience in future as well, a shortage in supply of products from our suppliers due to disruption in supply chains globally which impacts our ability to maintain adequate inventory levels to fulfill customer demand.

- We had experienced in the past and may experience in future as well, the inefficient third-party logistical support, which extends the invoice to collection cycle thus increases the interest cost.

- We had experienced in the past and may experience in future as well, the drop in the productivity of the manpower engaged in various activities by our company, due to the ill-health of either employees or their family members, which increases the unproductive manpower cost.

Basis of preparation and significant accounting policies

Our financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These financial statements comprise the balance sheet, the profit and loss, the statement of cash flows and the statement of changes in equity for the year ended March 31, 2021 and a summary of the significant accounting policies and other explanatory information. The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the right-of-use assets, lease liabilities and financial instruments/financial assets measured at fair value or amortized cost; employee defined benefit assets/ liability recognized as the net total of the fair value of plan assets, and actuarial losses / gains, and the present value of defined benefit obligation.

SIGNIFICANT ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon amounts derived from our Restated Consolidated Financial Information, except where otherwise noted. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate these estimates on an on-going basis. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount values of assets and liabilities that are not readily apparent from other sources.

We believe that application of the following critical accounting policies entails the most significant judgments and estimates used in the preparation of our financial statements.

(a) Basis of preparation of consolidated financial statements

The Restated Consolidated Financial Information have been prepared in accordance with the recognition and measurement principles of the accounting standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India (‘Indian GAAP’).

The Restated Consolidated Financial Information comprises of:

a. the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and Restated Standalone Statement of Assets and Liabilities as at 31 March 2019;

b. the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Cash Flow Statement and the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2021, 31 March 2020 and Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Cash Flow Statement and the Restated Standalone Statement of Changes in Equity for the year ended 31 March 2019; and

c. the summary of the significant accounting policies and other explanatory information

The statements are collectively hereinafter referred to as 'Restated Consolidated Financial Information'. The Restated Consolidated Financial Information have been prepared on a historical cost convention and on an accrual basis, except for the following: financial instruments/financial assets measured at fair value or amortized cost; employee defined benefit assets/ liability recognized as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

The financial statements of the erstwhile partnership firm, M/s Bajaj Electronics, for the period up to 10 September 2018 have been revised by the Company to conform to the format prescribed for companies under the Companies Act, 2013 in accordance with Ind AS notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (the "Re-casted Financial Statements").

These Re-casted financial statements have been audited by the statutory auditors of the Company, Walker Chandiok & Co LLP, Chartered Accountants, for the period upto 10 September 2018; additionally, they are also the first auditors of the Company and have audited the first financial statements of the Company prepared for the period 10 September 2018 to 31 March 2019 (collectively, 'the Audited Financial Statements'). The Statement of Profit and Loss as per these re-casted financial statements of the erstwhile partnership firm for the period 1 April 2018 to 10 September 2018 has been aggregated with the Statement of Profit and Loss of the Company for the period 10 September 2018 to 31 March 2019 in order to present a Statement of Profit and Loss for the year ended 31 March 2019 for the purpose of these Restated Consolidated Financial Information. The details of the income and expenses of the erstwhile partnership firm for the period 1 April 2018 to 10 September 2018 and the details of the income and expenses of the Company for the period 10 September 2018 to 31 March 2019 are as follows:

Particulars	**For the period**		**For the year ended 31 March 2019**
	1 April 2018 to 10 September 2018	**10 September 2018 to 31 March 2019**	
	(₹ in million)	**(₹ in million)**	**(₹ in million)**
Revenue from operations	11,749.99	16,486.49	28,236.48
Other income	13.99	10.51	24.50
Total income	**11,763.98**	**16,497.00**	**28,260.98**
Expenses			
Purchases of stock-in-trade	9,814.07	14,855.32	24,669.39
Changes in inventories of stock-in-trade	147.38	(848.73)	(701.35)
Employee benefits expense	161.46	335.29	496.75
Finance costs	89.76	172.95	262.71
Depreciation and amortization expense	62.79	81.18	143.97
Other expenses	832.44	1,148.31	1,980.75
Total expenses	**11,107.90**	**15,744.32**	**26,852.22**
Profit before tax	656.08	752.68	1,408.76
Tax expense	299.95	272.67	572.62
Profit for the period/year	**356.13**	**480.01**	**836.14**
Other comprehensive income	2.66	0.71	3.37
Total comprehensive income for the period/year attributable to the Shareholders	**358.79**	**480.72**	**839.51**

These aggregated amounts for the year ended 31 March 2019, prior to adjustments on account of matters detailed in note 36, has been considered for the purpose of these Restated Consolidated Financial Information.

These audited financial statements form an integral part of the restated financial information, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (collectively, the 'Offer Documents'). All references made to the Company for the period when it was the erstwhile partnership firm are solely for the purpose of the Issue and reference in the Offer Documents.

In the Restated Consolidated Financial Information:

i. material amounts relating to adjustments for previous year on account of changes in accounting policies have been appropriately adjusted to ensure consistency of presentation, disclosures and the accounting policies for all the years presented in line with the audited consolidated financial statements of the Group for the year ended 31 March 2021;

ii. adjustments were made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group for the year ended 31 March 2021 prepared under Ind AS and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations');

iii. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated consolidated Financial Information have been prepared by the management of the Company in connection with the proposed listing of the equity shares of the Company by way of Initial Public Offering, to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and the National Stock Exchange of India Limited and BSE Limited (the 'Stock Exchanges') in accordance with the requirements of:

- Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013;

- Relevant provision of ICDR Regulations 2018, issued by SEBI as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and

- The Guidance note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountant of India (ICAI), as amended (the "Guidance Note").

(a) Consolidation process:

i. Subsidiaries:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these Restated Consolidated Financial Information from the date that control commences until the date that control ceases. For the purpose of preparing these Restated Consolidated Financial Information, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company, wherever applicable.

ii. Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in full while preparing these Restated Consolidated Financial Information. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

iii. Loss of Control:

Upon loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the restated consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL) financial asset, depending on the level of influence retained.

(b) These Restated Consolidated Financial Information have been prepared on the basis of the financial statements of the following subsidiaries:

S. No.	Names of the subsidiaries	Country of incorporation	% Holding	Date of Incorporation
1.	Cloudnine Retail Private Limited	India	100%	29 August 2019
2.	EMIL CSR Foundation	India	100%	25 February 2021

Details of subsidiaries consolidated while preparation of these Restated Consolidated Financial Information:

Names of the subsidiaries	2021	2020	2019
1. Cloudnine Retail Private Limited	Yes	Yes	Not applicable
2. EMIL CSR Foundation	Yes	Not applicable	Not applicable

Both the aforementioned subsidiaries are yet to commence their commercial operations as at 31 March 2021.

(c) Use of estimate

The preparation of Restated Consolidated Financial Information requires the management to make accounting estimates, assumptions and judgements that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(d) Operating cycle and current and non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(e) Fair value measurement:

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Group 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.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, freight, non-refundable taxes and duties, specified foreign exchange gains or losses and any other cost attributable to bring the asset to its working condition for its intended use. Expenditure directly relating to construction activity is capitalized if the recognition criteria are met. Indirect expenditure is capitalized to the extent those relate to the construction activity or is incidental thereto. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gain or losses arising from derecognition of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives as estimated by the management. The details of useful lives as assessed by the management and as prescribed in the Schedule II to the Companies Act, 2013 is as follows:

Particulars	Management estimate (No. of years)	Schedule II (No. of years)
Buildings	60 years	60 years
Plant and equipment	15 years	15 years
Furniture and fixtures	8 years	10 years
Vehicles	8 - 10 years	8 - 10 years
Office equipment	5 years	5 years

Electrical installations and equipment	8 - 10 years	10 years
Computers and data processing units	3 - 6 years	3 - 6 years
Other equipments	15 years	15 years

Leasehold improvements are depreciated on straight-line method over the lease period or the useful lives as determined by management, whichever is lower.

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use.

Capital work-in-progress are not depreciated as these assets are not yet available for use.

(f) Intangible assets

Intangible assets in the nature of computer software are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortization of intangible assets

Intangible assets are amortized on a straight-line basis over the estimated useful life. The intangible assets are amortized over a period of three years from the date when the asset is available for use, as estimated by management. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds three years, the Group amortizes the intangible asset over the best estimate of its useful life.

(g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

(h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (‘FVTPL’), transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified to the following category:

- Debt instruments at amortized cost

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Equity instruments

All equity investments in subsidiaries are measured at cost less diminution other than temporary.

Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances and fixed deposits with banks with original maturity of less than three months. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

De-recognition

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for following financial assets and credit risk exposures:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, commission receivables, other advances and bank balances

b) Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets, and

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Taxes

Tax expense comprises of current and deferred tax.

i) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current taxes are recognised in statement of profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity in which case, the income taxes are recognised in Other Comprehensive Income or directly in equity respectively.

The Group recognises interest levied on income tax assessments as interest expenses.

ii) *Deferred tax*

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Inventories

Inventory is valued at lower of cost and net realizable value.

Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. In determining the cost, weighted average cost method is used. The carrying cost of inventories are appropriately written down when there is a decline in the net realisable value of such materials. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

(l) Provisions and contingencies

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Given the nature of business, the period between the transfer of goods and payment by customer is generally immediate and is less than one year for wholesale sales, accordingly management has determined that there is no adjustment needed to the transaction price for time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
ii. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
iii. the Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

Further, at the time of revenue recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

Specifically, the following basis is adopted for various sources of income:

Sale of goods

Revenue from sale of goods comprises the sale of consumer electronics and durables and is recognised at a point in time, on satisfaction of performance obligation upon transfer of control of promised products which generally coincides with delivery. Amounts disclosed as revenue are net of returns, trade allowances, rebates and exclusive of goods and services tax.

Commission and incentives

Revenue in relation to commission and incentives are recognized when the right to receive and performance of agreed contractual task has been completed in accordance with the terms of agreements entered.

(n) Retirement and other employee benefits

Provident fund and employee state insurance fund are defined contribution schemes and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation as per the projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

(o) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the balance lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

ii. Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(p) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(q) Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 ‘Operating Segment’ and believes that the Group has only one reportable segment namely “retailing and wholesale of electronic household items and accessories through its stores and online platforms”. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, and the Managing Director, who together constitute as Chief Operating Decision Maker (‘CODM’).

(r) Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors.

(s) Earnings per equity share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements

In the process of applying the Group 's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

Leases

(1) Lease term:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

(2) Discount rate:

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as comparable interest rates for similar instruments and availing a quote from lenders, if required.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Group's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss. The tax rules in the jurisdiction in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

Current income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Allowance for slow moving, damaged and obsolete inventory

An allowance for inventory to write down to the lower of cost or net realisable value is made by management based on the estimates of the selling price and direct cost to sell the slow moving/damaged inventory. The write down is included in the operating results.

Life time expected credit loss on trade and other receivables:

Trade receivables do not carry any interest and are stated at their transaction value as reduced by life time expected credit losses ("LTECL"). As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head other expenses/other income in the P&L. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Employee benefits plan

The cost of defined benefit gratuity plan as well as the present value of the gratuity obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increase and mortality rates. Due to the complexity of the valuation, the underlying assumptions, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Depreciation on property, plant and equipment:

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. Considering the applicability of Schedule II to Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently considered fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these in certain cases are different from lives prescribed under Schedule II to the Companies Act, 2013.

Segment Reporting

The Group is engaged in the business of electronics retail and wholesale trade through its Bajaj Electronics stores and online platforms to customers. The Group does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The CODM reviews the results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group operates and manages its business as a single segment mainly by facilitating the sale of products through the stores and online platforms. As the Group's long-lived assets are all located in India and the Group's revenues are derived from India, no geographical information is present.

Information about geographical areas

The Group has operations only in India, hence there are no separately reportable geographical segments for the Group as per the requirements of Ind AS108 Operating Segments.

Information about major customers

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Group.

Change in Accounting Policies / Estimates

During the Financial Year 2020, we adopted the Ind AS116 for the first time, as it was made mandatory effective April 1, 2019 by the Ministry of Corporate Affairs. We, therefore, adopted the new accounting policy for accounting of long-term leases. However, the restated consolidated financial statements were prepared on the basis that the said accounting policy has been adopted with effect from April 01, 2018.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

Particulars	2021		2020		2019	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Revenue:						
Revenue from operations	32,018.76	99.83	31,724.77	99.79	28,236.48	99.91
Other income	54.92	0.17	65.40	0.21	24.50	0.09

Particulars	2021		2020		2019	
	(₹ in million)	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**
Total Income	32,073.68	100.00	31,790.17	100.00	28,260.98	100.00
Expenses:						
Purchases of stock-in-trade	28,469.14	88.76	27,762.26	87.33	24,669.39	87.29
Changes in inventories of stock-in trade	(795.88)	(2.48)	(740.09)	(2.33)	(701.35)	(2.48)
Employee benefits expense	614.33	1.92	586.32	1.84	494.10	1.75
Finance Costs	716.74	2.23	633.75	1.99	525.69	1.86
Depreciation and amortization expense	581.37	1.81	507.62	1.60	423.12	1.50
Other expenses	1,692.36	5.28	1,839.87	5.79	1,614.40	5.71
Total expenses	31,278.06	97.52	30,589.73	96.22	27,025.35	95.63
Profit before tax and exceptional items	795.62	2.48	1,200.44	3.78	1,235.63	4.37
Exceptional item	-	-	-78.65	-0.25	-	0.00
Profit before tax	795.62	2.48	1,121.79	3.53	1,235.63	4.37
Tax expense:						
Current tax expense	257.67	0.80	349.45	1.10	497.28	1.76
Deferred tax benefit	(48.26)	(0.15)	(43.74)	(0.14)	(32.61)	(0.12)
Profit for the year	586.21	1.83	816.08	2.57	770.96	2.73

Key Components of our Statement of Profit and Loss Based on our Restated Consolidated Financial Statements

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Revenue

Revenue consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises revenue from sale of products, revenue from sale of services and other operating revenues. Revenue from sale of products comprises revenue from the sale of consumer electronics and durables. Other operating revenues primarily comprises commission income, incentives income and other collections from customers.

Other income. Other income primarily comprises interest on bank deposits and security deposits, rent concession, liabilities no longer required written back and miscellaneous income.

Expenses

Expenses consist of purchases of stock-in-trade, changes in inventories of stock-in-trade, employee benefits expenses, depreciation and amortization expense, finance cost and other expenses.

Purchases of stock-in-trade. Purchases of stock-in-trade relates to costs incurred for the procurement of inventories for consumer electronics and durables.

Changes in inventories of stock-in-trade. Changes in inventories of stock-in-trade comprises net increase or decrease in the inventory of *stock-in-trade*.

Employee benefit expenses. Employee benefits expenses comprise salaries, wages and bonus, contribution to provident and other funds, staff welfare, expenses and gratuity.

Finance cost. Finance cost primarily comprises interest on long-term borrowings and short-term borrowings measured at amortized cost, other borrowing costs and interest accrued on lease liability.

Depreciation and amortization expense. Depreciation and amortization expense relate to depreciation of tangible assets (property, plant and equipment), depreciation on right-of-use assets and amortization of intangible assets. Intangible assets include our trademarks and software licenses.

Other expenses. Other expenses primarily comprise expenses relating to rent, rates & taxes, legal and professional fees, advertisement, business promotion, sales promotion expenses, commission expenses, printing & stationery, power and fuel, repairs & maintenance, travelling and conveyance, and miscellaneous expenses.

Tax Expense

Tax expense consists of current tax and deferred tax.

Financial Year 2021 compared to Financial Year 2020

Our results of operations for the Financial Year 2021 were particularly affected by the following factors:

- We had experienced the loss of business days during the first quarter of the Financial Year 2021 due to lockdown restrictions imposed by the Government Agencies.

- We continued to maintain same level of employee benefit expenses, in spite of adverse conditions and constrained to incur the majority of other fixed overheads.

- We had to liquidate the inventories that remained unmoved due to lockdown restrictions, by offering additional discounts to the customers, which has an impact on the gross margin.

- Our financing costs increased due to interruption of our business operations in the first quarter and the resultant accumulation of stocks.

Total Income

Our total Income increased by 0.89% to ₹ 32,073.68 million for the Financial Year 2021 from ₹ 31,790.17 million for the Financial Year 2020, primarily due to marginal increase of 1.72% in the sale of products – consumer electronics and durables during the Financial Year 2021, in spite of either complete or partial lockdown for significant part of the first quarter.

Revenue from Operations- Our revenue from operations increased by 0.93% to ₹ 32,018.76 million for the Financial Year 2021 from ₹ 31,724.77 million for the Financial Year 2020, primarily due to increase in the retail sales during the Financial Year 2021 by 1.11%.

Other income. Our other income decreased by 16.02% to ₹ 54.92 million for the Financial Year 2021 from ₹ 65.40 million for the Financial Year 2020, primarily due to write-back in the Financial Year 2020, of liabilities, which were time barred and non-recurring in nature.

Total Expenses

Our total expenses increased by 2.25% to ₹31,278.06 million in Financial Year 2021 from ₹30,589.73 million in the Financial Year 2020, due to the factors described below:

Cost of goods sold: The cost of goods sold is calculated as the sum of purchase of stock-in trade and changes in inventory of stock-in trade. It includes all costs of purchase incurred in bringing the inventories to their present condition and location, subsequent variations in cost or quantities of such purchases and difference between values of stocks at the beginning and ending of the periods reported. Our cost of goods sold increased by 2.41% to ₹27,673.26 million in Financial Year 2021 from ₹27,022.17 million in the Financial Year 2020.

- *Purchases of stock-in-trade*: Purchases of stock-in-trade increased by 2.55% to ₹28,469.14 million for the Financial Year 2021 from ₹ 27,762.26 million for the Financial Year 2020 primarily due to increase in operations during the Financial Year 2021.

- *Changes in inventories of stock-in trade*: Changes in inventories of stock-in-trade increased by 7.54% to ₹ (795.88) million for the Financial Year 2021 as compared to ₹ (740.09) million for the Financial Year 2020 on account of increased closing inventory during the Financial Year 2021 on account of increased number of stores. For the Financial Year 2021, we had an opening inventory of ₹4,017.81 million and a closing inventory of ₹ 4,813.69 million. For the Financial Year 2020, we had an opening inventory of ₹ 3,277.72 million and a closing inventory of ₹ 4,017.81 million.

Employee benefit expenses: Employee benefit expenses increased by 4.78% to ₹ 614.33 million for the Financial Year 2021 from ₹ 586.32 million for the Financial Year 2020, primarily due to increase in the manpower on account of new stores and increased support and back-office staff.

Our number of employees increased to 2,632 employees as of March 31, 2021 (including contract personnel which are accounted for under "*Other expenses*") from 2,169 employees as of March 31, 2020.

Finance costs: Our finance costs increased by 13.10% to ₹ 716.74 million for the Financial Year 2021 from ₹ 633.75 million for the Financial Year 2020, primarily as a result of increase in the interest on the lease liabilities, which had gone up due to addition of leasehold properties being taken on lease for setting up of stores and warehouses.

Depreciation and amortization expense: Our depreciation and amortization expense increased by 14.53% to ₹ 581.37 million for the Financial Year 2021 from ₹ 507.62 million for the Financial Year 2020, on account of addition of depreciable assets such as Property, Plant and Equipment, other intangible and right of use assets to the tune of ₹ 1,591.88 million during the Financial Year 2021.

Other expenses: Our other expenses decreased by 8.02% to ₹ 1,692.36 million for the Financial Year 2021 from ₹ 1,839.87 million for the Financial Year 2020, primarily on account of lesser expenses towards sales promotion, business promotion and advertisement in the wake of partial and complete lock-down and loss of business days in the pandemic.

Total tax expenses: Our total tax expenses decreased by 31.50% to ₹ 209.41 million for the Financial Year 2021 from ₹ 305.71 million for the Financial Year 2020, as a result of reduction in the profit before tax during the Financial Year 2021 by 29.08% as compared to the Financial Year 2020.

Profit after tax: Our profit after tax decreased by 28.17% to ₹ 586.21 million for the Financial Year 2021 from ₹ 816.08 million for the Financial Year 2020, mainly due to business interruptions caused due to restrictions imposed by the Central Government of India during the first quarter of the Financial Year 2021.

Financial Year 2020 compared to Financial Year 2019

Our results of operations for the Financial Year 2020 were particularly affected by the following factors:

- We had experienced reduction in footfalls in the month of March 2020 due to concern among the customers due to series of COVID-19 alert messages from the Government of Telangana and the Government of Andhra Pradesh, coupled with COVID-19 news across the media. Further, we had to keep all our outlets closed from March 22, 2020 till the end of the Financial Year 2020 due to lockdown imposed by the governments across the states of Telangana and Andhra Pradesh, which was the peak season for the sale of air-conditioners and air-coolers.

- However, we were successful in achieving growth in the revenue and profit after tax during the Financial Year 2020, as compared to the previous Financial Year due to timely implementation of the plan of expanding our geographical spread across the states of Telangana and Andhra Pradesh.

Total Income

Our total income increased by 12.49% to ₹ 31,790.17 million for the Financial Year 2020 from ₹ 28,260.98

million for the Financial Year 2019, primarily due to increase in the number of stores and also due to revenue growth across many of the existing stores.

Revenue from Operations. Our revenue from operations increased by 12.35% to ₹ 31,724.77 million for the Financial Year 2020 from ₹ 28,236.48 million for the Financial Year 2019, primarily due to growth in retail sales by 12.36%.

Other income. Our other income increased by 166.94% to ₹ 65.40 million for the Financial Year 2020 from ₹ 24.50 million for the Financial Year 2019, primarily due to write-back in the Financial Year 2020, of liabilities, which were and non-recurring in nature.

Total Expenses

Our total expenses increased by 13.19% to ₹30,589.73 million in Financial Year 2020 from ₹27,025.35 million in the Financial Year 2019, due to the factors described below:

Cost of goods sold: Cost of goods sold increased by 12.74% to ₹27,022.17 million in Financial Year 2020 from ₹23,968.04 million in the Financial Year 2019.

- *Purchases of stock-in-trade*: Purchases of stock-in-trade increased by 12.54% to ₹ 27,762.26 million for the Financial Year 2020 from ₹ 24,669.39 million for the Financial Year 2019 primarily due to increase in operations during the Financial Year 2020.

- *Changes in inventories of stock-in trade*: Changes in inventories of stock-in-trade was increased by 5.52% to ₹ (740.09) million for the Financial Year 2020 as compared to ₹ (701.35) million for the Financial Year 2019 on account of increased closing inventory and number of stores during the Financial Year 2020, also due to lockdown in the last 10 days of March 2020 there were no sales. For the Financial Year 2020, we had an opening inventory of ₹ 3,277.72 million and a closing inventory of ₹ 4,017.81 million. For the Financial Year 2019, we had an opening inventory of ₹ 2,576.37 million and a closing inventory of ₹ 3,277.72 million.

Employee benefit expenses. Employee benefit expenses increased by 18.66% to ₹ 586.32 million for the Financial Year 2020 from ₹ 494.10 million for the Financial Year 2019, primarily due to the increase in manpower on account of adding more number of stores and strengthening of the back office team. Our number of employees increased to 2,169 employees as of March 31, 2020 (including contract personnel which are accounted for under "*Other expenses*") from 1,875 employees as of March 31, 2019.

Finance costs. Our finance costs increased by 20.56% to ₹ 633.75 million for the Financial Year 2020 from ₹ 525.69 million for the Financial Year 2019, primarily as a result of increased utilization of the working capital and term loan facilities and increased interest expenditure on lease liabilities that had gone up due to increased number of leasehold premises.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 19.97% to ₹ 507.62 million for the Financial Year 2020 from ₹ 423.12 million for the Financial Year 2019, on account of addition of depreciable assets such as Property, Plant and Equipment, other intangible and right of use assets to the tune of ₹ 1,252.35 million during the Financial Year 2020.

Other expenses. Our other expenses increased by 13.97% to ₹ 1,839.87 million for the Financial Year 2020 from ₹ 1,614.40 million for the Financial Year 2019, primarily on account of increase in expenses towards repairs & maintenance, advertisement, business promotion, sales promotion expenditure and increase in the usage of power and fuel.

Exceptional item. During the Financial Year 2020, we had disposed of one of the properties, located at Vikarmpuri, Secunderabad, Telangana, which was acquired in the Financial Year 2017 with an intention to set up our store. We suffered a loss to the tune of ₹ 78.65 million in this transaction, as we could not get the necessary approvals to put this property for commercial use. The said property was acquired on August 19, 2016 for ₹ 90.34 million and incurred an amount of ₹ 38.31 million on improvements and disposed of in the Financial Year 2020 for ₹ 50.00 million.

Total tax expenses. Our total tax expenses decreased by 34.21% to ₹ 305.71 million for the Financial Year 2020 from ₹ 464.67 million for the Financial Year 2019, as a result of reduction in the corporate income tax rate from 34.94% in the Financial Year 2019 to 25.16% in the Financial Year 2020.

Profit after tax. Our profit after tax increased by 5.85% to ₹ 816.08 million for the Financial Year 2020 from ₹ 770.96 million for the Financial Year 2019 was mainly due increased revenue from operations and decrease in the Income Tax rates during the Financial Year 2020.

Cash Flows

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

(₹ in million)

Particulars	Financial Year		
	2021	2020	2019
Net cash generated from/(used in) operating activities	640.14	360.06	692.22
Net cash generated/(used in) investing activities	(599.45)	(703.49)	(524.54)
Net cash generated/(used in) financing activities	(561.21)	706.43	87.95
Cash and Cash Equivalents at the end of the year / period	350.21	870.73	507.73

Operating Activities

Financial Year 2021

Net cash generated from operating activities was ₹ 640.14 million for the Financial Year 2021. While our net profit before tax was ₹ 795.62 million for the Financial Year 2021, we had an operating cash inflow before working capital changes and tax of ₹ 2,099.17 million, primarily as a result of cash sales and timely settlement of dues against the credit card/debit card transactions and consumer finance amounts by Banks and NBFCs. Our changes in working capital for the Financial Year 2021 primarily consisted of increase in Inventories, Other Current Assets and Trade Receivables.

Financial Year 2020

Net cash generated from operating activities was ₹ 360.06 million for the Financial Year 2020. While our net profit before tax was ₹ 1,121.79 million for the Financial Year 2020, we had an operating cash inflow before working capital changes and tax of ₹ 2,317.60 million, primarily as a result of cash sales and timely settlement of dues against the credit card/debit card transactions and consumer finance amounts by banks and NBFCs. Our changes in working capital for the Financial Year 2020 primarily consisted of increase in inventories and other current assets and decrease in trade payables.

Financial Year 2019

Net cash generated from operating activities was ₹ 692.22 million for the Financial Year 2019. While our net profit before tax was ₹ 1,235.63 million for the Financial Year 2019, we had an operating cash inflow before working capital changes and tax of ₹ 2,208.65 million, primarily as a result of cash sales and timely settlement of dues against the credit card/debit card transactions and consumer finance amounts by banks and NBFCs. Our changes in working capital for the Financial Year 2019 primarily consisted of increase in inventories, other current assets, trade receivables, trade payables and financial liabilities.

Investing Activities

Net cash used in the investing activities was ₹ 599.45 million in the Financial Year 2021, primarily on account of purchase of property, plant and equipment, including intangible assets.

Net cash used in the investing activities was ₹ 703.49 million in the Financial Year 2020, primarily on account of purchase of property, plant and equipment, including intangible assets.

Net cash used in the investing activities was ₹ 524.54 million in the Financial Year 2019, primarily on account of purchase of property, plant and equipment, including intangible assets.

Financing Activities

Net cash used in financing activities was ₹ 561.21 million for the Financial Year 2021, primarily consisting of repayment of interest.

Net cash generated from financing activities was ₹ 706.43 million for the Financial Year 2020, primarily consisting of proceeds from the short-term borrowings.

Net cash generated from financing activities was ₹ 87.95 million for the Financial Year 2019, primarily consisting of proceeds from the short-term borrowings.

Indebtedness

The following table sets forth certain information relating to outstanding indebtedness as of August 15, 2021, and our repayment obligations in the periods indicated:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as of August 15, 2021
Secured loans		
Term loans*	674.87	655.61
Cash Credit	3,500.00	1,529.96
Seasonal Cash Credit	500.00	
Bank Guarantee (Sub limit of cash credit facility)	(100.00)	(31.16)
Trade Advance	250.00	7.58
Short Term Revolving Line #	1,000.00	1,000.00
(A) Total of Secured Loans	**5,924.87**	**3,193.15**
Unsecured loans		
Retail Finance facility	1,750.00^	72.10
Trade Advance facility $	1,000.00	0.00
Total Unsecured Loans (B)	2,750.00	72.10
Total (A+B)	**8,674.87**	**3,265.25**

The details above have been certified by Komandoor & Co LLP, Chartered Accountants pursuant to certificate dated September 20, 2021 .

**HDFC Bank Limited vide its sanction letter dated June 10, 2021 has taken over the term loans sanctioned by Bajaj Finance Limited amounting to ₹ 674.87 million.*

^Company has signed dealer facility agreement with Bajaj Finance Limited on February 28, 2020, which provides an outer limit of Retail Finance Facility of ₹ 2,000 million without any inner limit.

#Our Company has executed security documents with Bajaj Finance Limited to create a charge by way of hypothecation and mortgage of our movable and immovable properties to secure this facility. In accordance with the facility documents executed with Bajaj Finance Limited, we have been provided with a time period of 90 days from the date of first disbursement for creation and perfection of securities. Accordingly, we are in the process of filing relevant forms with the Registrar of Companies to register a charge in favour of Bajaj Finance Limited.

$Our Promoters, Pavan Kumar Bajaj and Karan Bajaj are co-borrowers in the trade advance facility availed from IDFC First Bank Limited.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of March 31, 2021, aggregated by type of contractual obligation:

(₹ in million)

Particulars	As of March 31, 2021				
	Payment due by period				
	Total	Less than 1 year	1-2 Years	2-5 years	More than 5 years
Estimated amount of contracts remaining to be executed on capital account and not provided for:					
Tangible assets	23.72	23.72	Nil	Nil	Nil
Intangible assets	Nil	Nil	Nil	Nil	Nil
Total	23.72	23.72	Nil	Nil	Nil

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities which have not been provided for, as of March 31, 2021:

Particulars	Amount (₹ in million)
Claims against our Company not acknowledged as debts	7.95
Total	**7.95**

Note: *The Group has received an order from the National Anti-Profiteering Authority of the Central Goods and Services Tax Act, 2017 during the year ended 31 March 2021 demanding an amount of ₹3.43 million alleging certain non-compliances with the anti-profiteering regulations of the Goods and Services Act, 2017. The management has filed necessary appeals in this regard with the appropriate appellate authorities which is pending for adjudication as at the date of the financial statements. However, on the basis of its internal assessment of the nature of the allegations, the facts of the case and an independent advise received in this regard, management is confident of resolving this matter in favour of the Group*.

For details, see "*Financial Statements*" on page 189.

Debt/Equity Ratio

Our long-term debt/equity ratio was 0.15 and 0.17 as of March 31, 2021 and March 31, 2020, respectively, while our total debt/equity ratio was 1.11 and 1.20 as of March 31, 2021 and March 31, 2020, respectively.

"*Long term debt*" represents the sum of long-term borrowings and current maturities of long-term borrowings.

"*Total debt*" represents the sum of long-term borrowings, short term borrowings and current maturities of long-term borrowings.

"*Equity*" represents the sum of the paid-up share capital and reserves and surplus.

Historical Capital Commitments

We have made additions to property, plant and equipment towards land, buildings, plant and equipment, furniture and fixtures, vehicles, office equipment, electrical installations, computers and data processing units, leasehold improvements and other equipment's to the tune of ₹ 709.73 million, ₹ 706.94 million and ₹ 548.72 million during the financial years 2021, 2020 and 2019, respectively.

Capital Expenditure

Our capital expenditures primarily relate to the acquisition of land and buildings. For the Financial Years 2021, 2020 and 2019, our restated capital expenditures relating to land and buildings amounted to ₹ 343.05million, ₹ 388.26 million and ₹377.78 million, respectively. The following table sets forth the gross block of our property, plant and equipment as at the end of each Financial Year:

(₹ in million)

Particulars	Financial Year		
	2019	**2020**	**2021**
Land	476.28	467.33	501.25
Buildings	757.43	1051.90	1361.03
Plant and equipment	30.64	51.44	63.93
Furniture and fixtures	135.90	216.09	284.58
Vehicles	20.99	77.42	102.28
Office equipment	40.44	48.69	67.26
Electrical installations and equipment	30.01	101.47	142.57
Computers and data processing units	14.95	21.01	34.37
Leasehold improvements	345.93	421.42	609.23
Other equipment	0.01	0.01	0.01
Total	1852.58	2456.78	3166.51

Credit Ratings

The following table sets forth our credit ratings as of the date of this Draft Red Herring Prospectus:

Nature of debt instruments	Rating agency	Term	Credit Ratings
Fund-based working capital limits	India Ratings & Research	One year	IND A-/Stable/IND A2+

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. All the transactions with related parties are in compliance with the Companies Act, 2013, SEBI Listing Regulations, relevant accounting standards and other statuary compliances. For details of our related party transactions, see "*Restated Consolidated Financial Information –Note – 34 – Related party disclosures*" on page 230.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business such as interest rate risk, credit risk, liquidity risk and cash management risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's variable rate borrowing is subject to interest rate risk.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments when counter-party defaults on its obligations. The Company's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The credit risk has always been managed by the Company through credit approvals, establishing credit limits, and continuously monitoring the credit worthiness of the customers to whom the Company grants credit terms in the normal course of business.

Outstanding customer receivables are regularly monitored.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Cash Management Risk

Capital includes equity and all other reserves attributable to shareholders. The primary objective of the capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. The Company monitors capital using a gearing ratio, which is net debt divided by equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

Unusual or Infrequent Events or Transactions

Except the impact of COVID-19 on our results of operations and financial condition as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income from continuing operations identified above in "Factors Affecting our Results of Operations" and the uncertainties described in "*Risk Factors*" on page 22.

Known Trends or Uncertainties

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 page 22. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 22, 132 and 239, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 132, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers and Few Suppliers

Our Company derives most of its revenues from the sale of products from limited number of brands. For the year ended March 31, 2021, the revenue from our top five brands was ₹ 19,638.98 million which was 64.84% of our revenue from sale of products – consumer electronics and durables, for the year ended March 31, 2020, it was ₹ 19,380.62 million which was 65.09% of our revenue from sale of products – consumer electronics and durables and for the year ended March 31, 2019, it was ₹ 18,042.28 million which was 68.13% of our revenue from sale of products – consumer electronics and durables. See "*Risk Factors – A large part of our revenues is* *dependent on a limited number of brands. The loss of any of our major brands or a decrease in the supply or volume from such brands, will materially and adversely affect our revenues and profitability*." on page 25.

Seasonality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Financial Year. Typically, we see an increase in our business during the festive periods in India, i.e., season (September – November) and the summer season (April – June). Therefore, our results of operations and cash flows across quarters in a Financial Year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. See "*Risk Factors – Our business is subject to seasonal and cyclical volatility which may adversely affect our business*" on page 38.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 132, 99 and 22, respectively for further information on our industry and competition.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements which would have a material effect on our financial condition or results of operations.

Summary of reservations or qualifications or adverse remarks of auditors

There are no reservations, qualifications or adverse remarks or matters of emphasis in the Audit Reports (including the Companies (Auditor's Report) Order, 2016) except for the following:

Audit Qualifications in Annexure to Auditor's report, which do not require any corrective adjustments in the Restated Consolidated Financial Information-

For the year ended 31 March 2021

Clause (i) (c) of CARO 2016 Order:

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of Property	Total number of cases	Whether leasehold /freehold	As at March 31, 2021		Remarks
			Gross carrying amount (₹ in million)	Net carrying amount (₹ in million)	
Land	Multiple	Freehold	233.18	233.18	None
Building	Multiple	Freehold	373.69	353.33	None

Clause (vii) (a) of CARO 2016 Order:

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

Clause (vii) (b) of CARO 2016 Order:

The dues outstanding in respect of income-tax, duty of customs and goods and service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest* (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	Goods and Service Tax	3.43	1.46	1 January 2019 to 30 June 2019	High Court, New Delhi

* Paid subsequent to 31 March 2021.

For the year ended 31 March 2020

Clause (i) (c) of CARO 2016 Order:

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of Property	Total number of cases	Whether leasehold /freehold	As at 31 March 2020		Remarks
			Gross carrying amount (₹ in million)	Net carrying amount (₹ in million)	
Land	Multiple	Freehold	320.86	320.86	None
Building	Multiple	Freehold	683.39	634.17	None

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

Clause (viii) of CARO 2016 Order

There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has not defaulted in repayment of loans/borrowings to financial institutions during the year. The Company has defaulted in repayment of loans/borrowings to the following banks:

Particulars	Amount of default (₹ in million)	Period of default (in days)	Remarks, if any
In case of Banks:			
- HDFC Bank Limited	1.19	2	None
	1.71	8	None
	0.92	33	None
- Kotak Mahindra Bank Limited	2.55	3	None

For the period ended 31 March 2019

Clause (i) (c) of CARO 2016 Order

The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of Electronics Mart India Limited (the 'Company') except for the following properties which were transferred as a result of conversion of partnership firm into the Company as stated in note 4 to the restated consolidated financial information wherein the title deeds are in the name of the erstwhile firm:

Nature of Property	Total number of cases	Whether leasehold	As at 31 March 2019	Remarks

		/freehold	Gross carrying amount (₹ in million)	Net carrying amount (₹ in million)	
Land	Multiple	Freehold	409.70	409.70	None
Building	Multiple	Freehold	539.43	534.14	None

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which are outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statue	Nature of the dues	Amount (₹ in million)	Period which it pertains to	Due Date	Date of payment	Remarks, if any
Employee's State Insurance Act 1948	Employee State Insurance	7.93	FY 2017-18	Various	Not paid	None
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Contribution to Provident Fund	19.89	FY 2017-18	Various	Not paid	None

Clause (viii) of CARO 2016 Order

There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following banks/financial institutions:

Particulars	Amount of default (₹ in million)	Period of default (in days)	Remarks, if any
In case of Banks:			
- HDFC Bank Limited	4.05	1	None
	1.74	2	None
-Bajaj Finserv Limited	0.61	1	None
	2.42	2	None

Significant Developments after March 31, 2021 that may affect our results of operations

• Three term loans from Kotak Mahindra Bank with an outstanding amount of ₹ 60.90 million as on March 31, 2021 were foreclosed on May 19, 2021.

• Seven term loans from Bajaj Finance Limited with an outstanding amount of ₹ 674.87 million as on March 31, 2021 were foreclosed on June 10, 2021 by way of takeover of these term loans by HDFC.

• HDFC enhanced the secured working capital limits (including non-fund based) from ₹ 3,650.00 million to ₹ 4,250.00 million on June 10, 2021.

• Bajaj Finance Limited sanctioned a secured Short Term Revolving facility of ₹ 1,000 million on July 15, 2021

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for meeting our working capital requirement and for acquiring properties. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities, including change in our capital structure and change in our Articles of Association and Memorandum of Association. For details in relation to the borrowing powers of the Company, please see the section entitled "*Our Management – Borrowing Powers*" on page 170.

The details of aggregate indebtedness of our Company as on August 15, 2021 are provided below:

Facilities availed directly by our Company

(in ₹ million)

Category of borrowing	**Sanctioned amount**	**Outstanding amount as of August 15, 2021**
Secured loans		
Term loans*	674.87	655.61
Cash Credit	3,500.00	1,529.96
Seasonal Cash Credit	500.00	
Bank Guarantee (Sub limit of cash credit facility)	(100.00)	(31.16)
Trade Advance	250.00	7.58
Short Term Revolving Line #	1,000.00	1,000.00
(A) Total of Secured Loans	**5,924.87**	**3,193.15**
Unsecured loans		
Retail Finance facility	1,750.00^	72.10
Trade Advance facility $	1,000.00	0.00
Total Unsecured Loans (B)	2,750.00	72.10
Total (A+B)	**8,674.87**	**3,265.25**

The details above have been certified by Komandoor & Co LLP, Chartered Accountants pursuant to certificate dated September 20, 2021.

**HDFC Bank Limited vide its sanction letter dated June 10, 2021 has taken over the term loans sanctioned by Bajaj Finance Limited amounting to ₹ 674.87 million.*

^Company has signed dealer facility agreement with Bajaj Finance Limited on February 28, 2020, which provides an outer limit of Retail Finance Facility of ₹ 2,000 million without any inner limit.

#Our Company has executed security documents with Bajaj Finance Limited to create a charge by way of hypothecation and mortgage of our movable and immovable properties to secure this facility. In accordance with the facility documents executed with Bajaj Finance Limited, we have been provided with a time period of 90 days from the date of first disbursement for creation and perfection of securities. Accordingly, we are in the process of filing relevant forms with the Registrar of Companies to register a charge in favour of Bajaj Finance Limited.

$Our Promoters, Pavan Kumar Bajaj and Karan Bajaj are co-borrowers in the trade advance facility availed from IDFC First Bank Limited.

Principal terms of our borrowings:

Our Company has availed credit facilities from HDFC Bank Limited which include cash credit facility, bank guarantee, seasonal cash credit facility and trade advance facility and from Bajaj Finance Limited which include short term revolving line facility (collectively "**Working Capital Facilities**"). We have also availed long term loans against properties from HDFC Bank Limited ("**Term Loans**"). In addition to above, our Company has also availed retail finance facilities from Bajaj Finance Limited and trade advance facility from IDFC First Bank Limited ("**Short Term Facilities**") which are unsecured in nature.

1. ***Interest:*** The interest rate for Term Loans and certain Working Capital Facilities availed from HDFC Bank Limited (being cash credit and seasonal cash credit) vary and are typically linked to the prevalent marginal cost of fund based lending rates ("**MCLR**") and spread per annum, whereas for bank guarantee and trade advance facilities is fixed in nature and is charged at 2% in the form of commission and 9.75% per annum, respectively. The interest rate for the Working Capital Facilities availed from Bajaj Finance Limited is typically linked to bajaj finance prime lending rate ("**BF PLR**") and a spread per annum with annual reset. Further, the interest rate for Short Term Facilities availed from Bajaj Finance Limited is linked to BF PLR and a spread per annum, whereas interest rate for the facilities from IDFC First Bank Limited is fixed in nature and is charged at 9.50% with tranche tenure of 45 days.

2. ***Prepayment:*** The terms of certain facilities availed by our Company typically have prepayment provisions which allow for prepayment of the outstanding loan amount, subject to payment of prepayment penalties and such other conditions as laid down in the facility agreements. We are liable to pay a charge at the rate of 2% levied on the principal amount outstanding for Term Loans or on the limits sanctioned for Working Capital Facilities availed from HDFC Bank Limited, in the event the said facilities are taken over by another bank during the tenor of the loan. For the Working Capital Facilities availed from Bajaj Finance Limited, we are required to provide a prior written notice before prepaying the loan and make payment of a prepayment premium stipulated by the bank. For the Short Term Facilities, there are no prepayment charges levied on the prepayment of the outstanding amount.

3. ***Additional and penal interest***: The terms of the Term Loans, Working Capital Facilities and Short Term Facilities prescribe penalties for, amongst others, default or delay in the repayment obligations, non-compliance of sanction terms and delay in security creation or perfection. The additional interest for Term Loans and Working Capital Facilities availed from HDFC Bank Limited typically ranges from 2% to 18% per annum over and above the applicable interest rate on the amount outstanding. The additional interest for the Working Capital Facilities availed from Bajaj Finance Limited is 2% per annum over and above the normal interest rate. The Short Term Facilities availed from IDFC Bank Limited prescribe a penal interest rate of 24% per annum on entire outstanding in case of overdue/ delays/ defaults of any amount payable or at such rate as may be decided by the bank.

4. ***Tenor:*** The tenor of the Term Loans availed by our Company ranges from five years to fifteen years and the tenor of the Working Capital Facilities and Short Term Facilities, ranges from forty-five days to one year.

5. ***Repayment:*** The Term Loans availed are repayable as per the maturity profile agreed with lender whereas the Working Capital Facilities and Short Term Facilities are repayable on demand and are subject to annual renewal.

6. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   (a) create charge by way of hypothecation on entire current assets and movable fixed assets, both present and future;

   (b) create charge by way of mortgage over certain immovable properties enumerated in the financing arrangement and sanction letters;

   (c) issue an undated security cheque/ demand promissory note of the value not exceeding the facility amount; and

   (d) execute personal guarantees by our Promoters and a member of our Promoter Group, in relation to certain borrowings of our Company.

7. ***Key Covenants:*** The financing arrangement and sanction letters in relation to the Working Capital Facilities and Short Term Facilities contain covenants and conditions restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such actions, including:

   (a) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person;

(b) undertake any new project or permit any merger, expansion or effect any scheme of amalgamation or capital expenditure or acquiring fixed assets or invest by way of share capital or in any other manner in any other entity or concern;

(c) execute a pledge over the equity shares of our Company;

(d) incur or cause to incur, any indebtedness or make investments, or give corporate guarantees or stand surety for any person, lend or advance funds to or place deposits with any other concern in any manner whatsoever;

(e) effect any change in the share capital, shareholding pattern management control, interest structure where the shareholding by our Promoter or capital control or ownership interest, directly or indirectly, legally or beneficially, gets diluted below the present level in any manner whatsoever in our Company;

(f) transfer, sell, lease, grant on license or create any third party interest of any nature whatsoever on the collateral securities;

(g) change the practice with regard to remuneration of Directors by means of ordinary, remuneration or commission, scale of siting fees *etc*., except where mandated by any legal or regulatory provisions.

(h) divert the sanctioned facilities towards any other purposes;

(i) undertake any trading activity other than the sale of products arising out of its own manufacturing operations;

(j) enter into any contractual obligation of a long term nature or which, in the assessment of the Bank, is detrimental to Bank's interest;

(k) issue any personal guarantee for any other loans by the guarantors, except for car loans, personal loans, home loans, education loans to be obtained for self and family members;

(l) withdraw from its business, any unsecured loans brought in by directors, promoters, relatives and friends, during the tenure of the borrowings or repay monies brought in by the promoters or directors or principal Shareholders and their friends and relatives by way of deposits loans and advances;

(m) make amendments in the constitutional documents of the Company including Memorandum of Association and Articles of Association; and

(n) payment of dividends or distribution to our shareholders.

This is an indicative list and there may be additional key covenants under the various borrowing arrangements entered by our Company.

8. ***Events of Default:*** In terms of the financing arrangement and sanction letters, the occurrence of any of the following, among others, constitute an event of default:

(a) Default in payment of principal or interest due under the facilities;

(b) The collateral security or any part thereof being jeopardized or becoming unenforceable;

(c) Misrepresentation, breach of any term, covenant, warranty, undertakings or other obligation under the facilities and/or security documents by our Company / guarantor / security provider;

(d) Occurrence of material adverse change or circumstances which would or may prejudicially or adversely affect in any manner the capacity of our Company with respect to repayment of facilities;

(e) Application made, or proceedings commenced under Insolvency and Bankruptcy Code, 2016 or any applicable laws against our Company, guarantors' or any of our group companies or any winding up proceedings are commenced/to be commenced including steps taken as to moratorium, attachment of the properties or assets, winding up, executing arrangements with creditors, dissolution including ceasing to carry on the business or appointment of receiver over whole or any part of the property of our Company;

(f) Default committed in any other loan availed by our Company / the guarantors with the lenders;

(g) Failure to utilize the loan facilities for the purpose for which it was sanctioned;

(h) Failure to comply with the takeover formalities in respect of the facilities including creation and perfection of security in favor of the lenders;

(i) Judgments of any courts or tribunals or any other judicial or quasi judicial body against our Company or any other relevant parties affecting significantly our operations and its financials;

(j) If there is any deterioration or impairment of the Secured Assets or any part thereof, or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated) which causes the Secured Assets in the judgment of the Bank to become unsatisfactory as to character or value;

(k) Creation of any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our property or any part thereof, which is or shall be the security for the repayment of the said dues except for securing any other obligation of our Company to the lenders;

(l) Existence of reasonable apprehension that our Company is unable to pay its debts or proceedings for taking it into liquidation either voluntarily or compulsorily may be or have been commenced in respect thereof; and

(m) Acquisition of control or change in constitution, management of our Company.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered by our Company.

We are 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 the Company for the purpose of availing of loans, are not triggered.

9. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangement for the facilities availed by us, upon the occurrence of events of default, our lenders may:

a) Stop further disbursements from the loan and cancel or recall the undisbursed portion of the loan;

b) Withdraw all concessions in rates of interest, charges and fees etc. and charge interest, commission and fees at normal rates and penal rates.

c) Enter upon and take possession of the assets of our Company;

d) Recover the outstanding dues with all charges etc., without prejudice to the other rights and remedies available to the lenders under the facility or security agreement and in law or any other recourse available to the lenders in law at the sole discretion;

e) Enforce the security created under the security documents and be entitled to take charge, recover, seize, remove, recover, receive, sell by auction, dispose off or deal with all or any part of the assets on which the security is created pursuant to the security documents;

f) Exercise such powers as may be deemed fit and necessary under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or any other applicable law;

g) Convert at its option the whole or any part of the defaulted amount of the facility into fully paid-up equity shares of our Company if we commit a default in payment of interest or repayment of any two consecutive instalments or combination thereof in accordance with applicable law;

h) Disclose the name of our Company, its Directors and Promoters to Reserve Bank of India and publish their names in such manner and through such media as deemed fit by the Lenders or the Reserve Bank of India;

i) Appoint, at its discretion, nominee(s) on the board of directors of our Company, to look after the Bank's interests, in any of the following scenarios: (i) upon occurrence of any event of default; (ii) upon default in repayment/ payment of any indebtedness to any person by our Company; and

j) Commence legal proceedings to recover the outstanding amounts in respect of the facility.

This is an indicative list and there may be additional actions which may be taken by our lenders on the occurrence of an event of default under the various borrowing arrangements entered by our Company.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – Our agreements with various banks for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*" on page 40.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation or arbitration proceedings as determined to be material by our Board pursuant to the Materiality Policy passed by the Board of Directors, in each case involving our Company, Promoters, Directors and Subsidiaries ("**Relevant Parties**"). Further, except as disclosed in this section, there are (i) 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; or (ii) any other pending litigations which may have a material impact on our Company.*

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to Board resolution dated April 14, 2021:

*In terms of the Materiality Policy, all outstanding litigation involving the Relevant Parties, other than (I) outstanding criminal proceedings, outstanding actions by regulatory authorities and statutory authorities, and outstanding claims related to direct and indirect tax matters; and (II) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters) in the last five financial years, would be considered 'material' if (i) the monetary claim made by or against the Relevant Party in any such pending proceeding is equal to or in excess of, 1.0% of the profit after tax of our Company, as per the latest Financial Year in the Restated Consolidated Financial Information included in the offer documents filed with the SEBI in connection with the proposed initial public offering of Equity Shares of the Company ("**Issue Documents**"); (ii) in the event that the monetary liability is not determinable or quantifiable, and in respect of matters where the monetary liability does not exceed an amount equivalent to or above or which does not exceed the threshold as specified in point (i) above, the outcome of any such pending proceedings may have a material bearing on the financial position, business, operations, performance, prospects or reputation of the Company. For the purposes of disclosure in this Draft Red Herring Prospectus, it is clarified that the materiality threshold for all outstanding civil litigation involving the Relevant Parties is ₹ 5.86 million as per the latest Financial Year in the Restated Consolidated Financial Information.*

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has pursuant to board resolution dated April 14, 2021 considered and adopted a policy of materiality for identification of material outstanding dues to creditors. Further, in terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which is equal to or exceeds 5% of the consolidated trade payables of the Company as at the end of the latest Financial Year included in the Restated Consolidated Financial Information, shall be considered 'material'.

It is clarified that for the purposes of the above, pre-litigation notices from third parties (other than show cause notices issued by statutory/ regulatory/ tax authorities or notices threatening criminal action) received by our Company, Subsidiaries, Promoters or Directors shall, unless otherwise decided by our Board, not be deemed as material until such time that our Company, Subsidiaries, Promoters and/ or Directors, as the case may be, are impleaded as a defendants in proceedings before any judicial/ arbitral forum.

Litigation involving our Company

Litigation against our Company

Civil Litigations

Nil

Criminal Litigations

Nil

Actions taken by regulatory/statutory authorities

Nil

Other Material Litigations

Bajaj Electricals Limited ("**Plaintiff**"), filed a commercial suit ("**Suit**") against our Company, our Promoters and Astha Bajaj, who is a Director on the Board of the Company, before the Bombay High Court, alleging infringement of its trade mark "BAJAJ ELECTRICALS" and seeking, amongst others, to restrain our Company, partners, directors, subsidiaries, sister concerns, proprietors and anyone claiming through them by way of a perpetual order and injunction from infringing and passing off its said registered trademarks by (i) manufacturing, marketing, selling and/or dealing in any products bearing the Plaintiff's trade mark; (ii) using any name/mark containing the word "BAJAJ" for any goods/products or service/ business activity including on any e-commerce/online platform in any manner whatsoever, except use of the trade mark/trading name "BAJAJ ELECTRONICS" and/or logo/label of the Plaintiff for the electronic retail business/retail stores in the State of Andhra Pradesh and Telangana alone; (iii) to direct our Company to withdraw the trade mark application no. 4038570 under Class 9 of the Trademarks Act, 1999 with immediate effect; and (iv) damages amounting to ₹ 2.00 million.

The Plaintiff further filed an interim application dated November 2, 2020 ("**Interim Application**") seeking ad-interim reliefs against our Company until final disposal of the Suit. Our Company filed a written statement dated December 11, 2020 denying all the submissions made by the Plaintiff in the Suit and the Interim Application. The matter is currently pending.

Litigation by our Company

Civil Litigations

Nil

Criminal Litigations

Our Company filed a criminal complaint bearing number 2160 of 2020 before the Hon'ble Criminal Court of the Second Additional Chief Metropolitan Magistrate, Metropolitan Criminal Courts at Hyderabad ("**Court**") against Prashant Kumar Khandre ("**Accused**") under Section 200 of the Code of Criminal Procedure, 1973 read with Sections 138 and 142 of the Negotiable Instruments Act, 1881, alleging dishonour of two cheques of amounts of ₹ 0.61 million and ₹ 0.04 million, respectively issued by the Accused, towards payment of mobile phones purchased from our Company. We have prayed the Hon'ble Court to *inter alia* (i) take cognizance of the offences alleged in the complaint, (ii) issue process against the Accused and (iii) pass an order directing the Accused to pay an amount of ₹ 0.65 million as compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending.

Other Material Litigations

Nil

Litigation involving our Promoters

Litigation against our Promoters

Civil Litigations

Nil

Criminal Litigations

Nil

Actions taken by regulatory/statutory authorities

The District Fire Officer, Central Zone, Hyderabad on behalf of State of Telangana has filed a complaint bearing number CC/188/2-16 before the Hon'ble Court of the II Additional Chief Metropolitan Magistrate at Nampally, Hyderabad under Section 200 read with Section 190(1) of the Code of Criminal Procedure, 1973 for reporting the alleged non-compliances observed under Sections 13, 19 and 31 of the Andhra Pradesh Fire Services Act, 1999 and Rules 15 and 27 of the AP Fire and Emergency Operations and Levy of Fee Rules, 2006 against the owners and occupiers of Maheshwari Palace Mall (Malpani Mall), D No. 4-1-833/1 to 5, Abids, Hyderabad, (the "**Designated Presmises**"). Our Promoter, Chairman and Managing Director, Pavan Kumar Bajaj is one of the owners and occupiers of the Designated Premises and therefore has also been made a party to the complaint. The complaint has been filed on the alleged grounds of *inter alia* non-adoption of required fire prevention and fire safety measures and failure to obtain a no-objection certificate from the Fire Service Department, Government of Telangana in the Designated Premises. The District Fire Officer in the complaint has prayed the Hon'ble Court to take cognisance of the offences mentioned in the complaint and issue process against the owners and occupiers by the owners/occupers of the Designated Premises. The matter is currently pending.

Other Material Litigations

For details, see "*Litigation involving our Company – Litigation against our Company – Other Material Litigations*" on page 277.

Litigations by our Promoters

Civil Litigations

Nil

Criminal Litigations

Nil

Other Material Litigations

Nil

Disciplinary action taken (including outstanding action) against our Promoters in the five Financial Years preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

NIL

Litigation involving our Directors

Litigation against our Directors

Civil Litigations

Nil

Criminal Litigations

Nil

Actions taken by regulatory/statutory authorities

For details, see "*Litigation involving our Promoters – Litigation against our Promoters*" on page 277.

Other Material Litigations

For details, see "*Litigation involving our Company – Litigation against our Company – Other Material Litigations*" on page 277.

Litigations by our Directors

Civil Litigations

Nil

Criminal Litigations

Nil

Other Material Litigations

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Civil Litigations

Nil

Criminal Litigations

Nil

Actions taken by regulatory/statutory authorities

Nil

Other Material Litigations

Nil

Litigations by our Subsidiaries

Civil Litigations

Nil

Criminal Litigations

Nil

Other Material Litigations

Nil

Arbitration matters above the materiality threshold

Nil

Tax Claims

Nature of case	Number of cases	Demand amount involved (in ₹ million)
Our Company		
Direct tax	Nil	Nil
Indirect tax	1	3.43*
Promoters		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Subsidiaries		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

Nature of case	Number of cases	Demand amount involved (in ₹ million)
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

**Our Company has received an order from the National Anti-Profiteering Authority of the Central Goods and Services Tax Act, 2017 during the year ended 31 March 2021demanding an amount of ₹3.43 million alleging certain non-compliances with the anti-profiteering regulations of the Goods and Services Act, 2017. The management has filed necessary appeals in this regard with the appropriate appellate authorities which is pending for adjudication as at the date of the Draft Red Herring Prospectus.*

Outstanding dues to Creditors

As of March 31, 2021, the total number of creditors of our Company was 48 and the total outstanding due to these creditors by our Company was ₹ 75.85 million. As of March 31, 2021, our Company do not have any creditors which are micro, small and medium enterprises.

As per the Materiality Policy, creditors of our Company to whom an amount having a monetary value which exceeds 5% of the 'Trade Payables' as on the date of the latest Restated Consolidated Financial Information as at March 31, 2021, shall be considered as 'material' *i.e.* creditors of our Company to whom our Company owes an amount exceeding of ₹ 3.79 million. As of March 31, 2021, there are six (06) material creditors to whom our Company owe an aggregate amount of ₹ 67.72 million.

Details of outstanding dues owed to MSMEs, material and other creditor as of March 31, 2021 is set out below:

Types of Creditors	Number of creditors	Amount involved (in ₹ million)
MSMEs	NIL	NIL
Material creditors	6	67.72
Other creditors	39	8.13
Total Outstanding Dues	**45**	**75.85**

The details pertaining to the outstanding dues towards our material creditors as of March 31, 2021, along with the name and amount involved for each such material creditor, are available on the website of our Company at https://electronicsmartindia.com/investors.php. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments since the date of the last balance sheet

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 239, 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 approvals obtained by our Company and our Subsidiaries which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and our Company and our Subsidiaries can undertake their respective business activities. In addition, certain of our key approvals may have expired or may expire in the ordinary course of business and our Company or our Subsidiaries, as the case may be, has either already made an application to the appropriate authorities for renewal of such key approvals or are in the process of making such renewal applications. In relation to certain of our warehouses which are material for undertaking our business, we have disclosed below (i) approvals applied for but not received; and (ii) approvals that have expired and renewal to be applied for.

I. Incorporation details

1. Certificate of incorporation dated September 10, 2018 issued to our Company, under the name Electronics Mart India Limited by the RoC.

2. The CIN of our Company is U52605TG2018PLC126593.

II. Approvals in relation to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 283.

III. Material approvals in relation to our Company

Tax related registrations

1. The permanent account number of our Company is AAFCE1683D.

2. The tax deduction account number of our Company is HYDE04345F.

3. The state wise GST registration number of our Company are provided below:

S. No.	Particulars	Remarks
1.	Telangana	36AAFCE1683D1ZT
2.	Andhra Pradesh	37AAFCE1683D1ZR
3.	Delhi	07AAFCE1683D1ZU
4.	Gujarat	24AAFCE1683D1ZY
5.	Haryana	06AAFCE1683D1ZW
6.	Karnataka	29AAFCE1683D1ZO
7.	Maharashtra	27AAFCE1683D1ZS

Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulations and Abolition Act), 1970 and the Employees State Insurance Act, 1948 and the shops and establishment registrations for the relevant states.

Material approvals obtained for our stores and warehouses

As of August 15, 2021, our Company operates its business from an aggregate of 99 stores and 60 storage spaces and seven warehouses located in Telangana and Andhra Pradesh.

Our Company has obtained registrations in the normal course of business for our stores, storage spaces and warehouses across various states in India including trade licenses, licenses for location of business issued by relevant municipal authorities under applicable laws and shops and establishments registrations issued by various state labour departments under the respective state legislations.

Material approvals applied for but not received

As on date of this Draft Red Herring Prospectus we have made applications for obtaining (a) professional tax registration and enrolment licenses for 1 store and 1 storage space and (b) trade license for certain of 3 storage spaces and 1 warehouse.

Material approvals expired and for which renewal has been applied for

Nil

Material approvals expired and renewal to be applied for

Our Company and Subsidiaries are required to obtain certain activity based approvals in the ordinary course of our business from local and other authorities under applicable laws. Certain of our material approvals have expired and have not been applied for renewal for some of our stores, such as trade license (4 stores – three stores in Telangana and one in Andhra Pradesh) and fire license (2 stores in Telangana).

Material approvals required but not obtained or applied for

As on date of this Draft Red Herring Prospectus, we are required to obtain fire license, trade license, registration under Shops and Establishments Act and professional tax registration and enrolment license for certain of our stores and warehouses, as required under applicable law. However, we are yet to apply for certain business related approvals/licenses such as fire license for 35 stores (19 in Andhra Pradesh and 16 in Telangana), trade license for nine stores (three in Telangana and six in Andhra Pradesh) and 20 storage spaces, labour license for three stores and one storage space, professional tax registration and enrolment licenses for three stores and five storage spaces. Further, the fire license and trade license of some our stores and warehouses are in the name of "Bajaj Electronics", and we are yet to apply for a change of name for such licenses, pursuant to the name change and conversion from a partnership firm to a public limited company.

Intellectual property

Our Company has one trademark registration for "EMI", under class 9 of the Trade Mark Act, 1999. Four trademark applications under class 35, two trademark applications under class 37 and two trademark applications under class 42 of the Trade Mark Act, 1999 are presently assigned the status 'Marked for examination' and two of our trademark applications for "EMI" under class 9 of the Trade Mark Act, 1999 are presently opposed. Further, 19 of our trademark applications for "EMI", "BAJAJ ELECTRONICS", "KITCHENSTORIES" and "IQ" under classes 9, 20, 35, 37 and 42 of the Trade Mark Act, 1999 are objected and ready for show cause hearing by the Trade Mark Registry.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated April 14, 2021 and our Shareholders pursuant to a special resolution passed on April 19, 2021.

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, Promoter Group, Directors, the 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 the Board or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, 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 have 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.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and members of Promoter Group 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 Issue

Our Company is eligible for the Issue 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 had 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
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years ended March 31, 2021, 2020 and 2019 are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	**As at and for the Financial Year ended**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Net tangible assets [1]	4,912.83	4,327.72	3,392.87
Monetary assets[2]	423.66	931.98	507.73
Monetary assets, as a percentage of net tangible assets, as restated	8.62%	21.54%	14.96%
Pre-tax operating profit/ (loss) [3]	1,457.44	1,690.14	1,736.82

Particulars	As at and for the Financial Year ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Net worth[4]	4,919.18	4,330.76	3,404.97

[1] *Net tangible assets" means the sum of all the net assets of the Group excluding intangible assets, as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India, in accordance with Regulation 2(1)(gg) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

[2] *Monetary assets" represents the sum of cash and bank balances, including deposits with banks*

[3] *"Pre-tax operating profit" is defined as profit before finance costs, other income and tax expense.*

[4] *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, in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

Our Company has operating profits in each of Financial Year 2021, 2020 and 2019 in terms of our Restated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by SEBI.
(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
(c) None of our Company, our Promoters or Directors is a Wilful Defaulter.
(d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
(e) There are no fully paid up convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus.
(f) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Our Company shall not make an Allotment of the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE 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 ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 20,

2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE 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 PROPOSED ISSUE. 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 Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.electronicsmartindia.com, or the respective websites of our Promoters, Promoter Group 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 Issue Agreement and the Underwriting Agreement.

All information shall be made available by our Company, 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.

None among our Company, or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, 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 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 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, their respective directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their respective directors, officers, agents, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue 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 Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad, Telangana, India only.

Neither the delivery of this Draft Red Herring Prospectus nor the Issue of the Equity Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company 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.

Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any 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 under the U.S. Securities Act and the applicable laws of the 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 shall be 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 prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application 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: (a) each of our Directors, our Company Secretary and Compliance Officer, our CFO, Banker(s) to the Company, Statutory Auditor, legal counsels appointed for the Issue, the BRLMs, the Registrar to the Issue, Industry Expert, chartered engineer and independent chartered accountant in their respective capacities, have been obtained; (b) Experts to the Issue has been obtained, and (c) the Syndicate Members, the Banker(s) to the Issue/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank and Banker to the Company, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Experts to the Issue

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

Our Company has received written consent dated September 20, 2021 from our Statutory Auditors to include their name as an 'expert' as defined under Section 2(38) read with Section 26 of the Companies Act, in relation to the Restated Consolidated Financial Information, the examination report dated August 23, 2021 on the Restated Consolidated Financial Information, and the statement of special tax benefits dated September 20, 2021 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 13, 2021, from the independent chartered engineer, namely M. Nagi Reddy, independent chartered engineer, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to his certificate dated September 13, 2021 certifying the estimated cost of establishment of new stores and warehouses, 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 13, 2021, from the independent chartered accountant, namely Komandoor & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies, subsidiaries or associates.

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 since our Company's incorporation.

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 Promoters of our Company

The securities of our Promoters and our Subsidiaries are not listed on any stock exchange.

Price information of past issues handled by BRLMs

A. Anand Rathi Advisors

1. Price information of past issues handled by Anand Rathi Advisors

S. No.	Issue name	Issue size (in ₹ million)	Issue Price (in ₹)	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.	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Anand Rathi Advisors

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day 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%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:
This data covers issues up to YTD

B. IIFL Securities

1. Price information of past issues handled by IIFL Securities:

Sr. No.	Issue Name	Issue Size (in ₹ Mn)	Issue Price (₹)	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	4,528.74	500.00	April 7, 2021	489.85	+18.77%,[-0.64%]	+76.97%, [+6.85%]	N.A.

Sr. No.	Issue Name	Issue Size (in ₹ Mn)	Issue Price (₹)	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
	Limited							
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.
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 handled by IIFL Securities:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ . 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.

C. JM Financial

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) 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 ₹ 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of ₹ 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 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 ₹ 11,898.49 million as against the issue size of ₹ 12,009.36 million*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of BRLM	Website
1.	Anand Rathi Advisors	www.rathi.com
2.	IIFL Securities	www.iiflcap.com
3.	JM Financial	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue 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, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue 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, 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 Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue 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 Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

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 the 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 at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay, which period shall start from the day following the receipt of a complaint from the investor.

Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the period of such delay by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the investor. The BRLMs shall, in its 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 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 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

Our Company has obtained authentication on the SCORES and is compliant with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company and Subsidiaries have not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus.

Our Company has appointed Rajiv Kumar, as the Company Secretary and Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems. For details, see "*General Information*" on page 59.

Our Company has also constituted a Stakeholders' Relationship Committee comprising Suman Kumar, Astha Bajaj and Karan Bajaj as members, to review and redress shareholder and investor grievances. For details, see "*Our Management*" on page 164.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to the Issue 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 the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, Issue for Sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Issue shall be *pari passu* with the existing Equity Shares in all respects including dividends. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 318.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees, for the entire year, in accordance with applicable law. For details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 188 and 318, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 10 and the Issue Price at Floor Price is ₹ [●] per Equity Share and at Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, 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. 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.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the AoA, our 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 AoA of our Company and other applicable laws.

For a detailed description of the main provisions of the AoA 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 318.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated December 3, 2018 amongst our Company, NSDL and Registrar to the Issue.
- Tripartite agreement dated December 4, 2018 amongst our Company, CDSL and Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see "*Issue Procedure*" on page 301.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Issue Procedure*" on page 301.

Joint Holders

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, 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/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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 Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Issue, 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 Issue to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue 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. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, 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 or 15% per annum of the application amount for the period of such delay by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the investor. The BRLMs 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.

Bid/ Issue Programme

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

(1) Our Company in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/ Issue Closing 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 accordance with SEBI circular dated March 16, 2021, for IPOs opening subsequent to May 1, 2021 (or any other date as prescribed by*

SEBI) 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 by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated by the SCSB at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date till the date of the actual unblock. The SCSBs shall compensate the Bidder, immediately on the date of receipt of complaint from the Bidder. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid by the SCSBs as above, the post-Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of on which grievance is received by the BRLMs or Registrar until the date on which the blocked amounts are unblocked. The 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, is indicative and does not constitute any obligation or liability on our Company or the BRLMs.

Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the Issue procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/ Issue Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

UPI Mandate end time and date be [●]

On the Bid/ Issue 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/ Issue Closing Date, extension of time will be granted by the 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.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date, and in any case no later than 3:00 p.m. IST on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Working Days, during the Bid/ Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Issue period. Bids and revisions shall not be accepted on Saturdays and public holidays. 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 reserve the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of *force majeure*, strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

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

The requirement of minimum subscription is not applicable to the Issue in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. In 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 Issue, 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, our Company shall pay interest prescribed under the applicable law.

In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made in the first instance towards

Further, our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 68 and except as provided under the AoA, 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 AoA. For details, see "*Description of Equity Shares and terms of Articles of Association*" on page 318.

ISSUE STRUCTURE

Issue of up to [●] Equity Shares comprising an issue of Equity Shares.

The Issue shall constitute at least [●]% of the post-Issue paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10 each.

The Issue 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 Issue less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion (excluding the Anchor Investor Portion).	Not less than 15% of the Issue less allocation to QIB Bidders and Retail Individual Investors.	Not less than 35% of the Issue, less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation.
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): 1. At least [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and 2. [●] Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "*Issue Procedure*" on page 301.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiple of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding QIB portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialised form		

Particulars	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the *karta*), companies, corporate bodies, scientific institutions societies and 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[3] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) including UPI ID in case of RIBs, that is specified in the ASBA Form at the time of submission of the ASBA Form		

(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 at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" on page 301.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.

(3) 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 price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

(4) 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 is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, 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 Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the 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 Issue*" on page 294.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations 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 Issue.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form,) designated date, disposal of applications and electronic registration of bids; (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 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 application.

*SEBI vide the UPI Circulars, 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 will continue 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30,2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Issue 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 ("**March 16, 2021**") has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is applicable for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company 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 Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added back to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue 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 must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

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, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing 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 – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For 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 respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the 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 (including 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. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a	Blue

Category	Colour of Bid cum Application Form*
repatriation basis	
Anchor Investors	White

* *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 respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

The relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The Book Running Lead Managers shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. 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. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse.

Participation by Promoters and 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 Issue 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 Issue, 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 Issue 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 or 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.

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 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 net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments 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.

Since, the business of multi-brand retail trading falls under the restricted route of investment under the FDI Policy, accordingly FDI investment in our Company is restricted and is subject to prior government approval. Therefore, in this Issue Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of the FDI route and will have to invest as Foreign Portfolio Investors, subject to their investment not exceeding the individual and aggregate limits. FPIs can invest up to 10% individually and up to 24 % of our Company's paid-up Equity Share Capital on a fully diluted basis on an aggregate basis. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 316.

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 the said investment will fall under the restricted route prescribed under the FDI policy and therefore will be subject to prior government approval.

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 (including UPI ID, if activated), 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 confirm 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 Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non-Debt Instruments Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 316.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, are required to 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 may be considered at par with Bids/Applications from individuals.

Bids by FPIs

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments 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.

Since, the business of multi-brand retail trading falls under the restricted route of investment under the FDI Policy, FDI investment in our Company is restricted and is subject to prior government approval. Therefore, Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of FDI route. In terms of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**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. Therefore, FPIs may purchase or sell equity instruments of our Company subject to the total holding by each FPI or an investor group, not exceeding 10 % of our total paid-up Equity Share Capital on a fully diluted basis. Furthermore, the total holdings of all FPIs put together, including any other direct and indirect foreign investments in our Company, permitted under these rules, shall not exceed 24 % of our total paid-up Equity Share Capital on a fully diluted basis. The said limit of 10 % and 24 % shall be called the individual and aggregate limit, respectively.

Therefore, in this Issue Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of the FDI route and will have to invest as Foreign Portfolio Investors, subject to their investment not exceeding the individual and aggregate limits. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 316.

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-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments 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 51%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.
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 the said investment will fall under the restricted route prescribed under the FDI policy and therefore will be subject to prior government approval.

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.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

The FPIs who wish to participate in the Issue 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 SEBI VCF Regulations, *inter alia*, prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations 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 shall be in accordance with the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Issue 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 (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;

(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 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 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 Issue 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 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 reserves 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 auditor, 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 Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur

after the date of this 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 Red Herring Prospectus and the Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number 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 in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. 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;

8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. 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;

11. 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. PAN of the First Bidder is required to be specified in case of joint Bids;

12. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

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 Issue 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 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;

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. 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 Issue 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 mobile application and the UPI handle being used for making the application in the Issue is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website;

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. 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/ Issue Closing Date;

26. 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;

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

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 authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation 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 authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account;

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;

21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Issue Closing Date;

22. 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;

23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue 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;

25. 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/ Issue Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. 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;

28. Do not Bid if you are an OCB;

29. 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;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

31. 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); and

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking *etc.*, investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" on page 59.

The helpline details of the Book Running Lead Managers pursuant to the SEBI letter bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M, dated March 16, 2021 issued by SEBI are set forth in the below table:

S. No.	Name of the Book Running Lead Manager	Helpline (email)	Telephone
1.	Anand Rathi Advisors Limited	emil.ipo@rathi.com	+ 91 22 6626 6666
2.	IIFL Securities Limited	emil.ipo@iiflcap.com	+91 22 4646 4600
3.	JM Financial Limited	emil.ipo@jmfl.com	+91 22 6630 3030

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, 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 Issue Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Issue 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. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. 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 Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) [●] editions of [●], a widely circulated Telugu national daily newspaper, Telugu also being the regional language of Telangana, where our Registered Office is located).

In the pre-Issue advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company 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 and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue 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 Issue Price, the Anchor Investor Issue Price, Issue 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;
- the complaints received in respect of the Issue 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 the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed;
- 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, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue 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; and
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

Utilisation of Issue Proceeds

Our Company confirms that all monies received out of the Issue shall be credited/transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. 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. However, under the current FDI Policy, 51% foreign direct investment is permitted in multi-brand retail trading sector, under the government approval route, subject to compliance with certain prescribed conditions, therefore the business of our Company falls under the restricted route of investment under the FDI Policy and is subject to prior government approval. Therefore, Non-Residents Investors including FPIs and Eligible NRIs and AIFs cannot invest in this Issue by way of the FDI route and will have to invest as Foreign Portfolio Investors, subject to their investment not exceeding the individual and aggregate limits. FPIs can invest up to 10% individually and up to 24 % of our Company's paid-up Equity Share Capital on a fully diluted basis on an aggregate basis. For details, see "*Key Regulations and Policies*" on page 153.

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 SEBI 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 Issue. For details, see "*Issue Procedure*" on page 301.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments 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 Instruments 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 Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any 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 under the Securities Act and the applicable laws of the 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.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.

TABLE 'F' EXCLUDED		
Sr. No	**Particulars**	**Marginal Notes**
1.	(1) The regulations contained in Table marked "F" in the Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. (2) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013 be such as are contained in these Articles.	**Table F not to apply** **Company to be governed by these Articles**
	INTERPRETATION CLAUSE	
2.	(1) In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article and any previous company law, so far as may be applicable.	**Act**
	(b) "Annual General Meeting" means a General Meeting of the Members held in accordance with the applicable Law provision of section 96 of the Act.	**Annual General Meeting**
	(c) "Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	**Articles**
	(d) "Auditors" means and includes those persons appointed as such for the time being of the Company.	**Auditors**
	(e) "Business Day" shall mean any day of the year, other than Saturdays and Sundays and any other days on which banks are closed for business in the city where the registered office of the Company is situated.	**Business Day**
	(f) "Board of Directors" or "Board" shall mean the collective board of the directors of the Company.	**Board**
	(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	**Capital**
	(h) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.	**Depositories Act**
	(i) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	**Extra-Ordinary General Meeting**
	(j) "Fully Diluted" means with respect to Securities, all outstanding equity shares and all Securities issuable in respect of, Securities convertible into or exchangeable for equity shares, stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for equity shares or securities convertible into or exchangeable into equity shares.	**Fully Diluted**
	(k) "Key Managerial Personnel" means the Chief executive officer or the managing director; the Company secretary; whole-time director; chief financial officer; and such other officer as may be notified from time to time in the rules.	**Key Managerial Personnel**
	(l) "Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
	(m) **"**Law**"** shall mean all applicable provisions of all (i) constitutions,	**Law**

		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.	
	(n)	Words importing the masculine gender also include the feminine gender.	**Gender**
	(o)	"Meeting" or "General Meeting" means a meeting of members.	**Meeting or General Meeting**
	(p)	"Managing Director" means a director who, by virtue of the articles of association or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director by whatever name called.	**Managing Director**
	(q)	"Month" means a calendar month.	**Month**
	(r)	"National Holiday" means Republic Day i.e. 26th January, Independence Day i.e. 15th August, Gandhi Jayanti i.e. 2nd October and such other day as may be declared as National Holiday by the Central Government.	**National Holiday**
	(s)	"Non-retiring Directors" means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(t)	"Office" means the registered Office for the time being of the Company.	**Office**
	(u)	"Ordinary Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	**Ordinary Resolution**
	(v)	"Person" shall be deemed to include corporations and firms as well as individuals.	**Person**
	(w)	"Private Company" means a company as defined in Section 2(68) of the Act.	**Private Company**
	(x)	"Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(y)	"Public Company" means as defined under Section 2(71) of the Act	**Public Company**
	(z)	"Rules" mean the applicable rules for the time being in force as prescribed under relevant sections of the Act.	**Rules**
	(aa)	"Securities" shall have the meaning ascribed to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.	**Securities**
	(bb)	"Seal" means the common seal for the time being of the Company.	**Seal**
	(cc)	"Share" means a share in the share capital of the Company and includes stock.	**Share**
	(dd)	"Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	**Special Resolution**
	(ee)	Words importing the singular number include where the context admits or requires the plural number and vice versa.	**Singular number**
	(ff)	"The Company" means "Electronics Mart India Limited".	**Company**
	(gg)	"The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	**Register of Members**
	(hh)	"The Statutes" means the Companies Act, 2013 and every other Act for	**Statutes**

	the time being in force affecting the Company.	
	(ii) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
	(jj) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year and Financial Year**
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	**Expressions in the Act to bear the same meaning in Articles**
	COMPANY TO BE PUBLIC LIMITED COMPANY	
3.	The Company to be a public limited company.	**Company to be Public Company**
	SHARE CAPITAL AND VARIATION OF RIGHTS	
4.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital.**
	b) 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.	**Shares at the disposal of and under the control of Board**
5.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	**Increase of capital by the Company how carried into effect**
6.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	**New Capital same as existing capital**
7.	The Company may issue the following kinds of shares in accordance with these Articles, The Act, the Rules and other applicable Laws: (a)Equity Share Capital (i)With voting rights; and / or (ii)With differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference Share Capital	**Kinds of Share and Voting Rights**

8.	Subject to the applicable provisions of the Act and other applicable Laws, 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 etc. 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.	**Debentures**
9.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under and in accordance with applicable Laws.	**Issue of Sweat Equity Shares**
10.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules, applicable Laws and other applicable guidelines made there under, by whatever name called.	**ESOP**
11.	Subject to the provisions of Section 61 of the Act and applicable Laws, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.	**Consolidation, Sub-Division and Cancellation**
12.	Subject to compliance with applicable provision of the Act, rules framed there under the Company and applicable Law shall have power to issue depository receipts in any foreign country.	**Issue of Depository Receipts**
13.	(1) Subject to compliance with applicable provision of the Act, rules framed there under the Company and applicable Law shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under. (2) Subject to the provision of the Act and rules made there under the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.	**Issue of Securities** **Issue of Securities duly subdivided or consolidated**
14.	(1) Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide- (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 such charges as may be fixed by the Board for each certificate after the first. (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (3) In respect of any shares 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 shareholders. (4) There shall be a common form of transfer in accordance with the Act and Rules.	**Issue of certificate of shares (where shares are not in demat form)** **Certificate to bear seal** **One certificate for shares held jointly** **Common form of transfer** **Applicability to**

	(5) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.	**other Securities**
15.	(a) 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 provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of 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 prescribed under the Act or as near thereto as possible, 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 of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	**Share Certificates (where shares are not in demat form)**
16.	(1) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. *(2)* Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any. Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-	**Option to receive share certificate or hold shares with depository** **Dematerialization of Securities**

	enactment thereof. Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles. If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities. *Securities in Depositories to be in fungible form:* All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners. *Rights of Depositories & Beneficial Owners:* Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company. The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them. *Register and Index of Beneficial Owners:* The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic	

media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities:

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Securityholders for the purposes of these Articles.

Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the

	Depositories Act. *Depository to furnish information:* Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf. *Option to opt out in respect of any such Security:* If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository or such other time as may be prescribed under Law and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be. *Overriding effect of this Article:* Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.	
17.	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 Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. Provided that, no fee shall be charged for issue of a new certificate 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 the applicable provisions of the Act, Law and the requirements of the stock exchange on which the Securities are listed.	**Issue of new certificate in place of one defaced, lost or destroyed (where shares are not in demat form)**
18.	The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	**Provision as to issue of certificates to apply *mutatis mutandis* to debentures, etc**
19.	(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.	**Power to pay commission in connection with securities issued**
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	**Rate of commission in accordance with Rules**
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	**Mode of payment of commission**

	(4) The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Brokerage**
20.	(1) 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	**Variation of members' rights**
	(2) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.	**Provisions as to General Meetings to apply *mutatis mutandis* to each meeting**
21.	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.	**Issue of further shares not to affect the rights of existing members**
22.	Subject to the provisions of the Act, the Company shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.	**Power to issue redeemable preference shares**
23.	(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, subject to Section 62 of the Act, 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; (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 subject to the Rules and such other conditions, as may be prescribed under Law; or (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the Act and the Rules. (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 to all the existing Shareholders at least 3 (three) days before the	**Further issue of share capital** **Mode of further issue of shares**

	opening of the issue. (c) Nothing in sub-clause (B) of Clause (1)(a) of this article shall be deemed: (i) To extend the time within which the offer should be accepted; or (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation. (d) 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 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. (e) Notwithstanding anything contained in Article 21(d) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion: Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit. (f) 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. (2) A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of initial public offer, further public offer, rights issue, preferential offer or private placement, qualified institutions placement and such other issuance as may be allowed in accordance with the prevailing laws and regulations in force, subject to and in accordance of the Act and other regulations governing such issues.	
LIEN		
24.	(1) The Company shall have a first and paramount lien— (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect: Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to	**Company's lien on shares** **Lien to extend to dividend etc.**

	time in respect of such shares for any money owing to the Company. (3) Unless otherwise agreed by the board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. (4) That fully paid shares shall be free from all lien and that in the case of partly paid shares the company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;	**Wavier of lien in case of registration** **Fully paid shares free from lien**
25.	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 or otherwise.	**As to enforcing lien by sale**
26.	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. (4) 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 with reference to the sale.	**Validity of sale** **Purchaser to be registered holder** **Validity of Company's receipt** **Purchaser not affected**
27.	(1) 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. (2) 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.	**Application of proceeds of sale** **Payments of residual money**
28.	In exercising its lien, the Company shall be entitled to tear the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	**Outsider's lien not to affect Company's lien**
29.	The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provision's as to lien to apply *mutatis mutandis* to debentures, etc.**
	CALLS ON SHARES	
30.	(1) 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. (2) 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. (3) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at	**Board may make calls** **Notice of call**

	the time or times and place so specified, the amount called on his shares. Provided that before the time for payment of such call and/or before receiving any amount towards such call, the Board may by notice revoke or postpone the call so made. (4) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	**Board may extend time for payment** **Revocation or postponement of call**
31.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	**Liability of joint holders of shares**
32.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon and such other expenses which have been incurred by the Company due to non-payment of such call as the Board may think fit, from the due date to the time of actual payment at such rate as may be fixed by the Board. (2) The Board shall be at liberty to waive payment of any such interest and other expenses wholly or in part.	**When interest on call or instalment payable** **Board may waive interest**
33.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	**Sums deemed to be calls** **Effect of non – payment of sums**
34.	The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. 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.	**Payment in anticipation of calls may carry interest**
35.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	**Instalments on shares to be duly paid**
36.	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.	**Calls on shares of same class to be on uniform basis**
37.	Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as	**Partial payment not to preclude forfeiture**

	herein provided.	
38.	The provision of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to calls to apply mutatis mutandis to debentures, etc.**
	TRANSFER OF SHARES	
39.	(i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	**Instrument of transfer to be executed by transferor and transferee**
40.	The instrument of transfer of any share shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares and registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.	**Transfer Form.**
41.	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, 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, 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.	**Board may refuse to register transfer** **Transfer not to be refused on ground of indebtedness**
42.	The Board may decline to recognize any instrument of transfer unless – (a) the instrument of transfer is duly stamped, dated and executed and is in the form as prescribed in the 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.	**Board may decline to recognize instrument of transfer**
43.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	**No fee on transfer.**
44.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 of the Act and rules made there under to close the Register of Members and/or the Register of debentures holders and/or other security holders and registration of transfer may be suspended at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	**Closure of Register of Members or debenture holder or other security holders.**
45.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors	**Custody of**

	may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.	**transfer Deeds.**
46.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**Application for transfer of partly paid shares.**
47.	The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.**
	NOMINATION AND TRANSMISSION OF SHARES	
48.	(i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. (iv) If the holder(s) of the securities survive(s) the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	**Nomination**
49.	(1) 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 recognized by the Company as having any title to his interest in the shares. (2) Nothing in clause (1) 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.	**Title to shares on death of a member** **Estate of deceased member liable**
50.	(1) 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.	**Transmission Clause**
	(2) 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.	**Board's right unaffected**
	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	**Indemnity to the Company**
51.	(1) 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	**Right to election**

	writing signed by him stating that he so elects.	**of holder of share**
	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	**Manner of testifying election**
	(3) 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.	**Limitations applicable to notice**
52.	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.	**Claimant to be entitled to same advantage**
53.	Notwithstanding anything contained in Article 42, in the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed under sub-section 1 of section 56 of the Act or any modification thereof as circumstances permit.	**Form of transfer Outside India.**
54.	The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.	**Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.**
	JOINT HOLDERS	
55.	Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint owners with benefits of survivorship subject to the following and other provisions contained in these Articles. (a) Shares may be registered in the name of any person, company or other body corporate but not more than three persons shall be registered jointly as members in respect of any shares. (b) The certificates of shares registered in the names of two or more persons shall be delivered to the persons first named on the Register. (c) If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of share certificates, dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting, and the transfer of the shares, be deemed to be the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment for the payment of all installments and calls due in respect of such shares and for all incidentals thereof accordingly to the Company's regulation. (d) In case of death of any one or more of the persons named in the Register of Members as the joint holders of any shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.	**Joint-holders**

	(e) If there be joint registered holders of any shares, any of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons whose name stands higher on the Register of Members shall alone be entitled to vote in respect of such shares, but the others of the joint shareholders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holder thereof. (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	
	FORFEITURE OF SHARES	
56.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, 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 or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	**If call or instalment not paid notice must be given**
57.	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.	**Form of Notice**
58.	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.	**In default of payment of shares to be forfeited**
59.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	**Receipt of part amount or grant of indulgence not to affect forfeiture**
60.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	**Entry of forfeiture in register of members**
61.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	**Effect of forfeiture**
62.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	**Forfeited shares may be sold, etc.**
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board	**Cancellation of**

	may cancel the forfeiture on such terms as it thinks fit.	**forfeiture**
63.	(1) 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, and shall 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.	**Members still liable to pay money owing at the time of forfeiture**
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	**Member still liable to pay money owing at time of forfeiture and interest**
	(3) 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.	**Cessation of liability**
64.	(1) 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;	**Certificate of forfeiture**
	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment 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;	**Title of purchaser and transferee of forfeited shares**
	(3) The transferee shall thereupon be registered as the holder of the share; and	**Transferee to be registered as holder**
	(4) 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, re-allotment or disposal of the share.	**Transferee not affected**
65.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	**Validity of sales**
66.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	**Cancellation of share certificate in respect of forfeited shares**
67.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	**Surrender of share certificates**
68.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, 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.	**Sums deemed to be calls**
69.	The provisions of these Articles relating to forfeiture of shares shall *mutatis*	**Provisions as to forfeiture of**

	mutandis apply to any other securities including debentures of the Company.	**shares to apply *mutatis mutandis* to debentures, etc.**
	ALTERATION OF CAPITAL	
70.	Subject to the provisions of the Act, the Company may, by ordinary resolution – (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) 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.	**Power to alter share capital**
71.	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 Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;	**Shares may be converted into stock**
	(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;	**Right of stockholders**
	(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.	
72.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules: (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	**Reduction of capital**
73.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which	**Joint-holders** **Liability of Joint holders**

	ought to be made in respect of such share.	
	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	**Death of one or more joint-holders**
	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	**Receipt of one sufficient**
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	**Delivery of certificate and giving of notice to first named holder**
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	**Executors or administrators as joint-holders**
	(e) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	**Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.**
	CAPITALISATION OF PROFITS	
74.	(1) The Company, in general meeting may, upon the recommendation of the Board, resolve — (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, securities premium account 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 (2)	**Capitalisation**
	(2) The sum aforesaid shall not be paid in cash but shall be applied, 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 or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportion as may be determined by the law in accordance with the law; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).	**Sum how applied**
	(d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
	(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
75.	1. Whenever such a resolution as aforesaid shall have been passed, the Board shall – (b) make all appropriations and applications of the amounts resolved to be authorized thereby, and all allotments and issues of fully paid shares or other securities, if any; and (c) generally, do all acts and things required to give effect thereto.	**Powers of the Board for capitalisation**
	2. The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons	**Board's power to issue fractional**

	or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, 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 authorized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.	**certificate/coupon etc.**
	BORROWING POWERS	
76.	Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board: (i) accept or renew deposits from Shareholders; (ii) borrow money by way of issuance of Debentures; (iii) borrow money otherwise than on Debentures; (iv) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting. Provided further that the Board may delegate the power specified in sub clause (iii) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.	**Power to borrow.** **Delegation of power to borrow**
77.	Subject to the provisions of the Act, these Articles and the applicable Law, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Members by Special Resolution in General Meeting.	**Issue of discount etc. or with special privileges.**
78.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.	**Securing payment or repayment of Moneys borrowed.**
79.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such	**Bonds, Debentures etc. to be under the**

	consideration as they shall consider to be for the benefit of the Company.	**control of the Directors.**
80.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	**Mortgage of uncalled Capital.**
81.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	**Indemnity may be given.**
	BUY – BACK OF SHARES	
82.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	**Buy-back of shares**
	GENERAL MEETINGS	
83.	All general meetings other than annual general meeting shall be called extraordinary general meeting.	**Extraordinary general meeting**
84.	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.	**Powers of Board to call extraordinary general meeting**
	(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	
	PROCEEDINGS AT GENERAL MEETINGS	
85.	(1) No business shall be transacted at any general meeting unless a quorum of members is present while transacting business. (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. (3) The quorum for a general meeting shall be as provided in section 103 of the Act.	**Liability of Members.** **Business confined to election of Chairperson whilst chair vacant** **Quorum for general meeting**
86.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	**Chairperson of the meetings**
87.	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 among themselves to be Chairperson of the meeting.	**Directors to elect a Chairperson**

88.	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, by show of hands, by poll or electronically, choose one of their members to be Chairperson of the meeting.	**Members to elect a Chairperson**
89.	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 a second or casting vote.	**Casting vote of Chairperson at general meeting**
90.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors to be prepared and signed in such manner as prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned thereof in books kept for that purpose with their pages consecutively numbered.	**Minutes of proceedings of meetings and resolutions passed by postal ballot**
	(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	**Certain matters not to be included in Minutes**
	(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	**Discretion of Chairperson in relation to Minutes**
	(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	**Minutes to be evidence**
91.	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all business days. Provided such member gives at least 7 days' notice in writing of his intention to do so.	**Inspection of minute books of general meeting**
	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of a maximum fee as prescribed in the Act for each page or part thereof, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	**Members may obtain copy of minutes**
92.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	**Powers to arrange security at meetings**
93.	Notwithstanding anything contained in these Articles, the Company may, and in case of resolutions relating to such business as notified under Rule (22) (16) of the Companies (Management and Administration) Rules, 2014 or other applicable laws to be passed by postal ballot, shall get the resolution passed by	**Postal Ballot**

	means of a postal ballot, instead of transacting the business in the general meeting of the Company. Where the Company decides to pass the resolution by postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, as amended from time to time.	
	ADJOURNMENT OF MEETING	
94.	(1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.	**Chairperson may adjourn the meeting**
	(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.	**Business at adjourned meeting**
	(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.	**Notice of adjourned meeting**
	(4) Save as aforesaid and save as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	**Notice of adjourned meeting not required**
	VOTING RIGHTS	
95.	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.	**Entitlement to vote on show of hands and on poll**
96.	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.	**Voting through electronic means**
97.	(1) 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. (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	**Vote of joint holders** **Seniority of names**
98.	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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or senior most guardian as determined in the order in which name stands in the document(s) received by the Company advising of the guardianship.	**How members *non compos mentis* and minor may vote**
99.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect	**Votes in respect of shares of deceased or insolvent members, etc.**

	thereof.	
100.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	**Business may proceed pending poll**
101.	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 or in regard to which the Company has exercised any right of lien. The Register of Members shall be conclusive evidence of the payment of calls, liens or other sums and in case of any error in the Register of Members, it shall not invalidate the proceedings of the Meeting.	**Restriction on voting rights**
102.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.	**Restriction on exercise of voting rights in other cases to be void**
103.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	**Equal rights of members**
	PROXY	
104.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	**Member may vote in person or otherwise**
	(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize 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.	**Proxies when to be deposited**
105.	An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.	**Form of proxy**
106.	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.	**Proxy to be valid notwithstanding death of the principal**
	BOARD OF DIRECTORS	
107.	(1) The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors more than fifteen in compliance with the Act. (2) The following shall be the first directors of the Company: (i) Pavan Kumar Bajaj (ii) Karan Bajaj (iii) Astha Vijay Bhardwaj (3) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director, Whole-time Director or Chief Executive Officer of the Company.	**Board of Directors** **First Directors** **Same individual may be Chairperson and Managing Director/ Chief**

		Executive Officer
108.	Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	**Directors not liable to retire by rotation**
109.	(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.	**Remuneration of directors**
	(2) 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.	**Travelling and other expenses**
110.	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.	**Execution of negotiable instruments**
111.	(1) Subject to the provisions of Sections 149 & 161 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.	**Appointment of additional directors**
	(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.	**Duration of office of additional director**
112.	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	**Appointment of alternate director**
	(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.	**Duration of office of alternate director**
	(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.	**Re-appointment provisions applicable to Original Director**
113.	The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.	**Nominee Director**
114.	(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, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.	**Appointment of director to fill a casual vacancy**
	(2) Provided, that 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.	**Duration of office of Director appointed to fill casual vacancy**
	POWERS OF BOARD	

115.	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 statute 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.	**General powers of the Company vested in Board**
	PROCEEDINGS OF THE BOARD	
116.	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	**When meeting to be convened**
	(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	**Who may summon Board meeting**
	(3) The quorum for a Board meeting shall be as provided in the Act.	**Quorum for Board meetings**
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means as may be prescribed by the Rules or permitted under law.	**Participation at Board meetings**
117.	(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.	**Questions at Board meeting how decided** **Casting vote of Chairperson at Board meeting**
118.	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.	**Directors not to act when number falls below minimum**
119.	(1) The Chairperson of the Company shall be the Chairperson of the meetings of the Board. In his / her absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	**Who to preside at meetings of the Board**
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	**Directors to elect a Chairperson**
120.	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	**Delegation of powers**
	(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.	**Committee to conform to Board regulations**
	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or other audio-visual means, as may be prescribed by the Rules or permitted under law.	**Participation at Committee meetings**
121.	(1) A Committee may elect a Chairperson of its meetings unless the Board,	**Chairperson of**

	while constituting a Committee, has appointed a Chairperson of such Committee.	**Committee**
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Who to preside at meetings of Committee**
122.	(1) A Committee may meet and adjourn as it thinks fit.	**Committee to meet**
	(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	**Questions at Committee meeting how decided**
	(3) In case of an equality of votes, the Chairperson of the Committee or Meeting shall have a second or casting vote.	**Casting vote of Chairperson at Committee meeting**
123.	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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	**Acts of Board or Committee valid notwithstanding defect of appointment**
124.	Subject to the provisions of the Act, a resolution of the Board may be passed by circulation, if the resolution has been circulated in draft, along with necessary documents, if any, to all Directors or members of the Committee, as the case may be, at their address registered with the Company in India by hand delivery or by post or by courier or through electronics means and has been approved by majority of Directors or Members, who are entitled to vote on the resolution.	**Passing of resolution by circulation**
CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, WHOLE-TIME DIRECTOR COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
125.	(a) Subject to the provisions of the Act, every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act. (b) Subject to the provisions of the Act, the Directors may from time to time appoint or re-appoint one or more of their Body to be Managing Director (in which expression shall be included a Joint Managing Director) or whole-time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit, and may from time to time remove or dismiss him/her or them from office and appoint another or others in his/her or their places. (c) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	**Chief Executive Officer, etc.** **Director may be chief executive officer, etc.**
REGISTERS AND INSPECTION THEROF AND OTHER DOCMENTS		
126.	The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996 and other applicable Law, keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of	**Statutory registers**

	investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on each business day at the registered office of the Company by the persons entitled thereto provided such person gives at least 7 days' notice of his intention to do so, on payment of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Such person if authorized by the Act and the Rules, can also take copies of such registers by paying a maximum fee as prescribed in the Act per page or part thereof to the Company. The Company shall take steps to provide the copies of the registers to such person within 7 days of receipt of the fees. The Board, if deem fit, may waive off this fee. The Company shall, on being so required by a Member, send to him within seven days of the request and subject to payment of a maximum fee as prescribed in the Act for each copy of the documents specified in Section 17 of the Act. The Board, if deem fit, may waive off this fee.	
127.	(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.	**Foreign register**
	THE SEAL	
128.	(1) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal and the seal shall never be used except by the authority of the Board or a committee of the Board previously given. (2) 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 authorized by it in that behalf, and except in the presence of two 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 so affixed in their presence.	**The seal, its custody and use Affixation of seal**
	DIVIDENDS AND RESERVE	
129.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	**Company in general meeting may declare dividends**
130.	Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	**Interim dividends**
131.	(1) 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.	**Dividends only to be paid out of profits.** **Carry forward of**

	(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	**profits**
132.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) That any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in dividend subsequently declared. (3) 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.	**Division of profits** **Payments in advance** **Dividends to be apportioned**
133.	(1) 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. (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. (3) 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. 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 Act, viz. "Investors Education and Protection Fund". (4) There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law	**No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from** **Retention of dividends** **Transfer of unclaimed dividend** **Forfeiture of unclaimed dividends**
134.	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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. (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	**Dividend how remitted** **Instrument of payment** **Discharge to Company**
135.	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.	**Receipt of one holder sufficient**

136.	No dividend shall bear interest against the Company.	**No interest on dividends**
137.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	**Waiver of dividends**
	ACCOUNTS	
138.	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.	**Inspection by Directors** **Restriction on inspection by members**
	WINDING UP	
139.	Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under - (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, 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. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	**Winding up of Company**
	INDEMNITY AND INSURANCE	
140.	(a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses. (b) Subject as aforesaid, every officer of the Company shall be indemnified 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 discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	**Directors and officers right to indemnity** **Insurance**
141.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating	**Secrecy**

	thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	
	GENERAL POWER	
142.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	**General power**

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the above-mentioned documents and contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 20, 2021, between our Company and the BRLMs.

2. Registrar Agreement dated September 16, 2021, between our Company and the Registrar to the Issue.

3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Issue Bank and the Refund Bank(s).

4. Syndicate Agreement dated [●] between our Company, the BRLMs, the Registrar to the Issue and Syndicate Members.

5. Monitoring Agency Agreement dated [•] entered into between our Company and the Monitoring Agency.

6. Underwriting Agreement dated [●] between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company as amended from time to time.

2. Certificate of incorporation dated September 10, 2018.

3. Resolution of the Board and Shareholders dated April 14, 2021 and April 19, 2021, respectively, authorising the Issue.

4. Copies of the annual reports of our Company for the Financial Years 2021, 2020 and 2019.

5. Copies of the annual reports of our subsidiary for the Financial Years 2021 and 2020.

6. The report dated September 20, 2021 on the statement of special direct tax benefits from the Statutory Auditors.

7. The report dated September 20, 2021 on the statement of special indirect tax benefits from the Statutory Auditors

8. The examination report dated August 23, 2021 of the Statutory Auditor, on our Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus along with the Restated Consolidated Financial Information.

9. Written consent of the Directors, the BRLMs, the Syndicate Members, Legal Counsel to our Company as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Registrar to the Issue, Escrow Collection Bank(s), Public Issue Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, Monitoring Agency, Company Secretary and Compliance Officer, as referred to in their specific capacities.

10. Written consent dated September 20, 2021, from the Statutory Auditors to include their name as an ‘expert’ as defined under Section 2(38) read with Section 26 of the Companies Act, in

relation to the Restated Consolidated Financial Information, the examination report on the Restated Consolidated Financial Information, and the statement of special tax benefits included in this Draft Red Herring Prospectus.

11. Written consent dated September 13, 2021, from the independent chartered engineer, namely M. Nagi Reddy,independent chartered engineer, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to his certificate dated September 13, 2021 certifying the estimated cost of establishment of new stores and warehouses, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

12. Written consent dated September 13, 2021, from the independent chartered accountant, namely Komandoor & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

13. Report titled '*Assessment of Electronic Retailing in India*' issued in August 2021, by CRISIL for inserting their name as an industry service provider and for inclusion of their Report in this Draft Red Herring Prospectus.

14. Due diligence certificate dated September 20, 2021, addressed to SEBI from the BRLMs.

15. In principle listing approval dated [●] and [●] issued by BSE and NSE, respectively.

16. Tripartite agreement dated December 3, 2018 between our Company, NSDL and the Registrar to the Issue.

17. Tripartite agreement dated December 4, 2018 between our Company, CDSL and the Registrar to the Issue.

18. SEBI final observation letter bearing reference number [●] and dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Pavan Kumar Bajaj
Chairman and Managing Director

Place: Hyderabad

Date: 20th September, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Karan Bajaj
Chief Executive Officer and Whole-time Director

Place: Hyderabad

Date: 20th September, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Astha Bajaj
Executive Director and Whole-time Director

Place: Hyderabad

Date: 20th September, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Anil Rajendra Nath
Independent Director

Place: Mumbai

Date: 20/9/21

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Mirza Ghulam Muhammad Baig
Independent Director

Place: Hyderabad

Date: 20th September, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Suman Kumar
Independent Director

Place: Hyderabad

Date: 20th September, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the 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, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER

Premchand Devarakonda

Place: Hyderabad

Date: 20th September, 2021